





Center of the American West

High Energy Prices & Low-Income Americans

Reducing the Risk of Unintended Injury

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But It Was An Accident!

Why It's Time to Retire That Old Excuse

Unintended injuries place an equal burden on the souls of those who inflict them and those who receive them. People of good intentions slide into regret when they discover that they have inadvertently added misery to the lives of bystanders. Of all the reasons for investing time and effort in the exercise of foresight, the chance to anticipate and prevent unintended injuries ranks at the top.

The course of events travels through every zone of improbability and uncertainty, a proposition clearly borne out by the volatility of the prices of gasoline, natural gas, and electricity. Yet there is solid reason to believe that, whatever may happen in the way of temporary rises and drops, we are riding a long-term trajectory of increasing energy prices. And, launched as we are into an era of financial trouble, there is also every reason to expect that the economic vulnerability of many American households will increase, as people who once thought of themselves as securely middle class face crises in home ownership, job retention, and retirement planning. There is no need to be caught by surprise by these two foreseeable trends. On the contrary, there is every reason to think hard about them, to anticipate the way that they could lead to the infliction of inadvertent injuries, and to take every precaution in order to make those injuries less likely.

In the service of this goal, we advance four propositions in this report:

1. As energy prices rise, American citizens have an obligation to think about those who will have the hardest time finding the resources to pay those prices.

2. The transition to a new energy economy will mean higher costs (for research, design, construction, equipment, installation, and transmission) as new, renewable resources come into play, and those costs will add to the troubles and vulnerability of low-income households.

3. While families and individuals struggling to pay for the energy they use will reap great benefits if they can improve the efficiency of their use, they will have difficulty realizing those benefits because of the initial investment required to produce them.

4. In anticipating the impact of rising energy costs on financially precarious households, office-holders and citizens have every reason to define the issue *not* as a source of irreconcilable conflict but as an occasion for people of differing backgrounds and affiliations to unite in a good cause.

The Nervousness of Writers & the Language of Hard Times

This report rests on an obvious proposition: Americans vary a great deal in their material wealth and thus in the ease with which they pay for energy. And yet, as we wrote this report, we found we were using terms like "low-income families" and "vulnerable households" repeatedly, until our vocabularies began themselves to seem impoverished. We had come down with our own version of a common national dilemma of expression: a reluctance to use the word "poor" for fear of conveying a host of unintended meanings. We did not want to be divisive or polarizing. We did not want to condescend. We did not want to imply in any way that we had figured out the determining factors that place people in tough financial circumstances. We especially did not want to discount the great power, in determining the fortunes of individuals and families, of the element that goes by the name of luck. Most to the point, some people who struggle to pay their energy bills do not think of themselves as poor and would be annoyed and vexed to find themselves so categorized. In fact, millions are vulnerable to blows of fortune that could land them in much tougher financial conditions than they ever imagined could be their fate. So we chose to stay nervous and to continue to use terms that some readers might classify as euphemisms.

Having failed to find a solution to this problem of expression, we offer this observation: any American leaders, who try earnestly to help their fellow citizens speak directly and honestly to each other about these matters of wealth and poverty, deserve a tolerant, respectful, and even grateful hearing from us all. And, at this point, we climb out of this bog of writers' anxiety. Whatever we call this phenomenon – poverty, over-stretched resources, social inequity, or hard luck – no one wants it to grow. And that, in a nutshell, is why we think you'll support the cause we put forward in this report.

Accident Prevention
Steering Around Trouble

Two good causes are headed for a collision.

We need your help in preventing this crash.

People committed to the cause of persuading Americans to be far-sighted in their use of energy often welcome the rise in energy prices. This is not wackiness. Of all the ways to persuade Americans that energy is so valuable that it should not be wasted, higher energy prices have the advantage in directness and immediacy of message, communicated in the clear language of dollars and cents. Just as important, the increase in fossil fuel prices is crucially important in making renewable energies competitive in price.

