

## **Interest in renewable energy may stick as oil prices surge**

*The latest round of rising gas prices may be the catalyst that spurs widespread use of solar, wind and biofuel energy.*

**Tiffany Hsu, Los Angeles Times, 3-11-11**

The latest surge in oil prices may help the renewable energy industry reach a turning point after years of boom-and-bust cycles long dictated by the rise and fall in gas prices.

Solar, wind and biofuel investors and analysts said the latest run-up in prices caused by unrest in Libya and other oil-producing nations could lead to lasting interest in alternate sources of energy.

They point to several factors converging at the same time that give the industry such hope. Public awareness and worries about climate change, pollution and dwindling resources are at an all-time high. Government funding for alternative energy projects is also on the rise.

"This is a crisis that's creating a teachable moment, showing us that we're going in the wrong direction," said Denise Bode, chief executive of the American Wind Energy Assn. "People have been in this situation too many times, and once they see that the alternatives are the real deal, they'll never go back."

Concerns that the country's addiction to foreign oil could pose national security risks and that the environment is fraying are stronger than ever, said Bode, who is also the former president of the Independent Petroleum Assn. of America.

In California, more than half of the 1.2 billion gallons of gasoline guzzled each month come from foreign sources, according to U.S. government figures. James DiGeorgia, editor of the Gold & Energy Advisor website, said he believes that if countries such as Algeria follow Libya's political upheaval, oil prices could more than double to upward of \$200 a barrel.

"We've gone from a relatively secure position to a very insecure one," Jim Boyd, vice chairman of the California Energy Commission, said in a statement. "Our exposure to the vagaries and instability of the world oil market has increased by a factor of 10 since the early 1990s."

Since then, the renewable energy industry has compiled a stable of high-profile supporters. President Obama said he wants 80% of the energy in the U.S. to come from "clean" sources by 2035. Former Gov. Arnold Schwarzenegger regularly visited wind and solar energy production sites cropping up throughout California.

"Why should a dried-up little country like Libya with a crazy dictator play havoc with America's economy and security?" he asked at a recent summit for Advanced Research Projects Agency-Energy, known as ARPA-E, the young Department of Energy program that helps fund early-stage energy research.

Various guidelines, mandates and subsidies exist to encourage green energy. California intends to have alternative energy make up 33% of the state's portfolio by 2020. The U.S. Navy plans to run half of its fleet on renewable fuel by 2020.

"There's no silver bullet, but there is silver buckshot," Bode said. "Alternative energy is changing the way people look at things."

It worked on Lefteris Padavos, 51, a Los Angeles photographer who put solar panels on his roof about six months ago. And because he installed the system himself, he paid just \$3,000 out of pocket after government incentives.

He also modified a Porsche into an electric car and is expecting a battery-powered Nissan Leaf to arrive in April.

"It's not just the price of gas that will go up — the cost of life is going to go up too," he said. "That will force people to come up with new ideas, to learn to live with less and be more creative with the alternatives we have."

But there are also signs that a permanent renewable energy renaissance is not yet at hand.

Fossil fuel-powered generators are still common in rural parts of the country, where the U.S. Department of Agriculture is pushing farms and ranches to use biomass and other clean forms of energy. Oil is still the preferred energy source for heaters during frigid winters on the East Coast.

Alternative power accounts for just 8% of U.S. energy consumption, according to 2009 government data. Petroleum commands 37%.

Wind power accounts for just 3% of the country's electricity, despite a decade of blockbuster growth. Solar represents an even smaller percentage. And aside from a few test runs in airplanes and show vehicles, biofuels derived from algae, jatropha and other plant-based materials are mostly stuck in research and development.

None of the three major investor-owned utilities in California hit the state's goal of getting 20% of electricity from renewable energy sources by last year. Instead, a flexible compliance clause gives the utilities until the end of 2012 to meet the mark.

This month, Southern California Edison said alternative energy sources generated 19.4% of its electricity. PG&E Co. was at 17.7% while San Diego Gas & Electric Co. has reached 11.9%.

A limited supply of renewable energy is one of several roadblocks to widespread use. The renewable energy infrastructure is still shaky. Solar and wind projects are often at remote sites and often aren't connected to modern transmission lines. Public charging stations for electric cars and biofuel stations for other vehicles that run on renewable energy are scarce.

And petroleum isn't the only competition for renewable energy.

"Renewables aren't the only technology option that can broaden the portfolio," said Mark Griffith, a managing director for infrastructure solutions firm Black & Veatch. "The same events in the Middle East are being pointed to by the nuclear energy lobby, the clean-coal lobby and the natural gas lobby."

Longtime gas guzzlers might need much more dire circumstances than Middle East unrest to develop an appetite for green energy, he said.

"Will this one extra push do it? I don't know," Griffith said. "We're desensitized to price shocks. Political debate now is more on the economy and jobs than on the price of gasoline. It's hard to get attention on renewable portfolios."