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FOR IMMEDIATE RELEASE

Off Shore Drilling or Alternative Fuels? Opinion Editorial by Susan Meredith

We've all been holding our breath as we wait to see the impact Hurricane Ike will make on gas and oil prices. It highlights yet another reason to reduce our dependence on oil in this literally and figuratively turbulent climate. Given that 50 percent of oil is used for gasoline for our vehicles, we need alternatives. But we need more than just alternative fuels; we need alternatives to current fuels including electric and possibly hydrogen vehicles, and the vehicle conversions to support alternative fuels.

There are four goals brought on by our current energy crisis: to control the price of transportation, to eliminate dependence on foreign oil, to provide clean, emission-free transportation, and to reduce our dependence on non-renewable energy.

Only electricity and hydrogen have the potential to meet all four requirements for vehicles. As T. Boone Pickens suggests, we should look for interim sources to transition us to electricity and hydrogen, while thinking of them as merely temporary. However, we can't move wholly to natural gas in the interim, for we don't want to use fuel to ship fuel. Natural gas, propane, biofuels, and ethanol are all viable fuel sources. True, ethanol should be sourced from non-corn methods as quickly as possible to limit the impact on corn's availability as a food, but it is certainly the best immediate alternative in the Midwest. Even improved fuel-efficiency gasoline vehicles are an acceptable interim solution.

Congress needs to provide the flexibility for the states to choose their own best solutions. Rather than designate the answers, Congress should provide a framework for rewarding the use of alternative solutions that best meet the above four criteria. Instead of a Renewable Fuels Standard, we need an Alternative Fuel and Vehicles Standard. Drilling for U.S. oil as a solution only meets one of the criteria above –eliminating dependence on foreign oil – and not even in the short term. Its real benefit is that it uses current distribution structures and vehicles. But with all the talk of committing to change, this surely isn't the logic being used, is it?

Theoretically, if alternatives to current fuels grew 55 percent next year, reducing gradually to a 30 percent growth rate 10 years from now, gasoline could be eliminated by 2018. That's when new offshore oil drilling is likely to finally produce gasoline.

Practically, this is not a simple transition. But the first step is committing to make it happen. We must invest in the upfront costs of the conversion. That includes alternative fuels, alternative vehicles, and the conversion of existing vehicles. The bonus is that the investment in these solutions can stimulate the economy and create new jobs. Regional interim solutions, with an eye towards electric and hydrogen vehicles, are the way to go. Both hydrogen and electric vehicles require electricity to create their "fuel," but it also takes electricity to convert oil into gasoline. Electricity sources such as wind and solar, coal, natural gas and nuclear must be addressed too, but separately from transportation sources and separately from oil, since oil provides only 1.6 percent of our electricity demands. The good news is that while the price of oil isn't likely to improve significantly in the next 10 years, alternative vehicle

and alternative fuel prices should improve; well-established technologies like oil have already made their major efficiency improvements, whereas new technologies still have opportunities for substantial gains.

Higher volumes also provide the benefit of economies of scale, whereby cheaper prices are possible because costs are divided among more units of production. Biodiesel production almost tripled in 2006. According to the EIA, alternative "fuels" (including hydrogen and electricity) made up 2.6 percent gas-equivalent gallons of total American fuel consumption in 2006. It's easier to double or triple capacities when the current production is small, so in the short run, the growth rate for alternative fuels and vehicles can be expected to be high, as happens with any early stage company.

As a Texas resident, I certainly stand to benefit from more oil drilling. But to push for that is selfish. We entrust our federal government with making decisions for the highest good of all concerned. In making policy decisions, they must not be shortsighted or selfish.

ABOUT THE AUTHOR

Susan Meredith is an engineer, MBA, speaker and business process improvement consultant with Austin, Tex.-based Susan Meredith is the co-founder and CEO of Go Green Squads, an energy efficiency solutions company that provides audits, upgrades and education for single family, multi-family and commercial properties. An engineer and MBA graduate with expertise in business process improvement, Susan previously helped organizations reduce wastes, improve efficiencies and save energy. She is the author of *"Beyond Light Bulbs: Lighting the Way to Smarter Energy Management,"* and speaks and writes on global, personal and organizational energy management. For more information visit www.gogreensquads.com