Even though they understand the reasons why some applaud when prices go up, people committed to the cause of helping low-income individuals and families stay afloat cannot watch the rise of energy prices without alarm. For working people, elderly people on fixed incomes, and others who are already operating at the edge of their resources to pay for the necessities of housing, food, clothing, and health care, rising energy costs can be the expense that pushes them over that edge.

This collision of causes is in no one's interest.

This is hardly the first occasion when two equally good causes have come into conflict. The most common framework for these collisions has been the struggle for scarce public resources. Would state support go to elementary education or to higher education? Would federal money go to research on cancer, heart disease, mental health, or diabetes? Should the cause of preserving endangered species come before the cause of improving public transportation? In any such struggle, advocates of one cause have easily slipped into casting advocates of another cause as rivals who must be defeated.

In other cases, contests have gone beyond competition for resources to a direct struggle over belief and custom. In the middle of the nineteenth century, advocates for the end of slavery and advocates for the rights of women ended up crosswise. For instance, some white women who wanted to speak against slavery found themselves at odds with their male comrades, who would not compromise on their belief that women should not speak in public. In the struggle over the Fifteenth Amendment and its expansion of the right to vote, advocates of the rights of black men and advocates of the rights of white women conducted a depressing debate in which two good causes undercut and reduced each other's moral force and power.

When we look back at these clashes between two deserving and worthy causes, it is hard to fight off an episode of hindsight quarterbacking. Did it have to be this way? Did two good causes have to stand in opposition, draining each other's energy and impeding each other's progress? Couldn't they team up?

It's too late to reverse that history, but not too late to learn from it. The two causes we write of in this publication – a new energy economy and affordable energy – can work together, but this will require forethought, strategy, and good will.

The issue we write of in this report both typifies and differs from case studies of good causes coming into conflict with each other. In episodes like the struggle over the primacy of women's rights and the emancipation of slaves, the participants in the squabble were entirely aware of the conflict, and entirely determined to have their side prevail. The advantage (if that is the right way of putting this!) of our case study is that the collision between two good causes is not a matter of two clearly staked, ideologically defined positions intentionally running into each other. On the contrary, the impending collision of our concern is taking shape much more as an unforeseen and unintended accident.

Stick with us as we put forward an odd analogy that illustrates our advantage. Let's say you are going to be run over by a car as you cross a street. But you have a choice about who will run you over:

1. You can be run over by a driver who is out for no other purpose than hitting someone, and who may even have you in mind as target.

2. You can be run over by a driver who is on a purposeful but rushed errand and who has no intention of hitting anyone.

Which do you choose?

Unless you have your own mysterious reasons for wanting to be the focus of attention, with drivers, passersby, paramedics, and police clustered around and looking down at you with concern, you have probably chosen Driver Number Two. If your presence in the crosswalk suddenly registers in the mind of this second driver, she will stop or swerve as fast as she can. In contrast, the driver with every intent to commit injury will speed up.

In the conflict between the useful message carried by high energy prices and the best interests of low-income people, no one intends any injury to those people who are on precarious financial footing. On the contrary, the environmental advocates, as well as the supporters of energy conservation, who cheer when energy prices rise, are simply not thinking about what this change will mean for the elderly person who has to make an unhappy choice between staying warm and taking needed medications, or for the single parent who has to cut back on purchases of food in order to keep the lights on.

And therein lies the good news: What we have here are many individuals and groups who are much closer

Sylvia & Roy

"I couldn't believe it – I just broke down into tears. We've never had to ask for help before, we've always been ones that give, but it had been one crazy thing or another and we were both flat on our backs."

Caution: Pedestrian Crossing

It was a cold and snowy February day when Sylvia and Roy C. nearly ran out of heat. Sylvia, then seventy-five years old, was suffering complications from hip-replacement surgery and hobbling around on a cane. Roy, seventy-six, was on oxygen and restricted to bed after being hospitalized for chronic obstructive pulmonary disease (COPD) attacks related to emphysema. Three-foot snowdrifts surrounded their rural home near Salida.

