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got innovative approaches to be able to move product from one part of the country to another, or natural gas, for example, from outside our borders to inside our borders. And so I look forward to good—folks taking a good look at this, because it makes eminent sense for the future of the country.

Thank you all very much.

NOTE: The President spoke at 4:50 p.m. in the Cabinet Room at the White House following a Cabinet meeting. In his remarks, he referred to Gov. Gray Davis of California. A tape was not available for verification of the content of these remarks.

Remarks Announcing the Energy Plan in St. Paul, Minnesota *May 17, 2001*

Thank you. Please be seated. Thank you for that warm welcome. First, I want to thank my friend Norm Coleman. What a great leader he is for St. Paul. He's a very good friend. I think it's important for you all to know that when Norm calls over there to Washington, I'll answer the phone.

Traveling with me today are two of my Cabinet officers: first, from the State of Michigan, the Energy Secretary, Spence Abraham; and the EPA Administrator, Christie Todd Whitman. I appreciate John's invitation to be here, and I want to thank the Capital City Partnership for giving me the chance to come and deliver a major policy address to the Nation.

I'm also pleased to be in the home of the mighty Minnesota Twins. Their cost per win is astounding. [*Laughter*] It serves as a good example of what frugality can do for the Nation. [*Laughter*]

But I'm not here to talk about baseball. The Twin Cities are a great place to discuss America's energy challenge. Minneapolis-St. Paul grew up as a mighty milling and transportation center because of the power of the Mississippi River. Your history was built on energy that was abundant and affordable and reliable. So, too, will be this Nation's energy future. I invite you to think with me about that future.

I had an early look at the future this morning, right here in St. Paul. I toured a plant that harnesses the best of new tech-

nology to produce energy that is cleaner and more efficient and more affordable. The plant boils enough water to heat 146 major office buildings in downtown St. Paul. Not a bit of energy is wasted—not even the waste. The excess heat generated as the water boils is captured and used to create steam, which generates still more electricity to power pumps and to deliver heat.

The plant is a model of energy efficiency. It is also a model of energy diversity. It uses conventional fuels like oil and natural gas and coal, and renewable fuels like wood chips. And the plant is a model of affordability. While other energy prices rise, District Energy has not raised its heating and cooling rates in 4 years.

We're beginning to see the power of the future, not only in office buildings but also in our homes and our cars. This spring the Sustainable Buildings Industry Council showcased a solar-powered home so advanced that it actually produces more energy than it uses. And some Americans are already driving hybrid cars that can convert to battery power to reduce emissions and get up to 70 miles a gallon of gas. These are our early glimpses of a future in which Americans will meet our energy needs in ways that are efficient, clean, convenient, and affordable.

The future is achievable, if we make the right choices now. But if we fail to act,

this great country could face a darker future, a future that is, unfortunately, being previewed in rising prices at the gas pump and rolling blackouts in the great State of California.

These events are challenging what had become a fact of life in America, the routine, everyday expectation that when you flick on a light switch, the light will come on. Californians are learning, regrettably, that sometimes when you flick on the light switch, the light does not come on, at any price.

I'm deeply concerned about the impact of blackouts on the daily lives of the good people of the State of California. And my administration is committed to helping California. We're helping right now by expediting permits for new power production and by working as good partners to reduce our electricity at Federal facilities, especially during the peak periods this summer.

My administration has developed a sane national plan to help meet our energy needs this year and every year. If we fail to act on this plan, energy prices will continue to rise. For two decades, the share of the average family budget spent on energy steadily declined. But since 1998, it has skyrocketed by 25 percent. And that's a hardship for every American family.

If we fail to act, Americans will face more and more widespread blackouts. If we fail to act, our country will become more reliant on foreign crude oil, putting our national energy security into the hands of foreign nations, some of whom do not share our interests. And if we fail to act, our environment will suffer, as government officials struggle to prevent blackouts in the only way possible—by calling on more polluting emergency backup generators, and by running less efficient, old powerplants too long and too hard.

America cannot allow that to be our future, and we will not. To protect the environment, to meet our growing energy needs, to improve our quality of life, Amer-

ica needs an energy plan that faces up to our energy challenges and meets them.

Vice President Cheney and many members of my Cabinet spent months analyzing our problems and seeking solutions. The result is a comprehensive series of more than 100 recommendations that light the way to a brighter future through energy that is abundant and reliable, cleaner and more affordable.

The plan addresses all three key aspects of the energy equation: demand, supply, and the means to match them. First, it reduces demand by promoting innovation and technology to make us the world leader in efficiency and conservation. Second, it expands and diversifies America's supply of all sources of energy: oil and gas, clean coal, solar, wind, biomass, hydropower, and other renewables, as well as safe and clean nuclear power. Third, and finally, the report outlines the ways to bring producers and consumers together, by modernizing the networks of pipes and wires that link the powerplant to the outlet on the wall.

