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By The Patriot-News Editorial Staff

ENERGY POLICY

State should subsidize innovation, not projects already underway

No one has to convince us that we face a monumental energy challenge and an environmental crisis on a planetary scale.

Energy policy is central to addressing both issues. We agree with U.S. Rep. Roscoe Bartlett, R-Md., and others that an appropriate response would be on the scale and urgency of the World War II Manhattan Project or the 1960s effort to land an American on the Moon.

Neither in Washington nor Harrisburg is there anything close to a consensus that such a response is required. What we see instead is a belief that if we just throw enough dollars in enough different directions, something good will happen. It's sort of like throwing paint at the side of a barn to see what sticks.

There are obvious limits to what a majority of Pennsylvania

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legislators are prepared to spend, which should have the effect of focusing expenditures on areas likely to achieve the greatest gains in energy efficiency and conservation, along with promoting the most promising alternative sources of energy. One thing you shouldn't do with limited funds is waste them on creating incentives for individuals and businesses to do what they will do on their own.

A case in point is found in one of the energy bills approved by the state Senate shortly before it left town for a long holiday break. The legislation would provide \$100,000 annually to subsidize firms that sell tires to install nitrogen tire inflation systems. Nitrogen supposedly does a better job than regular air (composed of 78 percent nitrogen) in keeping tires inflated, with a possible saving of one to two miles per gallon of fuel.

Assuming there is something to this — and it isn't clear that such savings have been scientifically authenticated — the fact is that parts of the industry itself, such as Costco, are installing nitrogen-inflation devices on their

own. Why would you spend limited taxpayer dollars to subsidize something that the private sector already is doing?

The Senate also would spend a much bigger chunk of change, \$25 million, to help utilities meet state and federally required reductions in pollutants from coal-fired generating plants. This is a sweetheart deal for utilities, who have to comply under the law, and there is no guarantee that any savings would ultimately benefit ratepayers.

Now if that \$25 million were an incentive for utilities to capture and store the greenhouse gas carbon dioxide, the expenditure would be valuable. There has been a lot of talk about "carbon sequestration" in connection with making coal plants more environmentally friendly, but very little real-world action.

By the same token, the millions that both the Senate bill and Gov. Ed Rendell's energy plan would spend on tax credits and rebates to consumers for buying energy efficient appliances and vehicles don't really move the state much beyond where it would otherwise be. Higher electric rates and gas prices should be incentive enough for most people to invest in efficiency, as considerable anecdotal evidence already suggests.

Government investments in energy should be directed toward encouraging developments that show evidence of benefiting the overall energy picture, but which need a boost to get off the ground. The 75-cent a gallon subsidy for biodiesel fuels in the Senate bill (\$1 in the House bill) appears to fall in that category. It is promising enough to test its potential and measure its real-world pluses and minuses.

We're going to have to take some risks, invest in research and development, to create an energy future far less dependent on fossil fuels. Rendell proposes a considerably more ambitious plan than the majority Republicans in the Senate.

But whatever sum eventually is appropriated to encourage people to do what they would do anyway, it is a waste. It is money diverted from the truly monumental energy transition that needs to take place in the commonwealth and in the rest of the world.