After fifty-eight years as a truck driver, Roy had recently been laid off. Sylvia, a certified cardiovascular technician, wasn't working as she recovered from surgery. With these medical calamities arriving on top of their ongoing health issues, including throat cancer and two heart attacks for Roy and chronic scoliosis for Sylvia, they were struggling to make ends meet. Their electricity had been shut off, they were out of propane, and they were nearly out of firewood for their wood stove.

In desperation they contacted the Chaffee County Department of Human Services, which directed them to the First Presbyterian Church of Salida, one of the emergency assistance organizations that receive Energy Outreach Colorado funds. Church volunteers immediately authorized payment of the couple's overdue propane and electric bills and arranged for the National Forest Service to provide two loads of free firewood. Through another church program, they also authorized payment of a prescription that Roy had waited nearly a month to fill.

"I couldn't believe it – I just broke down into tears," said Sylvia. "We've never had to ask for help before, we've always been ones that give, but it had been one crazy thing or another and we were both flat on our backs."[1]


BIKE
TO DRIVE

to Driver Number Two than Driver Number One. They do not intend to do anyone injury, and when the risk of collision is called to their attention, it is virtually guaranteed that they will slow down or swerve – or, really more to the point, take measures to protect the economically vulnerable from being walloped and knocked off course by a rise in their energy bills.

In a nutshell: As prices go up, keep in mind those who already have the most difficulty affording energy. Adopt the role of Driver Number Two, not Driver Number One, and prepare to adjust your course when you find yourself headed toward inadvertently injuring the vulnerable.

Justified Expense

Paying More for A Future We Will Prefer

What are the arguments of groups who see good news in the increase of energy prices? In truth, their position is compelling and urgent.

In the early twenty-first century, every day's newspaper contains a reference to the environmental mischief produced by the burning of fossil fuels, our principal source for energy and thousands of related services and products. In that context, anything that prompts people to conserve and use energy more efficiently delivers a host of environmental benefits. Restraining our demand for energy can reduce emissions from power plants and car tailpipes, and that, in turn, means less air pollution. When we cut the quantity of toxic particulate matter and carbon dioxide we release into the atmosphere, we improve the air we breathe and we moderate our contribution to global climate change. Far more effectively than exhortation, scolding, or even congratulation, rising energy prices encourage people to be aware of and to reduce their energy consumption.

What's good for the environment is also good for our national security. Reining in our consumption of energy also reduces our dependence on foreign oil suppliers, particularly those wracked by perpetual political instability or controlled by governments that view the United States in hostile terms. Furthermore, weaning ourselves from our dependence on imported energy curtails an enormous transfer of wealth – estimates range from over $300 billion to approaching $700 billion per year – allowing Americans to keep more of their money at home rather than sending it to overseas suppliers.[2]

Contrary to how it may feel at the gas pump, higher energy prices could also benefit the American economy by slowing the pace of global outsourcing and bringing jobs back to the United States. As rising prices increase the cost of transporting goods around the world, it makes less and less sense for companies to import items like food, furniture, electronics, and automobiles from distant continents rather than to produce them locally. Even more important, the demand for innovative solutions to rising fossil fuel prices creates economic opportunities for next-generation energy industries. The rise of new energy industries could reinvigorate the US economy in ways akin to the personal computer boom of the 1990s, establishing American entrepreneurs as global leaders and generating green-collar jobs across all levels of the economy.

