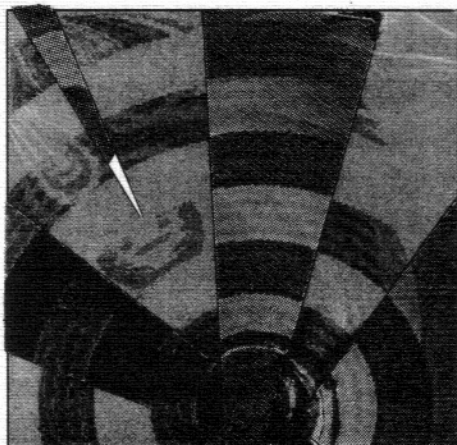


Energy Policy Statement

"For over two decades ASPI has had an energy policy which seeks to utilize local energy sources, demonstrates and promotes renewable energy, champions energy conservation, exposes the dangers of non-renewable energy utilization, and attends to needs of poorer central Appalachians. These five elements continue to constitute our general policy, even though we must face the following challenges, some of which have recently emerged.

The Globalization Challenge. Through global communications and transportation networks this world is becoming smaller. In recent years NAFTA and GATT treaties, along with international corporate ventures and mergers, make matters far more complex than in previous decades. ASPI advocates using local necessary bulk items (building materials, food, water, and energy supplies) whenever possible. Each locality has its unique energy sources such as solar energy for domestic space and water heating, food cooking and drying, and for other such uses. In some cases non- or low-polluting non-renewables could have local utilization. However, having said this, the thrust for a globalized economy flies in the face of such a goal of local energy utilization. Localizing energy sources may mean greater effort and ingenuity.

The Low-Priced Energy Challenge. No one predicted that in 1999 the price of petroleum would be lower (even with inflation adjustment) than at any time in the past few decades. This \$10 per barrel condition may be very short-lived or may be extended by world or national recession or depression. The struggling wind and solar industries simply cannot compete with such low-priced fuels. Renewable subsidies are in short supply. Prices for wind and solar technology are about the same as in the 1970s and tax incentives are few. ASPI awaits the solar age and has championed solar cookers, food dryers, space heating, water heating, photovoltaic lighting arrays, and a solar electric vehicle. ASPI has implemented these in Appalachia and in a number of Third World countries. ASPI's demonstration work is featured in the book *Renewables Are Ready* by Nancy Cole and P.J. Skerrett of the Union of Concerned Scientists (Chelsea Green, 1995). ASPI has also tried to refute the power industry-originated myth that green energy needs much more research and development. In fact, green energy has worked a long time (e.g., windmills and solar water heating units), works on a decentralized scale, and, if there is a level playing field, will be popular in the future.

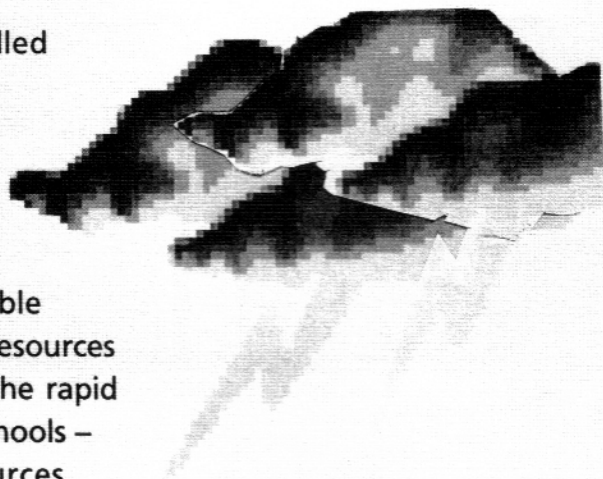


The Waste Culture Challenge. During prosperous economic times people appear to neglect conservation measures. Cheap oil, which could be a short-lived economic benefit, discourages energy

conservation in vehicles and homes. Ironically, so-called conservationists are often the ones who neglect resource conservation the most. Even during relatively good times a sound energy and resource conservation policy should be operative. ASPI's work in environmental resource assessment calls for halting waste immediately.

