Are We Crazy or What?

At a solar energy conference in Long Beach this week, I had the misfortune of listening to a panel of utility guys. They proclaimed that unless the price of solar electricity drops below 10 cents a kilowatt-hour—i.e., becomes as cheap as gas-fired power—solar will never occupy more than a small niche in the market. In contrast, today’s newspaper reports that the President’s new funding request for the war in Iraq would bring the total to $600 billion with no end in sight.

I have long been suspicious that Americans are crazy. Now I’m convinced that we are stark raving mad.

For the kind of money we’re spending for who knows what in Iraq, we could darn near replace all the power plants in the U.S. with solar plants and save a bundle on fuel in the bargain. Ok, so that’s an exaggeration. The sun doesn’t shine all the time—during the night when the lights of Las Vegas are on, for example. That’s what Hoover Dam is for.

My point is that we Americans are penny wise and trillion-dollar foolish.

After a long discussion the CPUC has agreed—for one year at least—to allow utilities to pay extra for electricity that doesn’t cause global warming. They can now pay about half a cent more per kilowatt for green power. Hurray! The planet’s climate is worth $0.005/kwh maximum.

What are we thinking? The price of power from solar plants built today is about the same as it was in the 1980s, and money in those days was worth about twice what it is now. In constant dollars, we can buy solar power at half the 1990 price. Meanwhile the price of oil and natural gas has tripled in constant dollars.

The utility guys blame consumers, of course, for not wanting to pay more for solar power. I’m not aware that the President asked me what I was willing to pay for the war in Iraq. (Come to think of it, that cost is going on the credit card my grandchildren are going to have to deal with, so perhaps it’s ok not to ask.)
I remember a similar discussion during my graduate school days long ago when an economist reminded me that government gets to print the money and I don’t.

But if they are going to print money anyway, why not do something useful with it? In a bygone era, the U.S. invested in hydroelectric dams. After World War II, the country invested heavily in the interstate highway system, a less valuable addition to my way of thinking, but a monumental investment nonetheless.

After many years, I’m old and tired of trying to convince California to invest in solar power. The state doesn’t even have its own currency, for Pete’s sake. Like Willie Sutton, I’ve decided we should go where the money is—the federal Treasury. We should stop trying to nickel and dime the ratepayers and go after the trillions of dollars being squandered by Washington on Middle Eastern adventures. Heck, with just the money we’re paying the Blackwater mercenaries, we could build loads of solar power plants.

In all seriousness, it’s time to consider an effort to modernize our electricity system on a scale similar to previous large public works projects. Forget about token policies like Renewable Portfolio Standards with restrictive cost caps and just start building. If the dollar is going to become worthless anyway, we might as well have something productive to show for it.

Is there any doubt that the US populace would rather spend the dough now being used to blow up Iraq to solarize its electricity system? I think not. It’s madness, I tell you, to fret over a few pennies per kilowatt-hour while the government printing presses are running full time to feed the military-industrial complex. Where is Ike when we need him?

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