

# DON'T STACK THE ENERGY DECK

The following is from a letter to Democratic candidate for Oregon Governor John Kitzhaber.

For me, the most important issue facing Oregon is who you are. You ask to be governor and as governor you will be asked to provide leadership. I am an activist. Most of my life has been a struggle to communicate my concerns. I have lived through the administrations of six governors. I have formed my opinion of them through the lens of my social concerns, though I have also recognized their contributions on issues unrelated to my own. As someone who has struggled to be heard, it is obvious that the ability to communicate with those who wield power is an important element of what it truly means to govern. Not many have the gift to be so open that they will offer their time to those with whom they disagree or in whom they perceive no power or influence. Yet in order for you to truly govern, I believe that you must commit to being accessible and open to all sides representing the issues before you. It will not be enough for you to do this alone.

As you know, one of the important roles a governor plays is in the appointments made to the various agencies and courts which administer the laws of Oregon. One of the reasons that I have spent so much time in court has been the need to respond to the decisions of administrators who have fallen short

in their interpretation of the law and in their perception of their responsibility as regulators. The most important issue for me has not been to stack the deck, but to have a fair process to participate in. Most of the agencies and courts that I have appeared before have failed in this miserably. The most recent example being the rulemaking before the Energy Facility Siting Council on the decommissioning of the Trojan Nuclear Plant.

The Siting Council, like the Oregon Department of Energy and even the Oregon Utility Commission, has more often than not become a creature of what it regulates resulting in a process of public distrust and disillusionment. I could provide many more examples but I believe the bottom line for resolving this problem is the background and integrity of people you will appoint to sit on these councils and lead these agencies. A commitment by your appointees to a fair and open process of decisionmaking must be an absolute. For example there has not been a representative of the environmental movement on the Energy Facility Siting Council since the Straub administration. There has never been a consumer advocate appointed to the Public Utility Commission in the time I have appeared before it. To my knowledge there has been only one person I would consider an environmentalist or consumer advocate appointed to any circuit or district court in Oregon. There is so much room for improvement.

It is hard for me to describe the disappointment I have felt with the administrations of previous Democratic governors. Ironically, one Oregon governor who stands out in my mind was Tom McCall. He does so, not because he agreed with me on my concerns regarding nuclear power (he didn't), but because he was willing to explore the future in an open dialogue with the people of Oregon. His vision was far reaching and he took risks that I have not seen any governor take since. In the field of energy he promoted that kind of foresight which transcended conventional politics and laid the seeds for the energy planning we are involved in today. He responded to the crisis of his time not by trying to suppress dialogue but by trying to promote it. In that respect he preserved the true meaning of democracy.

I do not know what kind of governor you will make. In my experience with the legislature I never had the opportunity to meet with you, though your office instructed me on your position regarding legislation I was concerned about. I do know that if you surround yourself with insulating layers you will face the same kind of problems which have confronted the present administration. One can be right on the issues but can be very wrong on how they provide access to people; it would be nice to be right on both.

—LLOYD K. MARBET

granted this request and, following the submission of briefs from intervenors, issued an order finding that:

—Ballot Measure 9 "does not apply to plant retired from service."

—The OPUC can "allow a utility to recover its undepreciated investment in plant and return on that investment if the recovery occurs over time."

—The OPUC would consider allowing PGE to recover Trojan's decommissioning costs.

The Citizens Utility Board (CUB) and the Utility Reform Project (URP) have both appealed this decision in state court.

Meanwhile, hearings on PGE's proposed rate case are scheduled for July.

If you would like to contact the Public Utility Commission and share your concerns about this proposed rate increase, you can do so by calling 1-800-522-2404. If you would like to join in helping the Citizens Utility Board fight this rate increase, you can do so by sending your contributions to CUB, 921 SW Morrison, #550, Portland, Oregon 97205, or by calling Bob Jenks at (503) 227-1984.