Individuals and institutions will not make any noticeable advance in environmental consciousness if they waste resources such as food, water, or energy. A major waste area is the rapid increase in the size of homes, businesses, churches and schools – all the expanded spaces demand more material resources for construction, heating, cooling, and maintenance. ASPI

has sought to initiate energy conservation by encouraging less dependence on the power grid or through utilization of locally available alternative sources of green energy.



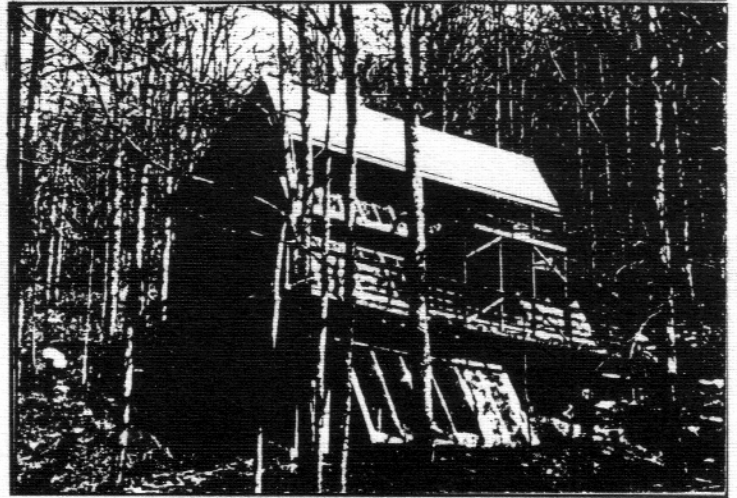
The Health Challenge. People do not want to breath dirty air and, while some improvements have been made, still many areas are polluted. Electric generation from fossil energy sources is one of the major culprits. Emerging major issues also include increased global warming from emissions of carbon dioxide and the presence of heavy metals such as mercury that comes from the combustion of coal. The former can only be addressed when major energy consuming nations agree to curb fossil fuel combustion; the latter is perhaps not technologically solvable at any reasonable cost at this time and thus emerges the need to phase out coal-fired power plants in the next two or more decades.

The Deregulation Challenge. The poor in many parts of the nation are being fleeced by rapidly rising electric rates. Affordable electricity is a concern in certain areas which have rates three-times as high as Kentucky's (11.1 cents/kilowatt hour in New York to 4.1 cents in Kentucky, Idaho and Washington). This wide variation from the national average of 6.9 cents makes it difficult to develop a national strategy on reducing rates and promoting green energy in areas which have varying amounts of wind, hydropower and, to a lesser degree, solar energy availability. The challenge becomes more complex as one tries to balance consumer concerns such as reliability, labor unions and jobs, minority groups and the poor, and pressures from the power monopolies to retain their relative position, receive bail-out money and thus ensure their profitability at the expense of consumers.

The Upcoming Deregulation Battle. Deregulation is sweeping through a number of states with higher electric rates and nuclear powerplants. In these states utilities help draft legislation which requires ratepayers to foot the bill for their massive investments in nuclear power and other power-generating plants. These costs are termed "stranded costs" and amount to over \$200 billion. In California and other recently deregulated states this is becoming the century's greatest financial bailout - far eclipsing the savings and loan debacle. Unfortunately a number of environmental groups, along with so-called minority groups, have accepted corporate handouts and mouth the deregulation and corporate bail out line. National deregulation legislation by the 106th Congress is uncertain as is deregulation in central Appalachian states. All need to be prepared for either. Elements needed in federal or state legislation have been developed by the *Ratepayers for Affordable Green Energy* (RAGE) coalition based in Washington, DC.

ASPI's Refined Energy Policy

Because of these challenges - some of them new - a basic energy policy for central Appalachia must also be integrated with the national energy policy and be conscious of a global energy stance as well. We consider that the refined policy should continue to include the following activities: promote local energy sources; demonstrate and promote renewable energy; champion energy conservation; expose the dangers of non-renewable energy use and be sensitive to the energy needs of the poor in our region and beyond.



