

WE'RE NUMBER TWO!

By Lew Hay

Last year, for the first time ever, China built more wind farms than the United States. Here in our home market, three of the top five wind energy producers are European. And the “nuclear renaissance” we’ve been hearing so much about? It’s happening. Elsewhere. More than 50 new nuclear plants are being built around the globe, compared with one here.

The United States hasn’t lost the clean energy race, but we’re falling further behind. The question is what we’re going to do about it.

So far, the answer is not much. For all of the political rhetoric in support of clean and renewable energy, the fact remains that the United States has no price on greenhouse gas emissions, no national renewable energy standard, and no transmission superhighway to carry renewable energy to population centers. We say we want clean energy, but let’s not kid ourselves: The policies we have in place in the United States today are still incredibly pro-carbon. If nothing else, perhaps the Gulf oil spill will remind us that fossil fuels can appear cheap but have high social costs that are seldom reflected in the price.

The simple fact is that clean and renewable energy do not compete on a level playing field with fossil fuels, and until we put a policy framework in place to enable them to do so, we will struggle to compete in energy industries that we invented, such as wind and nuclear power. Here’s what has to happen.

First, we need a price on carbon. Only with the proper economic signals in the marketplace can we build a world class clean energy industry in the United States. Right now, carbon is not priced, which makes fossil fuel generation look artificially cheap. With a gradually

escalating price on carbon that reflects the full social costs of burning fossil fuels, low-emissions fuel sources can compete on fair terms with their high-carbon counterparts.

Second, we need a national Renewable Energy Standard (RES). Even if Congress acts to put a price on carbon, it will be many years before the price rises to a level sufficient to enable clean energy to deploy on its own. An RES that requires power producers to get a certain percentage of their electricity from renewable sources is the necessary bridge from our high-carbon electricity system to the low-carbon future.

Third, we need a stronger federal role in ensuring that high-voltage transmission lines get built. Renewable energy is most abundant on wind-swept plains and sun-baked deserts, but it takes transmission lines to transport it to the nation's cities. We need legislation to give the federal government siting authority for electric transmission, just as it has for other critical national infrastructure such as railroads, interstate highways and natural gas pipelines. And the Federal Energy Regulatory Commission should use the authority it already has to ensure that the cost of building new transmission lines is shared broadly and fairly. We should not make wind farmers pay the entire cost of new transmission lines, just as we would never make wheat farmers single-handedly pay for the highways that carry food to market.

Sens. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.) have put forward energy and climate legislation that moves us in the right direction on all three of these issues. Clean energy companies are not asking for the kinds of subsidies that have been used in Europe and China to give their renewables industries a boost. We are asking that carbon carry a price equal to its cost to society, that we guarantee a market for renewables until that price phases in, and that we make transporting clean energy at least as high a national priority as moving natural gas.

As a nation, we need to decide what we want our energy future to look like. In its recent forecast for the U.S. energy sector, the Energy Information Administration predicted how the world will look 25 years from now if we keep our current energy policies in place: The amount of

electricity generated by renewables will be stuck below 20 percent, and carbon dioxide emissions will rise by 9 percent.

In other words, we will have lost the clean energy race for good.

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Lew Hay is chairman and CEO of NextEra Energy, Inc., a top-five electric power company and the No. 1 producer of renewable energy from wind and solar power.