



## 5. STATES: Southern tempers boil over national renewable standard (04/02/2009)

**Evan Lehmann, E&E reporter**

The political climate is heating up in the South as opponents clash over plans in Congress for a national electricity standard, prompting accusations of utility "misinformation" campaigns, followed by cursing rebuttals describing one environmentalist as a lying ideologue.

The Southeast has traditionally been slow to embrace things like energy efficiency, making environmentalists all the more supportive of a national standard that would force utilities to obtain certain amounts of renewable energy.

The standard, supporters say, could propel the region with inexpensive coal-powered electricity into a future in which rich forestlands provide biomass fuel and rivers feed hydroelectric plants. Ideas about the South being unable to muster enough renewable energy are leading to erroneous perceptions about its resources, said Stephen Smith, executive director of the Southern Alliance for Clean Energy.

"We flat-out reject the notion that the Southeast cannot meet a renewable energy standard," he said on a conference call yesterday.

"We are frustrated by the fact that there are some powerful forces at work that have put out this misinformation," Smith added. "They want to maintain the status quo, particularly some of the large utilities that are putting out this information."

The group released a study recently that says the region could produce 25 percent of its power through renewable energy sources by 2025. Rep. Henry Waxman (D-Calif.), chairman of the House Committee on Energy and Commerce, introduced legislation Tuesday with similar targets.

But there's disagreement about the richness of the region's renewable energy resources. Utilities assert that a national standard could leave them scraping for clean power as their counterparts in sunny California and the windy Midwest cash in.

"That one-size-fits-all renewable mandate we do feel disadvantages areas of the country with limited resources," said Valerie Holpp, a spokeswoman for Southern Co., a major power provider in the South. "This is a regional issue."

### 'Huge myth' about solar

The company joined Georgia Institute of Technology to conduct a study in 2006 that determined that the region's offshore wind potential is "average," asserting that it's too expensive to harvest with conventional turbines. It's studying lower-speed turbines able to survive hurricanes.

Southern Co. also appears to be chafing some advocates by saying on its Web site that the region has "a few hundred megawatts" of biomass potential -- the equivalent of a small power plant and much less than what environmentalists believe can be achieved. The company is converting a Georgia coal plant to burn all biomass, up to 96 megawatts. It's also looking at solar, carbon capture and sequestration and wind. The most likely source of biomass in the Southeast, experts believe, will be wood chips.

Southern Co. also says "hydropower has no growth potential in the Southeast" and questions the effectiveness of solar technologies because the humid region's clouds and haze "decrease photovoltaic performance."

"There is a huge myth that solar does not work in the South," said James Marlow of Radiance Solar, which builds big and small solar projects in Georgia. "It's just not factual."

He noted that Germany, the world's solar leader, experiences two hours of sun a day on average, much less than Georgia's five hours.

David Brown Kinloch, president of Lock 7 Hydro Partners LLC, which develops small-scale hydropower facilities in Kentucky, said the state has 39 untapped dams that could produce another 500 megawatts of electricity.

### Carbon caps more effective than renewable standards

Still, there's concern that a national renewable electricity standard, or RES, could be used to promote specific technologies. A better option, opponents say, is relying on a cap-and-trade program to hike the price of carbon dioxide emissions associated with fossil fuels, and then letting utilities -- and their customers -- determine which alternative forms of energy work the best.

"The trading program sets a market price for carbon -- a far more efficient way to encourage investment in clean energy than an RES," Scott Segal, director of the Electric Reliability Coordinating Council, said in a statement. "Indeed, the restrictive definition of technology in the RES actually reduces the choice of compliance strategies under the cap and trade program, thus undermining the cost effectiveness of the bill."

In other words, utilities don't want to be stopped from building new nuclear plants, said Smith of the Southern Alliance for Clean Energy.

"Most of the utilities in the Southeast tend to only want to address climate change through nuclear power," Smith said.

Those types of assertions rankle some people in the industry. Smith stands out as a rowdy nuisance to Tom Williams, a spokesman for Duke Energy Corp. "He is a lying son of a bitch," Williams said.

Duke Energy Corp. is buying 16 megawatts of solar power from a facility in North Carolina run by SunEdison. It's also seeking approval for an initiative that would let it pay fees to homeowners and businesses that let Duke send their power to the grid. The company has wind farms in Texas, the Southwest and the Midwest. And it plans to build several biomass power plants in the West.

Duke is also seeking approval to build a two-reactor nuclear plant in South Carolina.

"Clearly, some regions of the country have greater potential for renewable than others," said Williams, who said Duke supports state renewable portfolio standards, but not a national approach.

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