

Energy Secretary John Rowe

OVER THE PAST SEVERAL MONTHS, we have met with the top executives of some of the largest investor-owned power companies, rural electric cooperatives and municipal utilities, as well as state regulators from California to North Carolina. Highlights of our discussions are featured in the pages that follow.

Everyone believes that how we power our lives is – or should be – the top priority facing America. Most agree that we have lost our way. Jesse Tilton, the chief executive of Electric Cities of North Carolina, told us, “Our biggest challenge is that we lack a long-term federal energy policy that is based on science and economics and produces an acceptable environmental result.”

That is a pretty broad indictment.

Some statistics are in order. The United States is the Saudi Arabia of coal, blessed with abundant supplies of the stuff. Yet the U.S. Energy Information Administration forecasts that we will build just 920 megawatts of coal generation this year. That is less than the Japanese Aerospace Exploration Agency is planning to generate in space and beam back to Earth via microwave in a few decades. (See “Harvesting Solar Power in Space,” p. 96.)

New coal generation in the United States is eclipsed by the 5,329 megawatts of wind generation constructed in the United States in

2007 – estimated to be about one-third of all new generation. The federal government recently reported that we could aim to have one-fifth of our electricity generated by wind. So why are wind projects sailing to completion while proposed coal power plants get buried?

Marc Gerken, president and chief executive officer of American Municipal Power, in Ohio, told us, “Coal has a bright future. Politicians are just afraid to utter the word.”

So let’s talk about politicians in this political season.

John McCain and Barack Obama

have both said repeatedly that they want to run on the issues and avoid divisive, partisan backbiting. We have a modest proposal. Let them immediately and jointly name John Rowe, who is the chairman, president and chief executive of Exelon, as U.S. secretary of energy-designate and charge him with developing a commission on national energy policy. Rowe and that commission should begin their work in advance of the election and come up with a series of policy recommendations for the next president – be it McCain or Obama – Congress and state legislatures by next summer.

Why Rowe?

Frankly, we were awed by his comments when we met with him and his industry peers in Toronto at the Edison Electric Institute annual meeting. (See “View from the Bridge,” page 46.)

“If the next president sets a course that deals with climate and energy supply issues in a decisive way, most of the country can have 15 to 20 cents per kilowatt-hour electricity and continue to have a high degree of reliability,” Rowe said. “If the next administration tries to make all these decisions in the most politically correct fashion, then I think we’re looking at 30 to 40 cents electricity and very radical structural changes.”

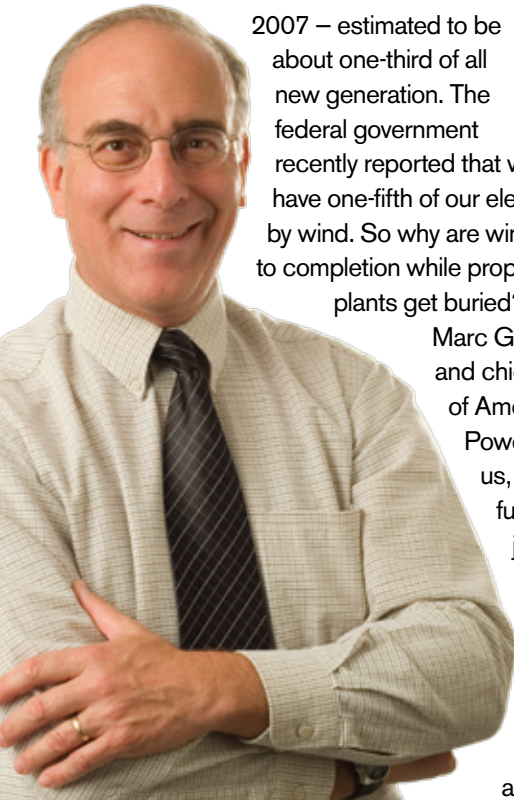
He continues: “Neither party has got its act together on how to combine environmental policy and energy policy.”

Then, wittingly or unwittingly, Rowe revealed why he would make a fine secretary of energy for these times of unprecedented challenge. He said, “... there’s a real dichotomy between advocating what we think is good for America, which we all try to do in our own halting ways, and doing what we must do for our shareholders. That kind of continues to haunt this industry as it always has.”

A man that honest with himself should be freed to put a career’s worth of wisdom to work for his country.



John Rowe
PHOTO BY ASHLEY HUTCHESON



YOU ARE INVITED TO READ MY BLOG EVERY FRIDAY AT www.energyblogs.com/rosenberg

Martin Rosenberg
Martin Rosenberg
Editor-In-Chief

JOIN A COMMUNITY OF BLOGGERS DAILY AT www.energyblogs.com



You can't wait for climate change consensus

No matter what your personal beliefs are, or what your corporate position is, climate change is an issue that has to be addressed. Enterprise Management Solutions (EMS), the management consulting division of Black & Veatch, can help you determine what you can do *today*—to manage demand, identify risk and exposure, and deal with challenges from sustainability and energy assurance to water scarcity. Our Climate Change Pathfinder™ methodology will help you chart your best long-term course. Why wait, when you can have our long-view expertise, deep technical skills and nearly 100 years of experience at your fingertips? Visit us on the Web at www.bv.com/consult, or call 913-458-3440.

- > Climate Strategy Best Practices
- > Environmental Strategic Planning
- > DSM and Energy Efficiency Planning
- > Generation Technology Assessments
- > Carbon Footprinting
- > Carbon Price Modeling
- > Emissions Market Analysis
- > Abatement Technology Review



BLACK & VEATCH
Building a world of difference.®