Bush's plan to wean US off imported oil: ambitious enough?

Right direction, say energy gurus. But some puzzle over R&D that won't cut oil demand.

By Mark Clayton | Staff writer of The Christian Science Monitor

After bluntly stating that "America is addicted to oil," President Bush delivered one of his largest applause lines during his State of the Union speech: a new national goal to slash imports from the Middle East.

With Americans concerned about rising gasoline prices and dependence on imported oil, the president wants to cut 75 percent of US oil imports from the region by 2025 - and he provided a new energy plan to help do it.

Parts of Mr. Bush's "Advanced Energy Initiative" - including a fresh focus on cellulosic ethanol research and attention to battery technology and plug-in hybrid cars - won plaudits from some energy experts. Others called the plan "misleading" for lumping proposals for electricity generation with initiatives to save oil.

But the plan for a 22 percent boost in federal energy research also left many experts scratching their heads. How would solar, wind, "clean, safe nuclear," and "clean coal" research cut US oil imports?

"The president’s initiative ties an oil savings target to a basket of energy solutions for homes and businesses, which have nothing to do with our oil problem," Gal Luft of the Institute for the Analysis of Global Security, an energy security think tank in Washington, said in an e-mail.

Since the 1970s oil crises, he wrote, utilities have cut back so much on oil use that today they use a minuscule amount of oil to generate electricity. And while US coal reserves are abundant, and coal-gasification technology could lead to reduced carbon-dioxide pollution, the impact on oil imports would be virtually nil, Mr. Luft added.

To others, that goal is the right direction, but far less ambitious overall in
terms of cutting oil dependence than is legislation currently pending in Congress.

With US oil imports from the Persian Gulf expected to rise to about 5 million barrels a day by 2025, the bottom line is that the president is proposing that the country cut its imports from the region by 3.75 million barrels. A bipartisan proposal in Congress - the "Vehicle and Fuel Choices for American Security Act" - advocates a 7-million-barrel cut over 20 years, nearly double Bush's proposal and eliminating the need for any Middle Eastern oil.

"There is no reason for the president to be more timid than Congress," Anne Korin, chairman of the Set America Free Coalition, said in a statement.

While she and others saw some promise in the president's new focus on developing cellulosic ethanol and developing hybrid and plug-in hybrid technology, others challenged him to act quickly with tools now at hand to reduce oil consumption.

After the first oil crisis of the 1970s, improved efficiency and tough fuel-economy measures for cars had by 1985 slashed oil imports from 46 percent to 27 percent of total consumption.

By contrast, the US burned about 20.6 million barrels a day last year, and imports were 65 percent of the total. About 2.3 million barrels a day of US imports (a 17 percent share) came from the Persian Gulf last year, or about 11 percent of total US consumption.

"The president's plan is a compendium of research initiatives which may have a great impact in the distant future and are definitely worth pursuing," Ms. Korin says in a statement. "But in the short run, they will do little to advance our petroleum predicament. What we need most now is to focus on deployment, not only research and development."

Cellulosic ethanol - a technology to make it possible to use switch grass, wood chips, and other biomass for biofuels - could be cost-competitive with gasoline in a few years, the president argued. If so, he should be requiring automakers to make all cars biofuel-compatible since the cost to do so is only about $150 per car, some argue.

Other analysts say the biggest oil savings could be done with a stroke of Bush's pen, saving more oil than his research proposals far more quickly. Boosting fuel-mileage standards for automobiles saved the lion's share of US oil savings during the 1970s.

The president's proposals were "a repackaging of the same old wish list for corporate lobbyists" that did little to cut near-term US dependence on foreign oil, says Carl Pope, president of the Sierra Club, in a statement.
While it might not affect dependence on foreign oil, the nuclear industry's bid to build 12 to 15 new plants by 2015 got a boost from the president's initiative. The Nuclear Energy Institute, an industry lobby group, applauded "the President's favorable view."

Many others, however, were angered by the president's use of the term "clean, safe nuclear energy," an industry characterization. In a statement, Tony Massar, vice president for political affairs for the League of Conservation Voters, criticized the president's focus on "unworkable technologies and dangerous energy sources of yesterday."

However, wind and solar advocates were ecstatic at the big hikes in federal research funding - $44 million for wind and $65 million for solar respectively - and for being mentioned as part of the solution.

**Bush's Advanced Energy Initiative**

Following are the main components of the president's initiative, with the proposed dollar amounts for the 2007 budget.

• **Coal Research Initiative.** $281 million for development of clean coal technologies.

• **Solar America Initiative.** $148 million to accelerate the development of semiconductor materials that convert sunlight directly to electricity.

• **Expanding clean energy from wind.** $44 million for wind energy research.

• **Biorefinery initiative.** $150 million to help develop bio-based transportation fuels from agricultural waste products, such as wood chips, stalks, or switch grass.

• **Developing more efficient vehicles.** $30 million to speed up the development of battery technology for hybrid vehicles and to extend the range of these vehicles.

• **Hydrogen fuel initiative.** $289 million to accelerate the development of hydrogen fuel cells and affordable hydrogen-powered cars.

- The White House

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