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**HEADLINE: No Home Runs in Energy Bill; Little Impact Expected for Imported Oil, Pollution, Power Grid**

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BODY: The energy bill before Congress is a bulky tome of more than 1,000 pages, with thousands of provisions affecting every corner of the country.

But for all its size, industry officials and environmental activists of widely divergent viewpoints generally agree that it will have only a modest impact on the nation's most pressing energy problems, including its reliance on foreign energy supplies, an overburdened electricity grid and fuels that pollute the air and may alter the atmosphere.

For those who want to deal aggressively with the dangers of climate change and air polluted by auto exhausts, power plants and factories, the bill is a disappointment.

But for those who believe the United States needs to dramatically increase its domestic energy production in the interest of national security, the legislation also falls short.

"If you're going to call it a national energy policy, I would have thought there would be major effort to find new oil and gas reserves," said ConocoPhillips Co. vice president Don R. Duncan. "There is not a home run in the bill that does that."

Republican lawmakers who worked for weeks to produce the bill acknowledge as much, but say they went as far as they could given the conflicting political, regional and economic pressures.

"We had to write one law for the country," a country with many strong regional and ideological differences on energy policy, said Sen. Pete V. Domenici (R-N.M.), chairman of the Energy Committee. "We can't do what can't be done."

An administration-backed plan to open the Arctic National Wildlife Refuge (ANWR) to oil and gas exploration was dropped from the bill to increase the chances of Senate passage. Opposition to new oil and gas drilling off U.S. coasts proved so strong that GOP negotiators also dropped a proposal merely to inventory offshore energy reserves.

As a result, the bill will not significantly slow the increasing U.S. dependence on crude oil imports, according to senior oil industry executives. "We can improve production on the margin, but we're not going to change that fact," said David O'Reilly, chairman and chief executive of ChevronTexaco Corp.

Instead, industry executives and analysts said, U.S. consumers will also be increasingly reliant on imported gasoline and natural gas, used to heat homes and generate electrical power. One consequence may be much sharper price swings for these fuels, analysts said.

The bill does provide federal financial support for a proposed \$ 20 billion trans-Alaska gas pipeline -- a major potential source of new natural gas supplies. But the incentives are not enough to get the project going, say officials of ConocoPhillips, a primary backer. Even under the best of circumstances, the gas would not arrive for a decade.

Negotiators provided a wide range of tax incentives to promote wind power generators, energy-efficient homes and hybrid passenger cars running on gasoline and batteries, and Republicans say these and other conservation measures will produce or save enough electricity between now and 2020 to make it unnecessary to build 130 new 300-megawatt power plants.

Money would be authorized for powering government buildings with state-of-the-art photovoltaic cells, and the bill even sets aside \$ 6.2 million to promote bicycles as a way to conserve energy. Incentives for developing new, energy-efficient traffic lights could save significant amounts of electricity.

But impressive as the conservation savings are, they amount to only about three months of U.S. energy consumption between now and 2020, according to a preliminary estimate by the American Council for an Energy-Efficient Economy.

The bill's GOP authors dropped a Senate-approved plan to require large utilities to steadily increase their use of energy from clean, renewable sources such as wind and solar power. The Union of Concerned Scientists called that decision yesterday a "major setback to the renewables industry."

The bill does not require improvements in the fuel efficiency of cars and trucks, the main guzzlers of gasoline made from imported oil. The current 27.5 miles per gallon average for cars could even decrease in the next decade because of several provisions in the bill, according to some analysts. Federal officials in the future would have to consider new factors, such as the impact on auto industry jobs, before demanding a higher performance standard, and the bill would extend a loophole that allows automakers credit for producing higher-mileage, ethanol-fueled hybrid cars even though those cars still overwhelmingly use gasoline.

The bill responds to the massive Aug. 14 power blackout by creating mandatory reliability rules for the nation's electricity transmission networks. It would also give federal regulators the right to use their authority to create rights of way for new transmission lines needed to relieve congestion.

But in other ways, the bill would undermine efforts by the Federal Energy Regulatory Commission to create independent regional organizations to oversee transmission, said Carnegie Mellon University professor Lester B. Lave, co-director of its Electricity Industry Center.

The legislation's most far-reaching feature may be the repeal of the 1935 Public Utility Holding Company Act, which limits utility industry mergers. The act's repeal is a top priority for the electric power industry and the Bush administration, and if the bill passes, a wave of mergers and acquisitions could follow.

Whether that would result in needed investments in the power infrastructure, as most Republican lawmakers predict, or the creation of bigger, more dominant energy firms and higher energy prices, as many Democrats fear, is another issue in dispute.

Republicans acknowledge the bill has its limits, but say that it represents a major accomplishment even so.

"It is a misapprehension to think there ever was a silver bullet for solving our energy challenges," said Deputy Energy Secretary Kyle McSlarrow. "One of the reasons why the bill was so hard, and why the president and Congress deserve so much credit, is that energy challenges have to be tackled fuel by fuel and issue by issue. The bill in the aggregate is a home run."

A senior GOP aide said: "There has been no wrenching change here that would allow us to pass fuel efficiency standards requiring 45 miles per gallon, or a carbon tax [to curb global warming], or to wean ourselves from foreign oil. We have no ability here, nor do we have a justification for change like that."

During the three years the energy bill was in the making, neither conservatives nor environmentalists showed much willingness to reach compromises or cut deals that possibly could have led to bigger breakthroughs.

Democrats and GOP moderates refused to budge in their opposition to exploration at ANWR, and they continued to oppose taking a fresh look at the advantages of nuclear energy in reducing harmful emissions from oil, gas and coal. Conservatives, however, flatly refused to address concerns about global warming and opposed mandates for greater use of renewables.

C. Boyden Gray, a former counsel to the first President Bush who worked on the landmark 1990 amendments to the Clean Air Act, said Congress was handicapped by the fact that energy issues are not being debated on the national stage. To end the current stalemate, he said, presidential candidates from both parties must highlight the issue in their 2004 campaigns.

"In Congress, you get started down a certain path and it's hard to get out of it," Gray said. "I don't think you can accomplish anything without getting the public to buy in."

Instead of a broad deal, the final package contains dozens of pieces of two clashing visions of the nation's energy future.

The Bush administration and most Republicans say their long-term strategy is based on processes that do not produce harmful emissions, such as hydrogen engines for cars and nuclear plants to produce electricity.

In the GOP plan, hydrogen would eventually be separated from water by nuclear power, with no greenhouse gas emissions.

To revive the nuclear power industry -- which has not received a new plant license since 1978 -- the bill would provide more than \$ 100 million a year in production tax credits for about a half-dozen new plants using advanced designs.

At the same time, Republicans also favor advanced technologies that allow utilities to burn abundant and relatively cheap supplies of U.S. coal without emitting greenhouse gases implicated by some in global warming.

But Democrats and environmentalists, who favor much larger investments in conservation and renewable energy, say the GOP approach perpetuates the nation's dependence on fossil fuels for years to come, expands the risks of reliance on nuclear energy and pins hopes on energy from hydrogen that could still be decades away.

"The programs in the bill are minuscule compared to what needs to be done to have any impact," said Richard Rosen, executive vice president of Tellus Institute, a Boston-based research and consulting firm. "We're talking about tiny, incremental programs in small fractions."

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