

Southeast a Holdout in Mandating Renewable Energy

RAY HENRY - Associated Press - Associated Press

States across the country are gradually forcing or cajoling their electric companies into buying renewable energy, but the trend has fallen flat in the Southeast.

The map is striking. Of the 11 states that haven't set even voluntary targets on how much alternative energy utilities must buy, eight of them are Southern states — Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, South Carolina and Tennessee. Those involved in the debate say a mix of factors have deterred the states from more aggressively pursuing new sources of energy.

Conservative Republicans are wary of imposing unpopular government mandates. Utility companies that enjoy regional monopolies make little money selling renewable power generated by someone else to their customers. And those utilities are influential, spending more than \$74 million this year on federal lobbying, according to tallies by the Center for Responsive Politics. Similar spending happens on the state level. Lobbyists for Georgia Power have spent more than \$29,000 this year while meeting with lawmakers, utility and environmental regulators and other officials.

Residents in the Southeast also benefit from some of the lowest electricity bills in the country, making politicians reluctant to tamper with anything that could hit their constituents in the wallet.

"When things are working well, there's a little bit less of an incentive to push for something new," said Jessica Shipley, a solutions fellow for The Pew Center on Global Climate Change, which backs tighter rules.

North Carolina remains the regional outlier. It passed a law in 2007 requiring municipal power companies and cooperatives to get 10 percent of their electricity by 2018 from renewable sources such as solar panels, wind turbines, hydroelectric dams and chicken and pig manure. Investor-owned utilities will have to meet a 12.5 percent target by 2021. The companies can meet that requirement in part by taking steps to decrease electricity use.

The earliest standard was created in 1983, although analysts at the Pew Center say most states created or strengthened their rules after 2000.

Proponents of the rules say they create a market for alternative energy, wean the country off fossil fuels and reduce emissions blamed for global warming. Not all rules are binding on utilities. Electric companies are required to meet the mandates set in North Carolina. Other states like North Dakota have voluntary programs that do not include penalties.

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In rural Newland, N.C., construction workers have been installing the underground electric cables that will soon connect some 4,000 solar panels on part of a Christmas tree farm. The \$5 million project, which should be finished next month, will produce enough electricity to power a neighborhood. Joel Olsen, managing director of O2 Energies, said the law forcing utilities to purchase green energy was one of several policy changes that made his project possible.

"Utilities need to have a requirement in order to purchase power, otherwise it makes no business sense to their shareholders," he said.

Former North Carolina state Sen. Charles Albertson sponsored the legislation mostly to help livestock farmers. His law allows power companies to meet part of their targets by burning or extracting flammable gasses from pig and chicken waste.

"We felt we could utilize some of that animal waste and put it on the grid," Albertson said. His other goals included reducing North Carolina's reliance on out-of-state energy and trim its fossil-fuel emissions.

Former Florida Gov. Charlie Crist's attempt to create a renewable energy standard flopped. State lawmakers refused to approve rules setting a renewable energy standard, although an older executive order attempting to set energy goals remains on the books.

Efforts to create a national standard have so far failed. Legislation creating such a standard — which was part of a defeated cap-and-trade system — has stalled in Congress. During this year's State of the Union address, Obama called for getting 80 percent of the country's electricity from nuclear, natural gas and "clean coal" with renewable sources such as wind and solar.

Some argue the Southeast lacks the resources for big renewable energy projects. Government studies show the region has less solar energy potential than the West. Wind speeds on land are also relatively low, making wind turbines less productive than in the Midwest or the Great Plains. Better wind could be found offshore, although that increases costs.

Marilyn Brown, a professor at the Georgia Institute of Technology who studies renewable energy policies, said the Southeast has untapped energy at its disposal. She said local states could burn biomass in coal-fired power plants without changing much equipment. Policymakers could make it easier for manufacturers to install generators that convert heat produced by factories into electricity that can be sold to consumers.

"I do think there are some misunderstandings about the available resources," she said.

Utility companies are wary of any policies that could cost their customers and shareholders money. A study this year by the U.S. Energy Information Administration forecast that coal- and gas-fired power plants coming online by 2016

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would on average produce cheaper electricity than the major forms of renewable energy, except hydropower. Brown said many of the most viable streams are already dammed and there's little political appetite for building more. Researchers are investigating whether turbines could be added to existing dams.

Fossil-fuel and nuclear plants have another inherent advantage: they can operate when renewables cannot. A solar panel cannot generate electricity at night. Wind turbines won't spin on a calm day.

The Atlanta-based Southern Co., which operates power utilities in four Southern states, says renewable energy is part of its portfolio, but it opposes a federal mandate forcing it to buy set amounts of that energy. In Georgia, the company says it opposes any mandate that will increase customer bills.

"We are not in favor of anything that is going to put upward pressure on rates and would be uneconomical for our customers," said Lynn Wallace, a spokeswoman for Southern Co. subsidiary Georgia Power.

Of course, the electricity from fossil-fuel plants is not immune to price increases. Utilities plan to spend billions of dollars upgrading or replacing coal-fired power plants to meet more stringent environmental requirements.

Democratic state Rep. Karla Drenner, who has sponsored bills requiring renewable energy use in past years, has never gotten her proposal out of a committee. She said Georgia is missing a chance to create new jobs. Once a market for renewable energy takes off, she expects competition will increase, technology will improve and prices will come down.

But she concedes mandates are deeply unpopular among Southeast conservatives.

"A mandate is a political cussword in a red state," she said.

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