Our new energy plan begins with a 21st century focus on conservation. The American entrepreneurial system constantly invents ways to do more with less. We pack more and more computing power onto a chip. We carry more and more messages over a cable. And we squeeze more and more power out of a barrel of oil or a cubic foot of natural gas. A new refrigerator you buy today, for example, uses 65 percent less electricity than one that was made 30 years ago. Overall, we use 40 percent less energy to produce new goods and services than we did in 1973. But this steady improvement slowed in the 1990s.

Our energy plan will speed up progress on conservation where it has slowed and restart it where it has failed. It will underwrite research and development into energy-saving technology. It will require manufacturers to build more energy-efficient appliances. We will review and remove the obstacles that prevent business from investing in energy-efficient technologies, like the

combined heat and power system I toured this morning. Conservation does not mean doing without. Thanks to new technology, it can mean doing better and smarter and cheaper.

Innovation helps us all make better choices. Smart electric meters can tell homeowners how they're using power and how they might reduce their monthly electric bill. Sensors can turn off lights when people leave a room. And innovation is bringing us transmission wires that waste less of the electricity they carry from plant to home or to office.

Conservation on a wide scale takes more than good ideas; it takes capital investment. Outdated buildings and factories have to be upgraded or replaced to consume less and pollute less. And here, some well-intentioned regulations have created a catch-22: Procedures intended to protect the environment have too often blocked environmental progress by discouraging companies from installing newer and cleaner equipment.

Wise regulation and American innovation will make this country the world's leader in energy efficiency and conservation in the 21st century. Our goal is to use less additional energy to fuel more economic growth. And I know we can do so. I also know that conservation is the result of millions of good choices made across our land on a daily basis.

Yet even as we grow more efficient, even as this Nation achieves the objectives in conservation, we will always require some additional energy to power our expanding economy. We learn that from the California experience. California has been an impressive conservation leader. It is the second most energy-efficient State in the Union. But California has not built a major new powerplant in a decade. And not even the most admirable conservation effort could keep up with the State's demand for electricity.

So the second part of our energy plan will be to expand and diversify our Nation's energy supplies. Diversity is important, not

only for energy security but also for national security. Overdependence on any one source of energy, especially a foreign source, leaves us vulnerable to price shocks, supply interruptions, and in the worst case, blackmail. America today imports 52 percent of all our oil. If we don't take action, those imports will only grow. As long as cars and trucks run on gasoline, we will need oil, and we should produce more of it at home.

New technology makes drilling for oil far more productive, as well as environmentally friendly, than it was 30 or 40 years ago. Here is the result of one study, and I quote: "Improvements over the past 40 years have dramatically reduced industry's footprint on the fragile tundra, minimized waste produced, and protected the land for resident and migratory wildlife." Those aren't my words. Those are the words of the Department of Energy study conducted during my predecessor's administration. Advanced new technologies allows entrepreneurs and risk-takers to find oil and to extract it in ways that leave nature undisturbed.

Where oil is found underneath sensitive landscapes, rigs can stand miles away from the oil field and tap a reservoir at an angle. In Arctic sites like ANWR, we can build roads of ice that literally melt away when summer comes, and the drilling then stops to protect wildlife. ANWR can produce 600,000 barrels of oil a day for the next 40 years. What difference does 600,000 barrels a day make? Well, that happens to be exactly the amount we import from Saddam Hussein's Iraq.

We're not just short of oil; we're short of the refineries that turn oil into fuel. So while the rest of our economy is functioning at 82 percent of capacity, our refineries are gasping at 96 percent of capacity. A single accident, a single shutdown can send prices of gasoline and heating oil spiraling all over the country. The major reason for dramatic increase in gasoline prices today is the lack of refining capacity. And

my plan gives the needed flexibility and certainty so refiners will make the investments necessary to expand supply by increasing capacity.

And America needs to generate more electricity. The Department of Energy estimates that America will need between 1,300 and 1,900 new powerplants over the next two decades. A high-tech economy is a high-electricity consumption economy. Even the sleekest laptop needs to plug into an electrical outlet from time to time.

More than half of the electricity generated in America today comes from coal. If we were not blessed with this natural resource, we would face even greater shortages and higher prices today. Yet, coal presents an environmental challenge. So our plan funds research into new, clean coal technologies. It calls on Congress to enact strict new multipollutant legislation to reduce emissions from electric powerplants.

