

# Western Resources WRAP-UP

## National energy policy and the West

By Helene C. Mansberg, Vernal Express, Washington, D.C. correspondent  
If you want to be heard in the new national energy policy debate going on here, now is the time to get your word in to the Senate Energy Committee, which plans to report out the first national energy policy bill in April.

Senate Energy Committee Chairman J. Bennett Johnston, D-La., told Energy Secretary James D. Watkins on Feb. 21, "I think this is the year we can do it... we have a new national energy policy in operation and on the status books after years of ordinance. He wants to move such legislation soon while the war in the Persian Gulf is still fresh in American minds.

Nearly two-thirds of the world's proved oil reserves are in the Persian Gulf area, according to the White House, and the industrial world runs on oil. That is why most before the United States and its allies became involved in the Persian Gulf war after Iran took over the oil-rich Kuwait last August.

The Administration came out with its new national energy policy plan on Feb. 20. It was passed by Congressional Democrats and by environmental organizations for being short on conservation and for being efficient. Before the new policy was put out, the National Resources Defense Council (NRDC) called it "making in action."

Environmentalists generally viewed the Feb. 20 policy also as "making in action." It favors energy policy to be guided by the free market, which is generally capable to the energy industry and Congressional Republicans, but there are some differences over details.

The first hearing in this Congress on national energy policy was held by the Senate Energy Committee on Feb. 21 before an overflow audience. Nearly a dozen more hearings on portions of the policy, such as coal, oil, gas, nuclear, the renewables and regulatory issues, were held by the Committee during the last week of February and early March 21. The Committee mark-up will begin on a national energy policy bill (S. 943) that was introduced on Feb. 5 by Johnston and Sen. Malcolm Wallop, R-Wyo., the ranking Committee Republican. A full dozen other Congressional panels also are now holding hearings on the subject.

Johnston said as the Feb. 21 hearing he is aiming for the Senate Energy Committee to report out a revised Johnson-Wallop national energy policy bill in April, with Senate floor action to follow shortly afterward. Relations among Johnston, Wallop and Watkins are cordial, and Johnston said mark-up would be preceded by a long series of negotiations among interested parties. All interested should get in their views now, Johnston stressed.

"We need a national energy policy that increases the market of energy, the economy, and the environment. Unfortunately, we do not have such a policy at the present time," Johnston stated on Feb. 21. "We know there is no single initiative that can solve the whole energy problem, and that we must not be overly reliant on any foreign source for our energy supplies. Rather than have a one-word energy policy impact, our policy should be 'Made in America,'" he said.

The Administration plan continues to rely on oil imports, however. Western Fuels covered Western Resources Wrap-up (WRW) on Feb. 23 asked Frederick D. Palmer, general manager of Western Fuels, Inc., headquartered here, about Western Fuels' reaction to the Administration's new national energy policy and new energy legislation introduced in this Congress.

Western Fuels is a cooperative supplying at wholesale cost mixed mainly in the West to cooperatives and municipally-owned utilities located in the inclination West with one member in the South. The service area of its members covers a 16-state region roughly defined by the Rockies on the West and the Mississippi River in the East.

"We are very comfortable with the Administration's new energy policy. We believe being market forces resolve cost issues is correct," Palmer told WRW. He said Western Fuels would present its views in writing to the Senate Energy Committee prior to mark-up of the Johnson-Wallop bill, which is expected to become

the legislative vehicle for national energy policy in this Congress. He said Western Fuels will work to exclude from any national energy policy bill proposals such as a bill (HR 1086) that Ron Torrey, R-Calif., D-Calif., introduced on Feb. 21, that would put a tax on carbon from fossil fuels—oil, coal and gas and a bill (S. 911) introduced on Feb. 14 by Sen. Albert Gore, Jr., D-Tenn., Cooper, D-Tenn., and Mike Synar, D-Okla., from the last Congress.

