

# Murky future seen for clean energy

June 16 2010, by Andrew Beatty

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File photo shows cars reflected in a gas truck in a traffic jam in Los Angeles, California. President Barack Obama has vowed the Gulf of Mexico spill would speed the end of US dependence on fossil fuels, but experts doubt reality can match his rhetoric.

President Barack Obama has vowed the Gulf of Mexico spill would speed the end of US dependence on fossil fuels, but experts doubt reality can match his rhetoric.

"The tragedy unfolding on our coast is the most painful and powerful reminder yet that the time to embrace a clean energy future is now," Obama said in a primetime televised address from the Oval Office.

Amid the worst environmental disaster in US history, supporters of [renewable energy](#) had hoped images of sullied coasts and dramatic engineering failings would spark just such a revolution: the beginning of

the end for fossil fuels.

"(The spill) was a reaffirmation of some truths about energy extraction," said John Quealy, a [clean technology](#) analyst at Canadian investment bank Canaccord Genuity.

"We are moving toward harder-to-extract sources of petroleum and natural gas that carry higher risk, and we see that playing out in the Gulf Coast."

Even the nuclear sector -- long-tarnished by its own catastrophic accidents -- voiced cautious hope of a resurgence not seen since the Arab oil embargo of the 1970s, when it muscled crude out of the electricity generation sector.

But instead of rushing toward solar, wind or biofuels since the spill, investors have been quietly walking away.

Shares in US alternative energy companies have been pummeled as any potential boon in US business was far outweighed by bad economic news from Europe.

According to Alex Morris, an energy analyst with financial firm Raymond James, the United States simply ranks far behind other countries and regions in the renewable energy market.

"The sector as a whole comprises lots of solar companies and you have seen a lot of weakness mainly because of the declining euro," he said, "78 percent of worldwide solar sales come out of Europe."

That trend may be thanks to long-standing underinvestment, but critics say Obama is repeating these mistakes by failing to promote concrete legislation that would that would prop-up the fledgling renewable energy

markets.

"There needs to be more work from the President, the White House staff has not been effectively engaged to push for effective climate policy," said Kyle Ash, a senior legislative advisor for the environmental lobby group Greenpeace.

While polls show Americans are generally warming to the idea of reform, Congress remains bitterly divided.

Obama's Democratic allies have struggled to garner votes, while Republicans have accused them of a thinly veiled effort to introduce a job-killing energy tax on companies.

Yet despite Obama's renewed vow for a "national mission" to develop clean energy, the spill may complicate Obama's effort to steer a climate bill through Congress.

The president had already roiled environmentalists with his support for offshore drilling, which many saw as an effort to bring skeptical lawmakers onboard.

With the oil spill, that gamble may have back-fired and Obama has ordered a six-month moratorium on new permits for deepwater oil drilling.

"One of the things that had been offered as an incentive to get a bill through Congress was to increase offshore drilling," recalled Rob Stone, an [energy](#) analyst with investment bankers Cowen & Co.

"That option is not on the table anymore.

"It is a question of rhetoric versus reality, I wouldn't say it's impossible

that something might be passed this year, but I would say the possibility is small."

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Citation: Murky future seen for clean energy (2010, June 16) retrieved 26 April 2024 from <https://phys.org/news/2010-06-murky-future-energy.html>

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