



National Policy Will Shape State Energy Debate

Story by Walt Williams

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State legislators are keeping a close eye on how the Obama administration and Congress are shaping the future of energy.

CHARLESTON -- What happens in D.C. won't necessarily stay in D.C. when it comes to the future of energy policy in the Mountain State. State lawmakers will spend a good part of the 2009 Legislative session crafting legislation determining where West Virginians get their electricity and how that energy is provided. But looming over the discussions are policy debates now taking place in Washington, D.C.

President Barack Obama has proposed a mandatory cap-and-trade program for carbon dioxide emissions the administration expects will generate nearly \$650 billion for the federal government by 2020. Coal-fired power plants are the leading source of greenhouse gases.

At the same time, Obama has slashed funding for the Yucca Mountain nuclear waste depository in Nevada, an act that could harm any chance for passage of a proposed bill eliminating West Virginia's ban on nuclear power plants. Yucca Mountain was supposed to be the nation's single site for radioactive waste disposal, but Nevada officials and environmentalists opposed it.

Both policies are a sea change of those of former President George W. Bush, who generally opposed more regulation of the nation's energy industry. They also are a concern to state lawmakers such as Sen. Frank Deem, R-Wood.

The Obama administration "is going to tax the carbon fuels, including oil and gas, out of business," he said.

The most significant piece of energy-related legislation before lawmakers in the current session is a state energy portfolio proposed by Gov. Joe Manchin.

An energy portfolio requires utilities in a state to get a percentage of their electricity from renewable or alternative sources. Most states across the nation have adopted renewable energy portfolios that require them to get from 15 to 25 percent of their energy from solar, wind or hydroelectric power in the next 10 to 15 years.

Manchin, however, is pursuing a policy resembling that of neighboring states such as Ohio and Pennsylvania. His portfolio would require utilities to get 25 percent of their energy from either renewable resources or "advanced generation" sources such as coal-fired power plants that sequester carbon.

The Alternative and Renewable Energy Act would establish a credit system with utilities receiving different amounts of credits based on where and how the electricity was generated.

A utility would get one credit per megawatt hour of energy from an alternative source such as an advanced coal-fired power plant. It would get two credits for renewable energy and three credits if the renewable energy came from a facility on a reclaimed surface mine.

People who generate their own electricity also would be eligible for credits.

By 2025, electric utilities must own enough credits equal to 25 percent of the energy they sell in the state. In other words, they are not required to get 25 percent of their energy from alternative or renewable sources, just have enough credits to count.

The legislation also calls for new rules concerning net metering — a policy allowing customers who generate their own power to get credit for the energy they put into the grid — and the creation of a commission to review and develop proposals for carbon sequestration.

The latter may be particularly important if Obama makes good on his promise to regulate carbon dioxide emissions. The policy worries industry representatives such as Bill Raney, president of the West Virginia Coal Association, who questioned why the administration would want to pursue a policy he said could cost jobs.

“In these economic times, that is puzzling to me,” he said.

However, the association hasn’t taken a stance on Manchin’s energy bill. Neither has the West Virginia Environmental Council, although it has put forward a bill that calls for the state to get 15 percent of its energy from renewable resources by 2021.

The council has been vocal in its opposition to a bill that would lift the state’s ban on the construction of nuclear power plants in West Virginia. State law currently forbids construction of nuclear power plants until such time that proponents could show that radioactive waste could be safely disposed.

Don Garvin, the council’s lobbyist, told members of the Senate Energy, Industry and Mining Committee that with Obama slashing funds for Yucca Mountain, there was no place for a nuclear power plant in West Virginia to meet the disposal requirements.

But Leonard Nelson, an engineer and former president of the The Community and Technical College at West Virginia University Institute of Technology, said nuclear power is safe. He noted that France gets 80 percent of its power from nuclear energy and recycles its nuclear waste.

“They don’t have a problem with waste disposal, and by and large get rid of it,” he said.

Nelson said nuclear power was needed as a “bridge technology” if the nation is to move away from fossil fuels. Nuclear power plants could be used to provide energy until such a time that renewable and clean alternative power sources become viable on a large scale, he said.

The bill lifting the nuclear ban is Senate Bill 240. Manchin’s energy portfolio is contained in two bills, SB 297 and House Bill 2682.

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