The Gore-Walsh bill would require utilities that build new power plants or other new industrial plants with annual carbon dioxide (CO<sub>2</sub>) emissions of 100,000 tons to make to provide offsets so that their total operations would not add to the overall CO<sub>2</sub> emissions in the atmosphere. Under the Gore-Walsh bill, they could do so by planting trees or by practicing conservation. Coal is a prime contributor to CO<sub>2</sub> emissions.

Western Fuels takes the position, however, that CO<sub>2</sub> is not a greenhouse gas contributing to global warming, and that the whole global warming theory is "a myth," Palmer said. With Mountain States Cooperative of Grand Forks, N.Dak., which took the lead in as of late as it was "kicked off about a month ago," he said, Western Fuels and other cooperatives and utilities have formed a new organization, the informed Citizens for the Environment (ICE), to discredit the theory of global warming and CO<sub>2</sub>'s contribution to it.

"We are executing a national education program against global warming. The theory is ridiculous," Palmer told WRW. He claimed the legislation would cost consumers of energy from coal and other fossil fuels "\$250 billion a year," while "Westerners paying \$100 to \$150 billion" more for energy.

Palmer told WRW data indicate the world is now one degree hotter than it was in year 1000, "when there weren't many people" and no formal industry or cars. Palmer said he is an authority on the subject. He said a scientist with the U.S. Department of Agriculture at Fort Collins, who has made a study of climate change, Palmer has questioned global warming for more than three years, and the Western Fuels Board of directors put \$300,000 for 1990-91 to fight what Palmer calls "the long-term goal of environmentalists and their friends to eliminate coal as the prime boiler fuel in this country." He claimed the media has been taken in by them.

Energy policy and bill compared The new Administration energy policy and the Johnson-Wallop bill have many similarities. Opening ANWR and more OCS areas. Both provide for opening the 1.5 million-acre coastal plain of the Arctic National Wildlife Refuge (ANWR) in Alaska and some areas on the Outer Continental Shelf (OCS), to oil and gas leasing on foreign oil. The Bush Administration policy also calls for opening the Elk Hills Reserve in California to leasing.

The Interior Department on Feb. 21 announced its proposed five-year leasing plan for the OCS. It proposes up to 23 lease sales in 12 areas between 1992-97, including eight sales off the coast of Alaska, four in the Gulf of Mexico, two on the Mid-South Atlantic OCS, and some leasing off the coast of Southern California after Jan. 1, 1996. It would continue planning studies in most of these areas, but to sales are included in the Feb. 21 Interior plan for leasing OCS areas off the coasts of Washington and Oregon, Northern and Central California, portions of the Eastern Gulf, or in the North Atlantic. The Interior plan will not go into effect for two years, and after an environmental impact statement is completed in the spring of 1992 and after public comments and consultation with the affected states.

Nuclear Power Both the Bush plan and the Johnson-Wallop bill provide for lifting the de-facto moratorium on nuclear power by accelerating the introduction of advanced design nuclear power plants. They reform the licensing process so that it does not take so long to get a nuclear plant licensed down the Nuclear Regulatory Commission, improve the uranium enrichment

program to ensure a reliable supply of uranium fuel for nuclear power plants and for defense needs, and provide for a more reliable nuclear waste program.

Oil In addition to ANWR and more OCS leasing, both provide for making the U.S. less dependent on foreign oil through provisions to expand the Strategic Petroleum Reserve, by stimulating oil and gas developments in this country and abroad outside of the Persian Gulf, and by increasing research and development (R&D) to encourage use of oil not now in demand, such as California heavy oil. The Administration plan provides for oil pipeline deregulation. The bill sets aside nine percent of imported oil for the Strategic Petroleum Reserve.

Gas Both provide for increasing the use of natural gas mainly by removing regulatory impediments to the construction of new natural gas pipelines, and three stepped-up R&D. Both provide incentives to push the use of natural gas and electricity as a vehicle fuel, including the federal tax credit.