## The Isaiah Project

Nuclear non-proliferation is an issue of great importance to the stability of all nations on this planet. Thus any proposal to reduce the production of nuclear weapons can appear attractive on its face. The Isaiah Project is a clever attempt to use a global concern to mask a regional payoff.

Depending on who is making the proposal, the Isaiah Project would either: complete construction of the mothballed Washington Public Power Supply System's (WPPSS) nuclear plants number 1 & 3 by converting them to burn weapons grade plutonium in a mixed oxide fuel; or retrofit the operating WPPSS Nuclear Plant number 2 to burn mixed oxide fuel combined with the completion of WPPSS number 1. (Both WPPSS number 1 & 2 are located at Richland, Washington, at Hanford, and WPPSS number 3 is located at Satsop, Washington.)

This scheme is designed to hit two birds with one stone. It proposes to hit the first bird by using plutonium extracted from U.S. nuclear warheads to make a mixed oxide fuel which could be fissioned at the WPPSS's nuclear plants producing electrical energy, and using part of the revenues earned from selling this electricity to finance a similar scheme in Russia. It proposes to hit the second bird by completing construction of the mothballed WPPSS nuclear plants and providing a way to pay off bond holders while at the same time generating revenue to retire the Bonneville Power Administration's (BPA) debt to the U.S. Treasury. An attractive scheme fraught with the same kinds of problems which have plagued these nuclear plants from the beginning.

An analysis done by Dick Dunning of the Oregon Department of Energy concludes that "once the actual costs to the taxpayer for plant modifications, decommissioning of the plants and other costs are added in, these plants cannot economically compete with any other power source in the Pacific Northwest" and if the "project should be halted for any reason the taxpayers would pick up the bill for the Columbia Nuclear Corporation bonds." A WPPSS scenario already very familiar to the region.

In an article which appeared in The Folded Crane, a newsletter published in March 1994 by the Physicians for Social Responsibility, Michael O'Rourke points out the environmental threat of operating nuclear plants which were "plagued with design and construction problems" and which would be 30 years old by the time they operate. If Trojan was only able to operate for 18 years out of a projected life of 35 years, how can we expect to have any greater success with reactors which have already accumulated a history of mistakes before they are even turned on?

The Northwest Conservation Act Coalition has also raised an intriguing question "on how the appearance of one or two federally subsidized nuclear plants would affect the Northwest market for gas-fired power plants."

Another question which needs to be answered is what affect this proposal would have on regional expenditures for conservation and renewable energy resources. The last thing that is needed in the Pacific Northwest is to step back into the dark ages of nuclear power.

Governor Roberts has not spoken out on this issue and neither have the gubernatorial candidates. This is yet another issue needing public opposition. Taking a strong stand now against the Isaiah Project has a good chance of killing this proposal and stopping the further drain of taxpayer dollars into tragedies of biblical proportion.

## The rush to natural gas

Energy planning is like history; those who ignore their failures are doomed to repeat them.

The Oregon Department of Energy has prepared a list which shows the number of natural gas fired plants that have submitted site applications, notices of intent, or are potential projects to be built in Oregon. If all of them are licensed, the total energy capacity of these facilities ranges between 2750 and 2855 megawatts. This is five times the amount of capacity that Trojan actually operated at. (1150 megawatts x 50% capacity factor = 575 "average megawatts.") Presently it takes about 4000 megawatts to produce the power that is used in Oregon. Oregon certainly does not need another 2750-2855 megawatts of new power plants.

Using natural gas to generate electricity ignores the warnings we are being given about global warming. At a time in which the Energy Facility Siting Council has an opportunity to begin mitigation of CO<sub>2</sub> emissions into the atmosphere it is instead passing the buck. EFSC is granting exemptions, from having to make a demonstration of the need for power and cost effectiveness, to large, stand alone, natural gas fired facilities; including the U.S. Generating Co. 475-megawatt plant at Hermiston and PGE's 475-megawatt Coyote Springs plant near Boardman. EFSC is also delaying any consideration to be given to reducing CO<sub>2</sub> emissions.