Dramatically increasing the expense of driving cars and encouraging a more sensible scale for home size, high energy prices could put the brakes on suburban sprawl and thus revitalize America's cities, especially those that get ahead of the game in public transportation. In cities like Denver, Mayor John Hickenlooper has pointed out that high gas prices can be "an accelerator" for a renewed and reawakened recognition of the benefits of urban living. "It's not going to be the dagger in the heart of suburban sprawl," Hickenlooper said, "but there's a certain inclination, a certain momentum back toward downtown."[3]

More people living near downtown and walking, pedaling, and riding buses and trains will mean fewer cars, reducing traffic accidents and congestion and maybe even translating into lower insurance rates. And people breathing cleaner air and regularly powering their own transportation (an old-fashioned form of staying fit before exercise was segregated and sequestered in gyms and health spas) are more likely to enjoy better health and the many lifelong benefits associated with it.

Higher energy prices are the most direct and efficient messengers for convincing Americans that it's time to quit wasting energy, although, with the recent sharp rise and decline in the cost of gasoline, these messengers have lost a bit in the clarity and steadiness with which they have enunciated their message. And yet, when it comes to encouraging Americans to change their habits, the gradual climb of energy prices is much to be preferred over the alarm and panic triggered by sudden shortages of supply (as in the Arab Oil Embargo of the early 1970s). While regular citizens standing at gas pumps may not instantly agree, there are solid reasons to see an increase in energy prices as a trend to be welcomed, encouraged, and celebrated.

To advocates who have embraced this reasoning, forceful changes in energy policy are urgent priorities. Understandably, having identified those changes as a (maybe *the*) national priority, these advocates may well conclude that, focused as they are on the pursuit of environmental well-being, they cannot be held accountable for tangential hardships imposed on lower-income families who were already stretching their budgets to make ends meet. For those who are face-to-face with the struggles of these families, this dismissal may well look like callous disregard, casting

the increased burden on one group as unavoidable collateral damage in a trade-off of achieving environmental policies that serve the greater good.[4]

People who dismiss these hardships are likely to be enjoying a degree of wealth that insulates and distances them from daily difficulties in reconciling their household expenses with a limited budget. In many cases, a cheerful innocence provides that insulation and distance, allowing advocates to keep their attention fixed on the exciting prospect of more far-sighted energy policies. The fact that there are Americans who have never had the luxury of wasting energy may never have entered the thoughts of those who are comfortable in their own circumstances, though not by any means cruel.

Advocates of better environmental policies and practices are on a journey toward a valuable destination. They are goodhearted people who, very convincingly, ask their fellow citizens to embrace a new ethic of responsibility and a heightened awareness of the consequence of their actions. Those values convince us that environmental advocates will choose the course of Driver Number Two in our earlier example, adjusting their course once they realize that other human beings are located in their path of progress.

Paving the Road to Heaven (or Energy Sustainability)
With Unintended Consequences

When human beings look beyond their own immediate interests and reshape their ambitions and desires to provide for the rights and needs of posterity, this is an occasion that earns a sustained round of applause and appreciation. Those who support a next-generation energy policy based on more efficient use and more sustainable sources pursue a noble and necessary goal.

Understandably, in an enterprise of such complexity, there is no clear consensus about the best method (or combination of methods) to achieve the goal. Proposed solutions generally fit into three main currents running through discussions of energy policy today:

1. Demand-side management programs that encourage or require homeowners and businesses to better control their need for energy through conservation and the adoption of more efficient practices and technologies.

2. Expansion of the portion provided by renewable energy in the portfolios of utilities by, for instance, requiring or creating incentives for a utility to generate a certain percentage of its electricity from wind or solar sources.

3. Measures to regulate carbon emissions by imposing a carbon tax or a "cap and trade" system. A carbon tax discourages fossil fuel use by taxing the carbon content of a fuel, thus making it more expensive to use. The more complex proposals for cap and trade systems generally set an overall limit on the pollution allowed within an entire industry, and then require companies in that industry to buy and sell emission allowances to cover the amount of pollution they release. Heavier polluters will have to purchase more allowances, and the desire to avoid that expenditure becomes, in turn, a reason to reduce emissions.

