

Squaring Off on Energy

PRESIDENTIAL CANDIDATES OFFER DIFFERENT APPROACHES

BY KEN SILVERSTEIN

ENERGY TOPICS ARE LIGHTING UP the campaign trail. The discussions, no doubt, will enlighten Americans and influence their votes in November. Some clear distinctions exist between the presidential candidates and the winner will invariably create long-lasting changes in Washington and abroad.

Both the Republican and Democratic nominees have independent streaks. But the reality is that John McCain and Barack Obama must each unify their respective party's base. As such, they are each likely to stand by long-held positions on important issues such as increasing drilling rights for natural gas producers and easing the nuclear plant construction process. Both candidates, however, have staked claims to environmental prudence and are therefore pushing for the use of more renewable energy as well as limits on greenhouse gas emissions that are believed to be tied to global warming.

"There has been a major shift in the global business community – from denial to acceptance and now to active engagement in public policy on the climate issue," says Eileen Claussen, president of the nonpartisan Pew Center on Global Climate Change. "And it is a shift that I believe bodes well for national and international action to protect the climate in the months and years ahead."

Indeed, the think tank says that both candidates would be forceful leaders when it comes to protecting the environment and specifically the desire to curb greenhouse gas emissions. Along those lines, each has explicitly called attention to the country's reliance on fossil fuels that are responsible for the preponderance of such gases.

Sen. McCain, the Republican nominee from Arizona, has written legislation that would require the United States to reduce such emissions by 70 percent by 2050 – a move that concerns some manufacturers, who say that this is a knee-jerk reaction to a problem that may not exist but which will cost billions to remedy. His bill would curb emissions by placing mandatory caps on heat-trapping emissions, although it would still allow those companies that exceed the limits to buy credits from those who meet them.

It's a position that veers from that of the Bush administration, which has long said that mandatory rules are unwise until the technologies to guarantee that reductions will occur become prevalent. Until then, President Bush has said that voluntary efforts are best. McCain is differentiating himself from that thinking and has aired television ads showing environmental destruction followed by a proclamation that the candidate has been sounding the alarm on global warming for five years.

"The next president must be willing to break with the energy policies not just of the current administration, but the administrations that preceded it, and lead a great national campaign to achieve energy security for America," McCain said in a speech. Like his opponent, McCain supports increased funding for renewable energy and conservation, although the two differ over whether to permit more drilling for oil and gas.

INGRAINED THINKING

Sen. Obama, the Democratic nominee from Illinois, says that McCain's apparent concern for the environment is undermined by the fact that he now supports more offshore drilling for oil and natural gas – commodities that, when burned, would end up creating more greenhouse gas emissions. If global warming is real, then Obama's camp says that public policy must encourage green energy policies that would come at the expense of those that support traditional fossil fuel usage.

Obama's sentiments are now prevalent in the Democratic Party. But critics say that he fails to comprehend that Americans vote their pocketbooks, which means that record-high energy prices are causing citizens here to support more drilling. In fact, a Gallup Poll report says that 57 percent would favor increased access to areas offshore as well as to wilderness regions such as those in Alaska. But those same respondents insist that developers must adhere to strict environmental guidelines.

Obama angered some of his supporters in early August when he said he would support limited offshore drilling, which he previously opposed, if it would help advance passage of a comprehensive energy policy that boosts alternate energy sources and conversion to more fuel-efficient transportation.

Fears over global warming have affected decisions over whether to construct coal plants. Of the 150 coal facilities that were in the planning stages in 2005, many have been put on hold while at least 16 of those won't get built at all. The main reason is

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the uncertainty over future climate change legislation and the costs that will be placed on each ton of carbon dioxide emissions.

Both the candidates understand the role of coal in today's economy. It now supplies more than half of the nation's generation mix. McCain, though, seems to place more faith in emerging technologies that would capture and store carbon releases as well as those that would purify coal before its emissions would leave the smokestack. Obama, on the other hand, says that such modern tools have yet to arrive and therefore the country should not build any new coal plants based upon what will soon be old technologies.

"We are going to cap the greenhouse gases that cause global warming," Obama said in a speech. "We are going to take some of the money that's generated from fining polluters, and we are going to spend billions of dollars on solar, wind and biodiesel." The Democratic candidate would, furthermore, limit the tax breaks given to oil companies and use the newfound funds to promote renewable energy and conservation.

Republicans are quick to pounce, noting that any tax hike would deter oil and gas development, diminish supply and thereby increase prices to consumers. They, generally, favor increased production and will work with agreeable states to allow drilling in areas that are at least 100 miles offshore. McCain, once opposed to such an expansion, now says that it is imperative given energy shortages and record high prices.

"Opening up new areas for exploration and development is not a quick fix, but needs to be part of a long-term strategy," says Skip Horvath, chair of the Natural Gas Supply Association. It will take up to 10 years to bring the product to market – "just when we will need the natural gas most."

FUTURE POLICIES

The debate only underscores the divide between the parties. Practically speaking, Republicans say more production could add two decades of new oil and gas as well as send a message to hostile foreign nations that this country won't be held hostage. Drilling may have its benefits, Obama concedes, but he will not to agree to oil and gas leasing rights in sensitive areas. If the country wants to change the current energy paradigm, then he says that it must encourage conservation and more use of renewable fuels.

To support that view, Democratic leaders have referenced the U.S. Energy Information

Administration, which says that opening up the Atlantic and Pacific coastlines to more oil and gas production would do little right now to ease price pressures. Obama adds that expanding such rights would be both ecologically destructive and unwise, given that the nation cannot drill its way out of energy dependence.

Currently, about 35 percent of the natural gas consumed in the United States each year is produced in the deep waters of the Gulf of Mexico. Proponents of greater drilling rights want more access, saying that about 85 percent of all offshore areas are untouchable. Opponents of more drilling, meanwhile, counter that oil and gas companies have not aggressively explored those offshore areas in which they now have legitimate access.

"Instead of giving oil executives another way to boost their record profits, I believe we should put in place a windfall profits tax that will help to ease the burden of higher energy costs on working families, and we should invest in the affordable, renewable sources of energy that Senator McCain has opposed in the past," Obama says.

By the same token, Obama has sharply criticized McCain's proposal to greatly expand this country's nuclear generation base. While the Illinois senator says that increasing the presence of nuclear energy is a future option, it is not one he would consider now given the concerns over where to store and how to recycle radioactive nuclear waste.

McCain, on the other hand, has called for the construction of 45 new nuclear plants by 2030 and another 10 more in subsequent years. He emphasizes that 104 nuclear facilities now exist in the United States and that they supply 20 percent of this country's electricity. Those plants are not only safe and efficient, he says, but they are also environmentally friendly and they do not emit any greenhouse gases.

"Every year, these reactors alone spare the atmosphere from the equivalent of nearly all auto emissions in America," says McCain. "Yet for all these benefits, we have not broken ground on a single nuclear plant in over 30 years." The Arizona senator has long supported using Yucca Mountain in Nevada as a permanent repository for nuclear waste.

Energy issues are now top-of-mind. The goal is to expand the nation's portfolio of fuels and to do so in the most environmentally efficient manner. The candidates are defining their positions. America's energy policy will assuredly evolve and take the country in a direction that will be firmly embedded for years to come.

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