ASPI Solar House. On the grid - not dependent upon it.

Some form of renewable energy will soon be available to consumers in all regions of the United States. Will renewable energy be affordable while electric utilities fleece smaller electric users at the same time as they will undoubtedly offer bargains to larger corporate consumers? The lower electric rates in central Appalachia should not deter the formation of alliances with like-minded folks throughout the nation. We must be aware that our lower-cost coal-fired plants (Kentucky and West Virginia do not have nuclear plants) are often quite dirty and their clean-up or closure would quickly move our people into higher rate brackets. We are thus torn between wanting to keep affordable energy for all Appalachians and the broader need for cleaner energy that will preserve the health of the nation and world.

Promote Local Energy Sources. Local energy sources have less environmental impact (less transportation problems and wastes), do not pose large-scale reliability problems, and allow for greater citizen control. People should not be dependent on energy coming from half way around the world. Such dependence breeds expensive and dangerous security problems, e.g., military actions in the Persian Gulf. Nor should people be dependent on a national electric grid that is inherently unreliable. Our ultimate goal is for domestic users to remove themselves from the power grid.

Demonstrate and Promote Renewable Energy. ASPI is committed to continue popularizing solar and other renewable energy sources through the sponsorship of the Kentucky component of the National Solar Tour each October, the development of low-cost electric vehicles, and solar ventilation, lighting, food drying, food cooking and water heating. ASPI will continue to produce and distribute technical resource (written, television and workshop-related) materials dealing with renewable energy and other appropriate technology applications. ASPI pledges to continue to make these materials available to public interest coalition groups working on national, regional or state levels, as well as to individual parties in central Appalachia. It ought to be noted that these materials are being progressively added to the ASPI world web site, www.kih.net/aspi.

Champion Energy Conservation Measures. Resource conservation is a key to the success of the transformation to a sustainable economy that gives all a fair share of world resources. ASPI's current pollution prevention television series includes many resource conservation measures such as water-saving dry composting toilets and fuel-efficient wood stoves. Forty half-hour videotapes are being produced on these and other subjects and will be available for public service television viewing by the end of 1999. All the while ASPI will continue to advocate for such national conservation measures as appliance and vehicle efficiency standards, more efficient insulation and building materials, and reduction in resource use in the manufacturing sectors.

Expose the Dangers of Non-Renewable Energy Sources. ASPI has spent time in the past exposing the dangers of irresponsible surface mining operations (e.g., blasting effects of surface mining operations, coal haul and nuclear waste transportation problems, etc.). Environmental and health threats are ongoing concerns, e.g., mountaintop removal by coal companies and sites for nuclear waste disposal. ASPI is committed to remaining involved in such issues, especially those dealing with nuclear wastes and the rising concern about emissions from dirty coal-fired plants which are often found within the Appalachian region. While it is more difficult to address these plants in coal-producing states, still it is necessary to support the public interest health areas through testimony, reports, and actual work on such issues as mercury contamination.

Be Attentive to Energy Needs of the Poor. ASPI will continue to focus on low-income people through advocating the use of low-cost solar applications as well as home-built dry composting toilets, artificial wetlands, masonry stoves, intensive backyard organic gardens, and greenhouses. The working principle is that energy innovation techniques must not be reserved for the middle and upper class but must always be accessible for low-income people as well. This is reason for the promotion of do-it-yourself practices, whether low-head hydropower units for domestic use or affordable, but safe, low-cost housing. Affordable electric rates become somewhat problematic, for they are often based on excluding some hidden costs such as environmental degradation. Small consumers must not be penalized by escalating electric rates. Power marketers and utilities seeking to buy and sell captive consumers in deregulated markets is emerging as a horror story. Deregulation was sold last year to California voters on the promise that consumers would have a choice of power supplies. In reality experts report that the opposite is occurring: captive consumers with no choice of suppliers are themselves being bought and sold in blocks by deregulated power companies. ASPI will continue to belong to and support coalitions such as RAGE in Washington, DC which champion these consumers."