While aimed at the laudable goal of facilitating our transition to a new energy economy, each of these policies will increase the cost of energy and thereby add to the burden on low-income households. Managing and minimizing their own financial burdens, energy suppliers pass along the additional costs associated with implementing these policies – such as installing windmills and solar panels – to their rate-payers, increasing the charges that fall upon the vulnerable. Carbon regulation measures, in particular, may be very unhappy news for those facing energy poverty because the whole concept of a carbon tax or cap and trade system rests on discouraging the use of fossil fuel energy by making it a more expensive commodity.

Utilities may try to ease the transition by raising rates in stages, in the least disruptive manner possible. Nonetheless, any increase can become the final straw for a family already struggling to pay their bills. In Colorado, according to data compiled from the 2000 census, nearly 70,000 households already spend more than half of their income on paying energy bills.[5] Adopting measures of energy efficiency – lighting homes with compact fluorescent lightbulbs, insulating attics and exterior walls, upgrading furnaces and water heaters, or buying more fuel-efficient cars – can lighten this energy burden. But those who rent their homes have little say in whether their landlord chooses to make many of these energy-smart investments, and in situations where installing efficiency measures is an option, their higher up-front costs often put them out of reach for the lower-income citizens who could benefit the most.

Energy assistance organizations such as Energy Outreach Colorado, Colorado LEAP, and the Colorado Governor's Energy Office offer programs in energy efficiency to help low-income people manage their energy use and lower their bills. Such efforts can keep the wolf at bay, but just barely – still hovering at the door. A low-income family scrupulously practicing energy conservation and efficiency remains in precarious circumstances, vulnerable to calamities like unforeseen medical expenses that threaten their ability to continue paying their regular bills.


BIKE

Regina

"I worry, I stress. "There are so many expenses – food, bus fare… It's already getting cold. I think I'm going to struggle this winter."

Caution: Pedestrian Crossing

Regina H. works as a medical billing assistant at Denver Indian Health and Family Services, a nonprofit assistance organization where a majority of the patients do not have medical insurance. One of her responsibilities is distributing energy assistance funding provided by Energy Outreach Colorado.

She encourages her clients with need to apply for energy assistance. "Then I ask them, how are you going to handle your bill in the future?" she added.

As a single mother supporting three children ages two, eleven, and fourteen, Regina thinks about that question a lot. She received energy assistance funding herself last fall from the Colorado LEAP program, and kept her thermostat as low as she could throughout the winter without risking the health of her two-year-old, who suffers from asthma. This year, she plans to install plastic covering on the windows of her home in hopes of lowering her costs even further.

"I worry, I stress," she said, gazing out the window as darkness falls. "There are so many expenses – food, bus fare… It's already getting cold. I think I'm going to struggle this winter."[10]

As rising energy costs seize an increasing portion of the household budget, elderly retirees and new parents alike labor to balance energy bills with the expenses of food, housing, transportation, clothing, and health care. When a family faces the stark choice between heating and eating, the consequences are inscribed on the bodies of young children who struggle to grow and develop despite uneven nutrition and the difficulty of maintaining body heat. Babies and toddlers growing up amid such energy insecurity are more likely to get sick, be hospitalized for their illnesses, struggle with cognitive development, and exhibit behavioral and emotional problems. Their health care costs pile on top of the existing financial struggle faced by these families, creating a damaging cycle that tightens its grip with each energy bill or doctor's visit.[6]

These troubling choices are becoming more common. During the summer of 2008, referrals for help paying utility bills outnumbered all other major needs among callers to the Mile High United Way's 2-1-1 helpline for the first time since the service began in 2003. Over the course of the entire previous year, the need for utility bill assistance registered second only to paying rent (and the difficulty of paying rent may well have been enhanced by the burden of energy bills). By first guess, one might expect these calls to cluster in the winter. In fact, although Colorado does not have a moratorium on winter shutoffs, they spike in the summer because that is when forbearance periods expire and utility companies shut off service.[7]