The Citizens Utility Board in its most recent newsletter has an article entitled *Path to Sustainable Energy Precarious* which effectively demonstrates "new electric generation from natural gas instead of energy efficiency and renewable

resources is a barrier to affordable sustainable energy." Relying on natural gas to generate electricity subjects consumers to:

- 1) The costs of financing the infrastructure to transport and store natural gas;
- 2) The costs of fuel price increases will be exacerbated by the long term availability of gas supplies; and
- 3) The hidden costs of environmental impacts which may result in the imposition of a CO<sub>2</sub> tax.

In addition, there are no assured long-term sources of enough natural gas to produce power in these new power plants. PGE has no long-term contracts for the Coyote Springs plant. The gas is expected to come from Canada, but Canadian natural gas prices skyrocketed in the early 1980s (before plummeting in the late '80s). No one knows when gas prices will again go through the roof. All of the proposed gas-fired plants are premised upon continued low prices for 15-30 years.

It is obvious from the problems we face with conventional generating resources (nuclear waste, global warming, and the extinction of salmon) that the time has come to implement a new planning strategy. Management of our present energy system is a patchwork mosaic of conflicting realities. "Least Cost Planning," the new panacea, conveniently ignores the fact that it is the same utilities who manipulate the outcome of these least cost plans and then by default do what they want. Lurching from crisis, we miss numerous opportunities to address the roots of the problem while paying lip service to the solutions that work. We have yet to make a real commitment to conservation and renewable energy resources in Oregon.

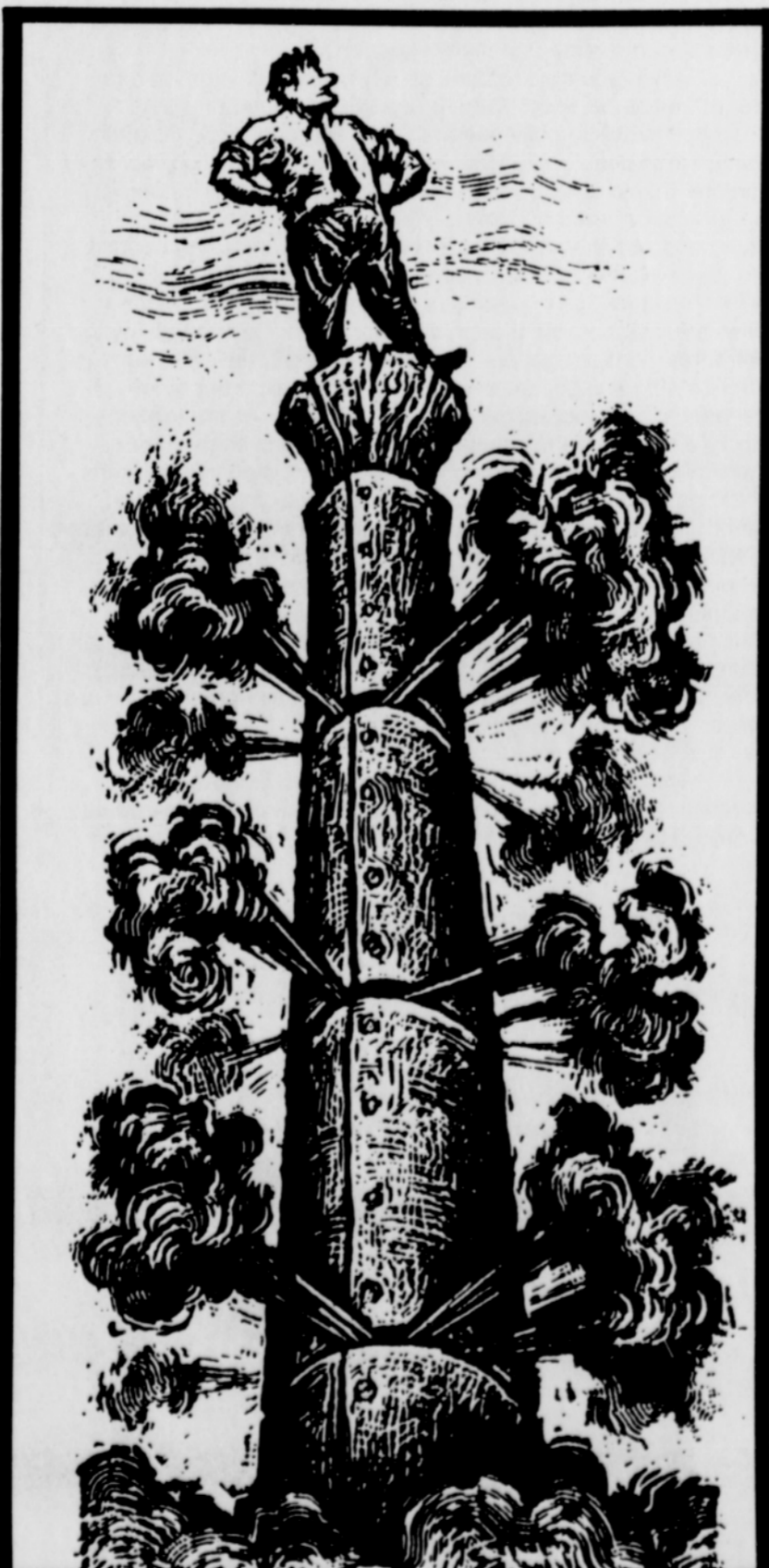
There are many examples of this. Oregon electric utilities refuse to implement what is called "fuel-switching" for residential space and water heating, even though it is far more efficient to use gas for these end uses than to use gas in combustion turbines which must first produce the electricity in order to provide power for residential electric space and water heaters. Running the gas through the power plant wastes at a minimum 50% of its energy value. Approximately another 5% is lost in transmitting the electricity to the users. Despite the common sense of switching houses and apartments to gas heating systems, the electric utilities see only a threat to their profits.