My administration's energy plan anticipates that most new electric plants will be fueled by the cleanest of all fossil fuels, natural gas. Our Nation and our hemisphere are rich in natural gas resources. But our ability to develop gas resources has been hampered by restrictions on natural gas exploration. Our ability to deliver gas to consumers has been hindered by opposition to construction of new pipelines that, today, are more safe and more efficient. I will call on Congress to pass legislation to bring more gas to market, while improving pipeline safety and safeguarding the environment.

America should also expand a clean and unlimited source of energy, nuclear power. Many Americans may not realize that nuclear power already provides one-fifth of this Nation's electricity, safely, and without air pollution. But the last American nuclear powerplant to enter operation was ordered in 1973. In contrast, France, our friend and ally, gets 80 percent of its electricity from nuclear power.

By renewing and expanding existing nuclear facilities, we can generate tens of

thousands of megawatts of electricity at a reasonable cost, without pumping a gram of greenhouse gas into the atmosphere. New reactor designs are even safer and more economical than the reactors we possess today. And my energy plan directs the Department of Energy and the Environmental Protection Agency to use the best science to move expeditiously to find a safe and permanent repository for nuclear waste.

Our energy plan also supports the development of new and renewable sources of energy. It recommends tax credits to homeowners who invest in solar homes, and to utilities that build wind turbines or harness biomass and other environmentally friendly forms of power. It removes impediments to the development of hydroelectricity. It proposes incentives to buy new cars that run on alternative fuels, like ethanol, that consume less oil and, therefore, pollute less. It supports research into fuel cells, a technology of tomorrow that can power a car with hydrogen, the most common element in the universe, and emit only steam as a waste product.

In all these ways, we will expand the diversity of our energy supply. But as with conservation, new energy supply alone is not the whole answer. There's a third element we must address: modernizing the network that delivers the supply to the point of demand.

In 1919 a young U.S. Army officer was ordered to lead a truck convoy westward across our country. He was astonished to discover that the journey took 62 days. His name was Dwight David Eisenhower. And the memory of this bumpy transcontinental ride led to the creation of a modern transportation system.

Today, our electrical system is almost as bumpy as our highways were 80 years ago. We have chopped our country into dozens of local electricity markets, which are haphazardly connected to one another. For example, a weak link in California's electrical grid makes it difficult to transfer power

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from the southern part of the State to the north, where the blackouts have been worse. Highways connect Miami with Seattle; phone lines link Los Angeles and New York. It is time to match your interstate highway and phone systems with an interstate electrical grid.

And here, too, technology will make a big difference. Electricity markets used to be localized because wires could not carry electrical current over long distances. More and better wires can efficiently ship power across the country, reducing the threat of local blackouts or outages.

And it's just not our electricity delivery system that has fallen behind. The energy report projects that natural gas consumption will rise rapidly, as electric utilities make greater and greater use of this environmentally friendly fuel. We will need newer, cleaner, and safer pipes to move these larger quantities of natural gas—up to 38,000 new miles of pipe and 263,000 miles of distribution lines.

We'll also need to recognize the energy potential of our neighbors, Canada and Mexico, and make it easier for buyers and sellers of energy to do business across our national borders.

And finally, we must work to build a new harmony between our energy needs and our environmental concerns. Too often Americans are asked to take sides between energy production and environmental protection, as if people who revere the Alaska wilderness do not also care about America's energy future; as if the people who produce America's energy do not care about the planet their children will inherit. The truth

is, energy production and environmental protection are not competing priorities. They are dual aspects of a single purpose: to live well and wisely upon the Earth.

Just as we need a new tone in Washington, we also need a new tone in discussing energy and the environment, one that is less suspicious, less punitive, less rancorous. We've yelled at each other enough. Now it's time to listen to each other and to act.

And it's time to act. The energy plan I lay out for the Nation harnesses the power of modern markets and the potential of new technology. It looks at today's energy problem and sees tomorrow's energy opportunity. It addresses today's energy shortages and shows the way to tomorrow's energy abundance.

I have great faith in our country's ability to solve the energy problem, and our energy plan shows the way. But most of all, I have great faith in the American people. Our land's ingenuity, our innovation, our entrepreneurial spirits is this country's greatest of all resources. And thank God, they are never in short supply.

God bless.

NOTE: The President spoke at 10:30 a.m. at the RiverCentre Convention Center. In his remarks, he referred to Mayor Norm Coleman of St. Paul; John Labosky, president, Capital City Partnership; and President Saddam Hussein of Iraq. The President also referred to ANWR, the Arctic National Wildlife Refuge. The related Executive orders of May 18 are listed in Appendix D at the end of this volume.

Remarks at the Iowa Energy Center in Nevada, Iowa May 17, 2001

The President. Please be seated. Senator, thank you very much. It's great to see you again, and thank you so much for intro-

ducing me. It's nice to be here in Nevada. [Laughter] Mr. Mayor, I bet you were a little nervous about how I was going to