

Community Perspective.

Life Insurance for the 'Oil-Revenue Fairy'

by Phil Loudon and Rich Seifert

Recently there was yet another mention in the press that in the years ahead, Alaska might not be the blessed recipient of the "oil revenue fairy". Living on the whims of the unstable and edgy international oil market is always betting on the worst instabilities in the world. It's bad for us, and we ought to do something about it.

Unfortunately, recent Alaska state energy policy recommendations (State of Alaska Energy Policy Recommendations, Feb. 2007, Prime author, Nels Anderson) focus on supply side economics and subsidies for consumers. We tend to focus on how to "supply" our citizens "more and cheaper" energy, rather than lowering the overall cost. There is a huge problem with the supply side approach. It ignores the clear reality that world prices are out of our control. We simply cannot control or even effect world prices for oil (particularly), so how might we ever lower prices? We desperately need to change this focus to reflect upon a demand side fix. What does this mean? It means focusing on energy conservation! The only way we'll really get control of energy costs is to reduce our need for the energy. Not only is this the only sure way to afford our future, it is better for us in every way than trying to simply subsidize prices and use more fuel. The energy you never need to buy in the first place will always cost you less. The best we can manage in the future is to need less, and thereby lower the ultimate overall cost of energy.

We can do this by achieving reduced heating needs. Energy conservation and efficiency for individual building owners is the best investment. It's insurance against future price hikes. Technology exists which can reduce heating and water heating energy needs by up to 80% of average building use and create jobs in towns and villages. Our revenue will not be damaged by application of energy conservation and the increased economic stability will enhance community viability.

Reductions in electrical use will benefit by technology changes to lighting by introducing fixtures that use light emitting diodes (led) to retrofit existing buildings. The savings are incredible and LED lights work in the cold and provide years of unfaltering light. Replacing older refrigeration with new energy efficient models will further reduce end user expense. Many other savings result from simple occupant education programs.

In addition to retrofit of building lighting and refrigeration, encouraging development of renewable resource electrical production will greatly offset current diesel generator fuel use. Many Alaskan locations are suitable for wind, tidal or other renewable electric production as is evidenced in Kotzebue and Wales.

Alaska should partner with communities to provide resource assessments and seek development of appropriate renewable technologies. Cities and larger towns should be accorded rebate incentives for owners wishing to undertake installation of solar, small hydro and wind systems. To ignore these demand side reductions is a disservice to our residents and will ultimately result in terrible and unnecessary hardship as fossil fuel prices increase.

Nels Anderson and other authors of the state energy policy recommendations are well intentioned and they have cited numerous worthwhile projects. But they have left out a most important aspect of our energy options. In today's world of increasing energy expense and diminishing global resources, we need to deal with global warming and the subsequent need to minimize carbon release. Alaska must take the lead in combating waste and unsustainable living expenses for its residents. A supply side approach cannot meet this challenge in the long term.

Bringing buildings in Alaska toward net zero energy use should be our ultimate goal and statewide initiatives to achieve this should be implemented as soon as possible. A nationwide effort in Canada is already working for this minimal energy housing achievement. They are helping us clear the path to a better future. Like the Canadians, we should be making Alaska's homes and workplaces models for the world through efficient insulation, ventilation and renewable energy use. Superinsulated homes with efficiency improvements and renewable energy projects should be encouraged through significant interest rate buy-downs, rebates, and low or no-interest loans in order to include all levels of economic participation. Rural Alaskans have felt the "energy pinch" for several years and for us to expect reductions in fuel costs to provide long term relief is unrealistic. Alaskans deserve thoughtful leadership and a solid energy plan to beat energy use and costs down to affordable needs, not just "affordable prices". Results from such a strategy will be lasting and employment of Alaskans in accomplishing this approach will provide healthy economies for communities across our state.