Surprise! New energy chief is friend of solar

By Penny Wright
special writer

A new boss at the top always sends stress signals through the system. So it is with Donald Hodel, the new secretary of the U.S. Department of Energy (DOE), who jokingly refers to himself as the "last male appointee to Reagan's Cabinet."

Since assuming the post last December, Hodel has given few public indications of what his leadership of the Department of Energy will mean.

Hodel was in Detroit recently to give the keynote address at the Michigan Republican Convention. In an exclusive interview, Hodel gave a look at the course he is setting.

The surprise is that in an administration known as a friend of oil, Hodel is a strong advocate of conservation and renewable energy technologies.

Unlike his predecessor, dentist James Edwards, Hodel is no stranger to energy issues. The attorney from Oregon has held key positions in the energy sector for 15 years, including a five-year stint as administrator of the Bonneville Power Administration in

Donald W. Hodel

Oregon. Before assuming the DOE job, Hodel was undersecretary of Interior.

As we talked, Hodel revealed an enthusiasm for the new job and a commitment to laying the foundation for a revised national consensus on energy policy. Excerpts:

Q. The DOE budget seems to be tilted in favor of the nuclear industry, with little or no funding for conservation and renewable energies. Do you agree?

A. That's not correct. When I came on board, I found a 1984 budget that was 95 percent out of the station. I realized that we needed to do more in conservation and renewables than we had been proposing.

So we increased by 4½ times our proposal for 1984 over what we had proposed in 1983. We went from $22 million to $102 million in conservation.

In solar and renewables we went from $74 million to $102 million. The preception is that we are hostile to these energy options. I am trying hard to turn it.

Q. How are you planning to do this?

A. I've asked the director of SERI (Solar Energy Research Institute) to give me a back-of-an-envelope analysis — I don't want a fancy analysis yet — of what it would take in terms of capital and operating expenses to turn SERI into a real national solar lab, so that in five to 10 years we could expect to be in the forefront of solar technology.

I have, in the same spirit, asked the conservation and renewables assistant secretary to give me a list of options — what we can do to highlight the importance of conservation and renewable activity.

Also I have met with a lot of environmental groups and asked them for options.

Q. What about the nuclear side of the budget picture?

A. Our budget, with $848 million for nuclear this year, is a 1-percent increase over last year's request. Two-hundred-seventy million dollars is for the Clinch River Breeder reactor.

In March, I have to go back to Congress with a proposal as to how we are going to get that off the federal funding role. If I'm successful, we will see a significant drop in the amount of funding we spend on nuclear.

Q. Does this indicate a change in policy for the DOE?

A. I think this is an important trend, a shift in the role of the department — more toward a scientific and technological orientation. I think that's the role it ought to play.

I was out at the Fermi Lab — fascinating experience. They are working on technology transfer, how to move the technology into industry so that jobs and economic activity is created. These are the areas I think the department can move into most effectively.

Q. It sounds like federal involvement in determining energy policy will diminish.

A. I do not believe it is possible, and I don't believe it is proper, for a federal department to try to tell the American people what to pay, when to pay, or how much to buy of any particular energy source.

That market out there is so much more complex than you would believe, and when we have tried to control it, we have screwed up enormously. We must let the market work.

Q. Has Washington given any thought to the plight of a state like Michigan, which is currently importing 87 percent of its energy?

A. In a broad context, yes. We are trying to see to it that you have a wider array of options, including conservation and renewables. We are not inclined to meddle in the market.

The reality is that Michigan has been a tremendous industrial producer, and the income from exporting products to other states has in the past more than compensated for the import of energy.

I come from an energy-deficient state. The state of Oregon is a net importer of energy. When the building industry went on the skids in the late 1970s, the state had trouble paying its energy bills. The fact is the market was not working well.

In the long run Oregon was better having flexibility than having the iron hand of government coming into the situation.

Penny Wright is a free-lance writer on energy and part-time instructor in energy courses.