

## Kevin Lucas

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**From:** Peter Van Buren <petervb@terralogoseg.com>  
**Sent:** Monday, July 30, 2012 6:49 PM  
**To:** Kevin Lucas  
**Subject:** Re: EmPOWER 2020 - Website update and reminder about comments

Hi Kevin,

Thanks for the nudge. Here's my input.

One of the biggest issues on our transition to clean energy is the way we analyze the economics. I think most of us present at our June meeting believe that clean energy technologies are absolutely cost effective.

However, that's not the usual response in the US. There are many reasons for this lack of belief in the economic viability of clean energy.

For more than a century, we have invested heavily in conventional power production using public funds. And, we continue to subsidize this industry, even when it enjoys record profits. This subsidy deceptively lowers the costs we nominally pay for conventional power to a level well below that of most other developed countries.

This low cost for conventional energy makes it difficult for the new clean technologies to compete in the US. They are seen as too expensive. Subsidies for clean power are discussed, but, in this economy, it seems impossible to envision the creation of clean energy subsidies of the magnitude needed. Ironically, we have paid and are continuing to pay subsidies for conventional energy at this level for decades. But, the companies that benefit from these traditional subsidies scream like crazy when anyone suggests reallocating towards the clean side.

In addition, our system externalizes the costs that all of us bear for the environmental degradation that comes from our continuing use of fossil fuels. Plus, there are many benefits to clean energy production, like improved comfort and reduce health costs, that are not easy to monetize and are therefore neglected.

When we all experience the heavy costs of climate change resulting from events like our recent derecho, these hidden costs start hitting home. I am worried that we are only seeing the tip of the (melting) iceberg on such costs from extreme weather.

If we include these costs in the equations we use to analyze the cost-benefits of clean vs. conventional fuels, the scales start to tipping toward a new direction. Unfortunately for clean energy, this is not what we normally do. We need to change our analysis so that we can strongly make the case for the sound long-term financial benefits of a change to clean energy.

So that is my recommendation.

Make Maryland a leader in this area by including **both** the hidden costs of conventional power production, and the overlooked non-financial benefits of clean energy production. As a state, we are already doing this in our general economic evaluation [with our Genuine Progress Indicators](#). I urge the MEA to be innovative so that such a concept is at the root of the plans for EmPower MD 2020.

Sincerely,

Peter Van Buren

On Wed, Jul 25, 2012 at 5:10 PM, Kevin Lucas <[KLucas@energy.state.md.us](mailto:KLucas@energy.state.md.us)> wrote:

All,

As was mentioned at our meeting in June, MEA has created a page on our website to host information and documents related to the EmPOWER 2020 effort. You can find the latest information at <http://energy.maryland.gov/empower2020/index.html>. We will continue to post documents on this website as they are developed. To that end, the GDS report on fuel switching and combined heat and power potentials are moving along well and on schedule for an August delivery. When they are completed, we will post them to the website.

Thank you to those who have submitted comments relating to our June 29, 2012 meeting. As a gentle reminder to others, please send in comments by July 31, 2012. You can send them to me at this email address. We look forward to incorporating your feedback into our draft plan.

Thanks,

Kevin

Kevin Lucas

Director of Energy Market Strategies

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