

ENERGY NEWS AND NOTES

How Los Angeles Has Avoided The Electricity Crisis

by Jack N. Gerard

(NAPSA)—After weeks of enduring electricity shortages, rolling blackouts and higher energy prices, Californians probably feel like they've been cast in a low-budget, horror film. That is, unless they are living in Los Angeles.

The state's largest city has been virtually unaffected by the chaos that has turned California into an energy nightmare.

Los Angeleians enjoy an electricity cornucopia so abundant it allows the city's Department of Water and Power (DWP) to regularly sell excess supplies to in-state power entities. Meanwhile, the 3.8 million people served by the DWP have not experienced a rate increase since 1992.

California's population grew by some 4.1 million and Internet-based businesses in the state boomed during the 1990s, creating the world's sixth largest economy. But electricity demand exploded at 15 times the rate of new generation.

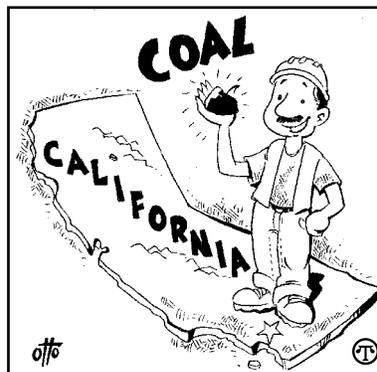
Outdated perceptions about coal's environmental acceptability, on the part of both government officials and many citizens, precluded it as a source of electricity for much of the state.

Meanwhile, natural gas became the largest single generation source of electricity sold to California consumers. Natural gas prices have doubled and tripled over the past year, and supplies have drastically tightened.

Efforts to import electricity into California to make up the power shortage have run into problems, thanks, among other things, to transmission capacity limitations and the fact that neighboring states need more of the power they generate for themselves.

When you consider the advantages offered by domestic coal, the question quickly becomes not why Los Angeles is relying on it, but why the rest of California isn't.

It is our most abundant



Los Angeles has avoided the energy crisis affecting the rest of California because it relies on coal for much of its electricity.

energy—U.S. reserves are sufficient to last at least 250 years at current rates of use.

It is reliable—coal provides more than half of the electricity generated in America each day.

It is affordable—coal prices at U.S. steam electric power plants have remained steady at about \$1.20 per million BTU, and have actually declined about 30 percent, in nominal terms, over the past decade.

Most of all, modern coal-fired generation is increasingly clean. National emissions of criteria pollutants from coal-fired plants have declined by one-third over the past 30 years, even as coal use for electricity generation has tripled.

The message is clear: an energy strategy that strives for full diversity, and makes appropriate use of domestic coal for electricity generation, is one that will achieve low cost, stable supply, and help our nation comply with its important air quality objectives. Just ask California and Los Angeles about the consequences.

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