

# Energy: A Matter of Public Policy Priorities

## Commentary by Frank Young

The past several years have seen the inevitable beginnings of a renewable energy source development industry in West Virginia, and in other states in the eastern U.S.

A 44 turbine wind farm is up and running on Backbone Mountain in Tucker County. Other wind farms have either been permitted or are still on the “drawing board”. And there is increasing interest in energy produced from light from the sun- solar energy.

Those who support the newer alternative technologies, this writer among them, often compare (or contrast) coal fired combustion power generation to wind and solar energy sources, the latter of which are relatively clean and without the need to burn “fuel” to create electrical energy. And without the need for “fuel”, there is no need for the massive devastation to the human and natural worlds.

As so we say that every kilowatt hour of energy (electricity) produced by wind power is a kilowatt hour not produced by the mining and burning of coal. But that’s only a partial truth; it does not tell the whole story.

In the long run, under current public energy policies, the net offset effect of generating electricity by wind power instead of by mining and burning coal will likely be zero. “How so?”, we might ask.

Well, there is only a finite amount of coal (and other fossil fuels) available for human use. Estimates vary, but for purposes of this article let’s say that, at current use rates, the inventory of coal in West Virginia will last another hundred years. And since coal enjoys many public subsidies, some described further below, coal will very likely continue to be mined and burned at current or greater rates, unless there is a change in public policy on energy production.

Even the most optimistic estimates of potential wind energy production capacity in West Virginia show us that, at most, perhaps five percent of West Virginia energy production can be met by wind power. This means that, were five percent of coal consumption displaced by wind power, that the current coal inventory would last one hundred five years, instead of one hundred years.

So, in the long run, does wind power actually significantly affect how much coal will be mined and burned? Under current public energy policy, I submit that little or no significant change in coal mining and burning will occur in the foreseeable future.

Under current public policy virtually all energy sources receive various public subsidies- some overt and spelled out in law. Examples of overt public energy subsidies include special highway use permits for transporting gargantuan loads of coal, special tax exemption for “thin seam” coal, special depreciation for underground coal deposits, specific exemptions of the coal industry from the Groundwater Protection Act and other basic environmental laws, and large tax credits against other taxable income to certain coal processors for only slightly altering the composition of coal fuel with petroleum additives. (Continued next page)

Other more numerous and more costly energy subsidies are less obvious; they are more “passive” in that they are defacto subsidies, not “promoted” as public policy- indeed often denied by the parties who benefit from them; but they are subsidies none-the-less.

These include increased flooding from forest destruction and from disturbed ground surfaces, acid rain from sulfurous power plant emissions, coal dust laden communities where coal is mined and through which coal is transported, increased asthma and other respiratory diseases from breathing coal dust and from breathing coal fired power plant pollution, untold nervous system and learning impairment costs from exposure to mercury, loss of property values in and near coal mining communities, and mining induced loss of ecological capital and ecosystem services such as clean air and water and intact forests the list goes on and on.

Even though we don't assign dollar values to these costs, they are none-the-less subsidies to the coal industry.

The wind power industry is subsidized, as well- by production tax credits against other taxable income, by state and local property tax favors written into public law, and by esthetic costs such as miles and miles of industrialized mountain ridges in otherwise nearly pristine viewsheds.

But by no measure can we show that the subsidized costs of wind power even potentially rival the immensely subsidized costs of coal. Were the subsidized costs of coal fueled power either abated or added to the “metered and billed” costs of coal power, and the same abatement or added costs applied to wind power, coal power costs on our electric bills would immediately jump several fold. But wind energy costs would jump only modestly; and wind (and other renewable sources) would immediately become the power source of choice. **Economic “free market”** dynamics would assure it.

What, then, can we do to actually help wind and other alternative power to compete with coal's artificially low “metered and billed” costs? Conceptually, it is simple; but in today's political world, it is nigh impossible. Taking a public posture, through public policy, that coal's public subsidies must be either abated or rolled into the metered cost of coal fueled power would “level the playing field” of the energy game- allowing cleaner and greener energy sources their rightfully honest priority in the energy markets.

This would mean that real, honest-to-goodness “clean coal” technologies, which would be costly, would be implemented, with the costs thereof being metered and billed to the power consumer. It would mean that coal mining practices (i.e. strip mining, mountain top removal, high sulfur coal mining, mining in subsidence prone regions and by subsidence producing methods) would be curtailed or eliminated. It would mean that thin seam coal would be taxed at the same rates as other coal, that coal would be transported other than on monster trucks over publicly financed highways while sharing road space with family automobiles and school buses.

All this and other methods to bring the costs of the electricity generated and consumed in line with the costs of mining and burning the coal fuel would bring the price of coal up to where it would not be as attractive as a fuel, and alternative energy sources would compete with some measure of equality and fairness.

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In short, then, we must decide, through public policy, if we want to continue paying the horrendous costs of subsidizing coal, or whether we want to have coal compete with less costly fuels.