In addition, Oregon electric utilities (unlike those in Washington, Montana, Nevada, California, and most other states) refuse to implement competitive bidding for new energy resources (supply and conservation). Utilities in California, for example, are now implementing large and very economical conservation programs selected through open competitive bidding. In Oregon, the utilities spend money only on their own, less effective centrally designed conservation programs. Pacific Power & Light Company (PP&L) is even refusing to implement the level of conservation its own studies show to be more economical than building power plants.

Conservation programs also produce far more jobs than power plants. While the 475-megawatt combustion turbines in eastern Oregon will each provide jobs for only 20-30 persons, the 1.5-megawatt SESCO residential weatherization program in Salem is already employing 40 people to provide comprehensive treatment to 5000 low-income households over a 3-year period. PGE pays the contractor solely on the basis of actual energy savings measured at the meter. This program could be expanded to reach over 100,000 low-income households in Oregon and provide jobs for 1000 people, while producing about 30-megawatts of long-term savings. Thus, conservation provides more than 100 times as many jobs per megawatt as do gas-fired combustion turbines.

In order to implement beneficial energy alternatives we need a governor who promotes their development by mandating that for the next 20 years we will meet our state energy needs solely with conservation and renewable energy resources. This can be done, and if done, would set the example for the rest of the nation. Now is the time to sweep aside business as usual, rather than waiting to be swept aside by the tragedy of putting the majority of our eggs in the natural gas basket. To do so will require a greater effort than words. It means a governor who will make appointments to the Public Utility Commission, ODOE and EFSC who will carry out a mandate for change, rather than using regulation as a front for abdicating responsibility. It is up to the people of Oregon to make sure that whoever takes charge will make these changes on our behalf.

Lloyd Marbet is cofounder of the environmental group Forelaws On Board and is a director of Don't Waste Oregon. He is Oregon's most prominent anti-nuclear activist and is a semi-regular contributor to the NCTE.



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