Coal Both provide for stepped-up R&D to encourage the use of new coal technologies and coal exports. The Bush plan pushes R&D on CO<sub>2</sub> and global climate change and encourages use of coal to produce synthetic liquid fuels if feasible. The bill establishes a new Clean Coal Technology Coordinating Council to push coal exports. The Bush plan directs the Department of Energy (DOE) to study governmental and other barriers to coal pipelines and to new and refurbished coal power plants. Very little new coal generating capacity was added in the U.S. in the 1980's, despite the abundance of coal.

Renewables Both encourage some deregulation of hydro to increase its use. An additional 22,000 megawatts of hydropower is available to be developed in this country, according to Johnston. Both encourage the development of other renewables by eliminating some regulations that inhibit and by increasing R&D to boost energy production from old renewable like solar and geothermal and new types such as fuel cells, biomass combustion, conversion of waste to energy, and energy farm crops. The Administration plan provides for extending the 10 percent investment tax credit for solar and geothermal from 1992 and expanding it to wind and some biomass technologies, and removal of the ethanol tax credit. It encourages use of alternative-fueled vehicles in the federal fleet.

The Administration claims its new energy policy developed during the past 18 months will decrease U.S. oil consumption below projected use by 1.3 million barrels per day (bpd) by year 2000 and by 1.4 million bpd by year 2010, largely by displacing oil used in transportation with alternative fuels such as compressed natural gas, alcohol from natural gas, electricity, biomass and coal. It claims domestic oil production can be increased by 3.8 million bpd this cost-shared R&D and by carefully developing "promising areas like ANWR and OCS."

Most of the criticism of the Administration policy came from Congressional Democrats who criticized it was deficient on CAFE, energy efficiency and conservation. That was the thrust of comments made by Wirth, Sen. Lloyd Bentsen, D-Tex., Jeff Bingaman, D-N.M., and Quentin Burdick, D-N.Dak.

Bentsen observed, "Germany and Japan, with far fewer domestic energy assets than the United States," have insulated themselves from relying on OPEC oil "with aggressive promotion of energy conservation and greater efficiency in energy usage." He said the threat of comments was critical. He voiced a frequently heard complaint about the Bush plan: that the Administration "has not made any of the hard choices" yet. He saw the Bush plan as being on the production of new oil resources and nuclear energy and short on "energy conservation and renewables." Rep. Conrad Burns, R-Mont., said he was introducing his own bill reexamining production of fuel cells and R&D to find more uses for coal, our most abundant fuel.

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### At Moon Lake Electric Annual Meeting

Watch for Moon Lake's Annual Report in next week's mail. You could be one of five (5) lucky winners who receive a \$50 credit towards their electric bill. Your coupon must be received by March 22nd at any of the Moon Lake offices, or better yet, bring your coupon to the Annual Meeting on March 23rd at the Roosevelt Jr. High School.

To be eligible for the drawing, read through the Annual Report to find the correct answers to the following questions:

1. What two low-cost hydroelectric plants does Moon Lake own and operate? \_\_\_\_\_ and \_\_\_\_\_?
2. List the names of Moon Lake's three warehouse personnel: \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.
3. Moon Lake inputs nearly \_\_\_\_\_ monthly meter readings into their mainframe computer.
4. With Moon Lake's large membership, the Cooperative maintains \_\_\_\_\_ substations across its service territory.
5. Directors are \_\_\_\_\_ and \_\_\_\_\_ by members who reside within that district.
6. Moon Lake instituted a \_\_\_\_\_ program for area high school seniors.
7. List the three officers of Moon Lake Electric: \_\_\_\_\_ President; \_\_\_\_\_ Vice President; \_\_\_\_\_ Secretary-Treasurer.
8. Who is the contact person for an electrical safety program? \_\_\_\_\_.
9. What does REA and CFC stand for? \_\_\_\_\_ and \_\_\_\_\_.
10. Who is Moon Lake's largest power supplier? \_\_\_\_\_.

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