In years past, low-income people let high winter bills accumulate and then paid them down during the summers of lower energy use. Now, as rising energy prices demand larger portions of household budgets, the winter bills are growing too large to be paid off within the forbearance period. More people are having their home energy service shut off. In the recent past, like an ice sheet freezing over a high mountain lake, energy bills grew during the winter and then melted back over the course of the summer. Now, with bigger bills accumulating over the winter, the summer isn't long enough to catch up.[8]

For the most unfortunate, the growing pressure from energy bills is enough to tip their tenuous housing situation into homelessness. In the 2006 Colorado Statewide Homeless Count, a survey of the state's homeless population at a particular point in time and the most recent data available, 56 percent of homeless families with children and 44 percent of those without children cited utility costs as one of the reasons for their homelessness.[9]

Homelessness and illness are only some of the most extreme and painful impacts of energy insecurity. High energy prices ripple through every facet of daily life, and for those living on the edge of economic calamity, a ripple can shake a carefully maintained strategy of survival to its foundation. These personal struggles ripple outward, stressing communities and straining public services with increased emergency room visits, energy assistance needs, foreclosures, and homelessness.

It is in no one's interest for energy to become unaffordable to a large number of citizens. As people conscious of the moral dimensions of our actions, we must recognize and reckon with the ramifications of the ideal of a sustainable energy policy. We can all agree that renewable energy is a necessary element of our future, but we must put heart and soul, mind and wallet, forethought and foresight, into designing an accommodation on behalf of the least economically secure among us. It will be hard to call it a better world if the conditions of admission to that world do not honor the American people's highest principles.

Coalitions & Collaborations Waiting to Happen

Something We Can All Agree On

The issues raised by the impact of energy prices on lower income households trump and transcend our usual political categories. Neither liberals nor conservatives, environmentalists nor producers of fossil fuel, want to add further afflictions to the burdens on the poor. Even though it sometimes seems that every imaginable ideological position has some ardent advocates, you will not find a single soul who makes it his declared and intended cause to drive hard-working families into poverty and despair.

This issue productively scrambles the ways in which we usually classify political positions. Many liberals (and we are headed out of port and into a sea of stereotypes as we write this!) identify themselves as supporters of the causes of environmentalism and social justice, yet when it comes to crafting an energy policy, environmentalism and social justice approach a damaging collision. Conservatives (again, ahoy stereotypes!) support the reduction of restraints on fossil fuel production and urge the poor to work harder and avoid the entrapment of welfare, yet on the issue at hand, conservatives join liberals as major supporters of nonprofit organizations working to relieve the burden that higher energy prices place on the economically vulnerable.

No known political party champions the goal of ensuring that more people are uncomfortably and even dangerously cold in the winter. Goodwilled people of all political persuasions recognize that society loses when precariously housed people slip into default on their energy bills.

The scrambling of our usual categories opens the door to new coalitions and collaborations. This is an occasion to reject our society's habits of framing options in

An Environmentalist Reckons with the Challenge Posed by Rising Energy Prices

Karin Sheldon, Executive Director of the environmental organization Western Resource Advocates, recognizes the need to consider energy costs and their impact on household budgets as she campaigns for smarter energy use and cleaner forms of energy:

No one is happy about rising energy prices. While they may produce changes in behavior that are positive in terms of conservation and reduced energy consumption, they perpetuate the gap between people with resources and those without. The conundrum is that those who can afford to pay higher energy prices have greater capability to reduce their energy use through purchase of energy efficient appliances, home insulation, and hybrid automobiles, while those who cannot afford high energy prices are often in the greatest need for these same means to limit the amount they must spend on energy.

