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PEOPLE ISSUES BUSINESS STATEWIDE

By Rebecca Watson

_Guest column

Energy and the West: A need for a return to realism

There is no silver bullet for solving our current energy woes. As a country we have developed a belief that energy exists that doesn't look bad or smell bad or pollute and is very reliable and cheap. As Westerners, we know that's just not true.

Many people in larger urban areas no longer have any connection at all to the places from which their energy comes. For them, it comes from the wall. In fact, a recent national survey found that only 12 percent of Americans could pass a simple "Energy IQ" test.

This general disconnect increasingly distorts and delays one of our most important national policy debates, because energy strikes at the heart of our quality of life and our ability to nurture key industries. For a better understanding, it's important to start with the simple, raw data underlying our current situation:

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- With just 5 percent of the world's population, the U.S. uses 25 percent of the world's energy. We also produce 25 percent of the world's gross domestic product.
- All renewable sources produce only 6 percent of the total energy used, and the majority of that green energy is hydropower and biomass.
- Most researchers contend that even with very aggressive measures, renewable energy could only produce about 25 percent of the national need by 2025.
- More than 75 percent of the current national need cannot be met with renewable sources. And conservation can't meet a gap that large.
- Our current issues with oil and natural-gas prices are, in part, driven by the growing energy demands from both China and India. China is the second-largest consumer of oil after the U.S.

The larger disconnect and the real tradeoffs that are increasingly necessary to create a coherent solution to our energy problems is clearly demonstrated by our ongoing struggles with soaring natural-gas prices.

This clean-burning fossil fuel came into vogue in the 1990s as a more environmentally friendly and homegrown form of energy. Today, 95 percent of new power plants are gas-fired and 52 percent of homes use natural gas for heat. Natural gas supplies 25 percent of our electricity. When it sold for $2.50 per million cubic foot, its use made sense.

But times have changed. Over the last decade, increased domestic and now global demand and unprecedented natural disasters in the U.S. Gulf Coast region have driven the price up six-fold. Families using natural gas for heat saw their monthly bills more than double. Industries built on $2.50 gas can't make it on $7 gas. As a result, large segments of the fertilizer and chemical industries closed or moved overseas.

To solve this problem, producers have come knocking on the West's door. The five basins in New Mexico north to Montana contain the second-largest resource of natural gas in the U.S. with about 139 trillion cubic feet. That's enough to heat every home that uses natural gas for 29 years.

Colorado is the sixth-largest natural-gas producer in the nation and holds the fifth-largest natural gas reserves in the country. It has the largest reserves of coalbed natural gas in the nation. In 2005, drilling permits issued increased by 49 percent. Some energy analysts say that the natural gas fields in the Rockies may be the domestic energy industry's biggest growth story over the next decade.

Much of this natural gas is on public lands in the Rocky Mountain region. This reality is setting up additional conflicts over newly granted drilling permits. But this conflict fails to take into consideration the nature of gas drilling and the increased ability of the natural gas industry to mitigate impacts. Unlike the demographic change that has hit the West, the natural-gas development boom is a short-term, highly regulated use of the land. Once the natural gas is extracted, the mineral operator must reclaim the surface.

In the coming decades, a global market in natural gas will be created, just as it has been in other energy sectors. The choices that our elected representatives make on our behalf impact directly the price we pay for the gas that heats our home, cooks our food, powers our business or provides us with the many products that use natural gas as a raw material. Our ability to rationally understand and reasonably connect with the realities of energy production will be the only way we can influence those choices.

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