

Obama's clean-tech vision meets with skepticism

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President Barack Obama has grand plans for a green nation - 1 million electric vehicles on the road within four years and clean power sources providing 80 percent of the nation's energy by 2035.

But after getting a surprisingly extensive shout-out in Obama's State of the Union address - he sees clean tech as the country's best chance to seize its "Sputnik moment" - industry officials this week were less than enthused and questioned whether the ambitious targets were even attainable.

"It's a lofty goal, but it's like the race to the moon in that it's generally achievable," said John Cheney, chief executive of [solar project](#) developer Silverado Power. "The issue is whether we have the political will and ability to pull together and actually do it."

The guarded reaction to Obama's speech comes as many clean-tech companies are struggling to recover from the recession and at the same time are facing aggressive competition from China. Many fear Obama's long-range objectives will be distracting and take the focus off crucial, short-term projects.

The American [Wind Energy](#) Association, a trade group for wind power companies, said the industry wants to ramp up developments right away after laboring through a major slump in 2010.

"We don't need to wait nearly three decades," said Denise Bode, the

group's chief executive.

And other clean-tech industry executives are grumbling that Obama has grouped "clean coal" and nuclear power along with solar panels, [wind turbines](#) and biofuels as green power sources.

Nuclear energy - a pet cause of Obama-appointed Energy Secretary Steven Chu - creates radioactive waste that lasts for thousands of years and also carries grave security concerns, said Arjun Makhijani, president of the Institute for Energy and Environmental Research.

Coal plants, even those that would capture and store [carbon dioxide emissions](#), would still use enormous reserves of water and could still release toxins that could cause severe health consequences.

And then there is the big money question. Before aiming for such a high clean-energy threshold, companies first need to feel more secure about financing, executives said. Obama asked Congress to swap billions of dollars in subsidies given to oil companies for clean-energy initiatives. That move is likely to encounter significant resistance from the fossil fuel industry.

The renewable-energy market needs a stable supply of funds, not the erratic cycle of government incentives that expire every year or so, clean-tech executives say. Last year, solar and wind companies temporarily suspended new project developments while they lobbied for federal financing programs that were threatened or were about to expire.

A steady nationwide system of loan guarantees, clean-tech manufacturer subsidies and consumer energy efficiency rewards could help make the 80 percent goal a reality, some said.

"The more scale we get for solar, the more the cost comes down for

everyone," said Lyndon Rive, CEO of residential panel installer SolarCity. "If Obama's goal gets the resources it needs, there's no reason we can't do this."

But hitting those targets will also depend on the mood of capital investors, who are still skittish about the economy. Some companies complained that scrounging for funds last year was like dealing with loan sharks, with 13 percent or 14 percent interest rates compared with low-single-digit rates in China.

The Asian superpower also has a comprehensive national green policy, which the U.S. lacks. The absence of a unified federal approach has led to an exodus of U.S. clean-tech companies.

Obama needs to push for a nationwide standard on renewable power while also simplifying the patent approval process and backing more research and development efforts, industry executives said.

The government should also continue fast-tracking the permitting for projects such as the expansion of Molycorp Minerals' rare-earths mine in Mountain Pass, Calif., and opening up offshore space for wind farms and public lands for solar installations.

Obama's plan may also get stiff resistance from Republicans in Congress, many of whom are loath to fund these projects.

But Silverado's Cheney said that partisan resistance seems to be thawing - at least if California is an indicator.

"Politically, it looks like people are starting to reach across the aisle," he said of Sacramento. "Everybody's embarrassed by the horrible politics, so they've moved on from the grandstanding."

If so, Obama might have an easier time making his 2015 electric vehicle goal a reality.

Although a wave of hybrid and battery-powered vehicles is set to arrive over the next two years, the number of such vehicles on the road is expected to be small initially. Consumers are facing complicated fuel economy ratings and varying permitting processes for installing home chargers.

The government needs to collaborate closely with the market on industrywide standardization, said Brian Wynne, president of the Electric Drive Transportation Association.

"It's all about reducing market barriers for these vehicles, encouraging manufacturing in this country, continuing to move the technology along," he said. "There's a global race with an enormous amount at stake."

Environmentalists and scientists applauded Obama's speech, but "getting the details right is crucial" to achieving wanted results, according to a joint statement that included the Natural Resources Defense Council, the Sierra Club and the Union of Concerned Scientists.

"We can't afford any more false starts on clean energy," they said.

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