One way to address the conflict is to acknowledge that the needs and interests of all income levels in our society, as well as our environment, are best served by properly built, energy-efficient housing, schools and public buildings, and transportation options. The capability and the authority to make changes that will benefit the entire economic spectrum are vested in a

stark "either/or" formats. If we choose policies that expand the range of our sources of energy, we do not thereby have to reject policies aimed at helping hard-working families avoid financial calamity. But we do need to be creative and responsible in factoring their needs into our big plans for the future. And influential thinkers in environmental circles have taken up this challenge. Jim Martin, currently the Executive Director of the Colorado State Department of Public Health and Environment sums up the thinking of the foresighted: "We are committed to protecting our environment and addressing global warming in a smart way that creates jobs and opportunity. But in all we do, we cannot lose sight of the need to protect the most vulnerable among us. We can and must do all those things."

A Better Route

Crafting an Environmentally Responsible & Humane Energy Policy

Energy has finally found a place at center stage in the nation's thoughts about its future. The global environmental impact of burning fossil fuels, the implications for foreign policy of our national dependence on oil, and an episode of gas prices exceeding $4 a gallon put energy policy in a lead position in newspapers, radio, television, blogs, and websites. Energy policy has made a hasty migration from the realm of broad indifference to the forefront of our national agenda. The majority of Americans today grasp the proposition that our nation's well-being rests on a policy that promotes our energy security. And most understand that, in this case, what's good for the nation is equally good for its citizens and for the planet.

While we welcome a new era of energy innovation and policy, thoughtful people recognize that we owe a deep debt of gratitude to fossil fuels and the men and women who worked to make these forms of energy accessible and affordable to their fellow citizens. The broad availability of coal, petroleum, and natural gas quite literally fueled the creation of modern America. By lifting many of the labor burdens from men, women, children, and domestic animals, the Era of Fossil Fuel also turned out to be the Era of the End of Slavery and the Era of the Rise of the Middle Class. In fact, many of the most appealing principles at the core of our American identity got their material grounding from the abundance and convenience made possible by fossil fuel energy. The realization of many people's dreams of "life, liberty, and the pursuit of happiness" has had, at its often unexamined bedrock, affordable forms of energy that keep us warm, enable us to produce an abundance of food, reduce the strain on our muscles by powering labor-saving machines, and allow us to easily transport ourselves over great distances.

As we enter a new relationship with energy, the founding ideals of the United States give us our bearings. With its host of economic, environmental, and political benefits, renewable energy is the necessary, ultimate destination for our national energy policy. Yet our desire to reach that destination cannot tempt us to dismiss or sidestep the ideals that commit us to ensuring that Americans in need receive access to adequate and affordable energy. When we attend to those in need, more Americans thrive. Our nation as a whole gains ground, both in stature and well-being, when people can secure life's basic necessities and can then turn their minds, spirits, and imaginations toward the enterprise of being productive and engaged citizens.

number of entities responsive to public opinion. Utilities and power generating companies can address environmental and energy issues by retiring dirty fossil fuel power plants and increasing investments in renewable energy sources and efficiency. These options are cost effective and available now. The public agencies that regulate utilities can demand that companies increase their use of renewable resources and the efficiency of their generating systems, again with an eye on the bottom line cost to consumers. Communities can develop and require building standards that will boost energy saving features such as insulation and energy efficient windows. Many of these measures are not expensive, and if the standards and requirements apply to all, costs can be spread across a greater number of consumers.

This report notes the need for a framework for innovation and creativity in addressing our energy problems. One aspect of this is to "think small" and bring energy generation home. Individual houses, schools, businesses, and community buildings can be powered by on-site renewable resources such as wind and solar. If the control of energy is put into the hands of families and communities the need for huge generating facilities will be decreased, thereby reducing the environmental impacts of both the facilities and the transmission lines needed to bring the power to the users. Locally generated energy is likely to be less costly than conventional generation and can be tailored to the particular needs and uses of the family, school, or community involved. Designing energy solutions from the standpoint of community needs will bring different people to the table and will promote both conservation and rational pricing.

So, what should we do?

Whenever we discuss energy policy – whether we are legislators, public officials, grantmakers, entrepreneurs, engineers, environmentalists, energy security advocates, homeowners, renters, social workers, community activists, or any combination thereof – we can steer by a dual commitment to preserve and restore our natural world and to enhance our communities.

