

Statement on Governor Gary Herbert’s 10-Year Strategic Energy Plan

From: League of Women Voters, HEAL Utah, Utah Physicians for a Healthy Environment, Utah Clean Air Alliance, Utah Chapter - Sierra Club, Utah Moms for Clean Air

Overall

We appreciate the Governor’s efforts to address the critical issue of energy. Unfortunately, the Energy Plan sets low expectations in a high expectation industry. Utah should and can do better.

By trying to appease all interests, the plan fails to emphasize what is critical for the state to prosper and grow its economy. Renewable energy investments worldwide have topped all other forms of energy in 2009 and 2010. Many states are now recognizing the potential and are competing against each other for those investment dollars. But attracting those investments requires leadership—which this plan fails to exhibit.

All across the West, the new energy economy is exploding as a result of aggressive state policies designed to attract renewable energy development, manufacturing, and related industries. Colorado has attracted multiple renewable energy manufacturers and developers, and created more than 17,000 jobs since it passed a renewable portfolio standard in 2004. This process is being replicated in Nevada, New Mexico, California, and Washington. If Utah expects to compete with these states, we must first recognize that we are playing catch up. Then we must realize that aggressive policies are absolutely necessary.

Energy Costs

A major deficiency in the plan is the erroneous and misleading cost chart of new generation in figure 3 on page 17. The numbers shown in the Plan do not reflect today’s actual costs of the varied resources: In some cases, they’re off significantly. Instead, we offer you actual energy cost numbers from one of the most reliable sources of such information, Lazard, a global investment bank.

Resource	Lazard	Governor’s Energy Plan
Coal	\$78 - \$144	\$55
Nuclear	\$107 - \$138	\$80
IGCC	\$110	\$62
Wind	\$57 - \$113	\$90
Geothermal	\$58 - \$93	No mention
Solar – PV	\$131 - \$196	\$300
Solar - Thermal	\$129 - \$206	No mention
Energy Efficiency	0 - \$50	No mention

Costs are per MWh, based on 2009 dollars. <http://efile.mpsc.state.mi.us/efile/docs/15996/0145.pdf>

Other points:

- **Vague on Energy Efficiency.** The plan doesn't go nearly far enough in calling for specific steps to embrace energy efficiency and reduce demand for electricity. We appreciate that the report recognizes the potential for the huge energy savings that Utah could realize by retrofitting our current homes and buildings – and by building more efficient new structures. However, the report fails to recommend concrete steps that the state must take to truly embrace energy efficiency. For example, during this past legislative session, the legislature had an opportunity to update the current energy code for residential new construction from the 2006 IECC (International Energy Conservation Code) standard to the 2009 IECC standards. Unfortunately, the legislature failed to act – after the Governor showed no leadership on the issue.

- **Doesn't Factor in Health Costs of Fossil Fuels.** The report fails to recognize that burning fossil fuels has real and serious impacts on the state's public health and the environment. While the report mentions air quality, it doesn't explain how that poor air hurts us, making us sick and cutting our lives short. Those external costs of producing power from fossil fuels are real – and significant. We draw your attention to the study from Synergy Energy Economics, Inc., "Co-Benefits of Energy Efficiency and Renewable Energy in Utah," which found that burning fossil fuels in Utah results in 202 premature deaths per year; contributes to 154 hospital visits per year for respiratory injuries, and 175 asthma-related emergency room visits each year. The problem is that by ignoring this and similar research, the Governor and the plan fail to recognize the urgency of moving away from fossil fuels towards clean energy.

- **It's Time to Renounce Nuclear.** The Governor needs to move past "calling for a debate" on nuclear power in Utah –to rejecting it. Even before the ongoing meltdown crisis in Japan, it was clear that nuclear it is too costly for the state, that it uses too much water and that it produces dangerous nuclear waste for which there is no safe and permanent storage solution. And now, with the nuclear emergency in Japan, we know that when nuclear reactors have problems, they can quickly become catastrophic disasters. It's time for the Governor to follow the lead of other world leaders who are turning their back on nuclear power: Other choices – such as energy efficiency, wind, solar and geothermal power – are safer, cheaper, come on line more quickly and won't hurt our health and the environment.

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