

Expensive Energy

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There's an increasingly important reason to save energy, and it has nothing to do with global warming or American dependence on hostile foreign sources of fuel. Even for those who think that the polar ice melt has nothing to do with our use of fossil fuels, the reason will be significant. And it will be important to those who note that we buy much of our oil from Canada and Mexico, two allies.

The reason is cost.

Already, we're seeing America's traditionally low gasoline prices spiking. Gas is selling for \$3.27 a gallon in many places now, up about 75 cents in the past year and a lot more than that in the last three. There are predictions that it will cost \$4 a gallon when we head out on summer vacations this summer.

Many economic commentators cite the rising costs of gasoline as a big factor in the economic slowdown. Families are spending money on gasoline that they might otherwise spend on other consumer goods.

In North Carolina, we've long enjoyed another big energy advantage - inexpensive electricity. Inexpensive, that is, compared to the rest of the country and world. By some calculations, our electricity prices run 25 percent below those of the national average. Kiss that goodbye, too.

Three forces will push electricity prices up. The first is the state's growth. With more people and more uses for electricity, we're creating the need for new power plants. They are expensive.

The second is global warming. The Congress and the next administration will almost certainly increase the costs associated with electrical production as a way of reducing the emission of climate-changing gas. A carbon tax is very possible.

The third is the international energy market. Americans have long enjoyed a plentiful supply of inexpensive domestic coal that few others in the world wanted. Now, with energy prices high and the American dollar low, foreigners are buying our coal and shipping it home. This is driving up its cost for our utilities.

Given all of these factors, a recent industry prediction says that North Carolina electricity rates will rise by 50 percent in the next decade.

There is, of course, a way to fight back. We, as consumers, can use less electricity and put the principle of supply and demand to work in our favor. We can use more efficient light bulbs, appliances and air conditioners. We can turn out lights when we don't need them. We can turn down the water heater and furnace and set the AC lower.

We can fight back, but if we continue our wasteful ways, we'll pay the full price increase and maybe more.