In following this commitment to environmental and social sustainability, leaders in government at all levels can collaborate to create a framework for innovation that draws on the creativity of industry titans and individual tinkerers alike to develop low-cost and low-impact energy sources. As they open the doors to innovation in board rooms and garages across the nation, policymakers, their advisers, and their constituents (in other words, all of us) must keep asking these questions: Will these new policies and practices add burdens to the lives of low-income people? What strategies will head off the problems before they are created?

We do not face an either/or choice in which our environmental responsibilities stand in direct and nonnegotiable opposition to our desire to craft a humane energy policy. To use one consequential example (one often regarded with special wariness by advocates of energy assistance), even the pitfalls of a cap and trade system might be avoided through well-designed conscientious policies, such as directing a portion of the profits drawn from selling emission allowances toward offsetting the impact of higher energy costs on the poorest Americans.[11] This is by no means the only path, but it illustrates the potential for agreeable solutions to even the thorniest issues. When we use the twin touchstones of environmental and social sustainability to guide our decisions, we find that creating environmentally responsible energy policies and helping vulnerable households cope with rising energy prices are two valuable undertakings that can and should coexist.

In unsettling ways, the timing might be exactly right for building an alliance between these causes. An episode of very high gasoline prices and the onset of a recession have prompted increasing numbers of Americans to think critically and creatively about their use of energy. Economic hardships throughout the nation have thereby set the stage for a reawakened empathy, as people who once paid their energy bills without a moment's thought now wonder how those expenses will fit into stretched and stressed household budgets and how they can reduce their energy consumption.

Whether they are prompted by conscience or financial constraint, Americans at every financial level are reexamining their habits and distinguishing necessities from luxuries, needs from desires. Thinking about the dilemma that rising energy prices present to low-income households gives all of us a prime opportunity to look objectively at our own conduct and to make responsible, thoughtful, far-sighted choices in our own use of energy.

We stand at an intersection of historical eras. The era in which wasting energy seemed a reasonable form of human conduct has come to a close. Along with our profligate energy habits, we have said goodbye to the notion that we can treat environmental precautions as dismissible elements in our energy policies.

As we move into this historical intersection, we can choose to be Driver Number Two, anticipating – and steering clear of – a collision between the needs of low-income households and the imperative of wiser energy policies. We can choose to honor our founding ideals by committing ourselves to make energy affordable in ways that will enable more Americans to realize the promises of life, liberty, and the pursuit of happiness. These ideals, with their power to inspire our ingenuity and renew our compassion, are our most abundant renewable resource.

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Notes

[1] A version of this text was provided by Energy Outreach Colorado.

[2] The industry publication *Petroleum Intelligence Weekly* reported that the US spent $327 billion on oil imports in 2007 and estimated that, with the summer price spike, that number may top $400 billion in 2008. Oilman T. Boone Pickens, who has launched a campaign to replace foreign oil with domestic wind and natural gas resources, claims that Americans will send $700 billion out of the country for oil in 2008. See: "US Oil Import Bill Set to Top $400 Billion," Petroleum Intelligence Weekly, 10 Mar. 2008, and the Pickens Plan at http://www.pickensplan.com.

[3] Mayor Hickenlooper quoted in Peter S. Goodman, "Fuel Prices Shift Math for Life in Far Suburbs," New York Times (25 June 2008).

[4] See, for example, Steven D. Levitt, "Hooray for High Gas Prices!" New York Times: Freakonomics Blog (18 June 2007), http://freakonomics.blogs.nytimes.com/2007/06/18/hurray-for-high-gas-prices/; Erik Kirschbaum, "Hoping for High Energy Prices?" Reuters Blog: Environment (31 July 2008), http://blogs.reuters.com/environment/2008/07/31/hoping-for-higher-energy-prices/.

[5] Fisher, Sheehan, and Colton, "On the Brink 2007: Colorado" (Boston: April 2008). These households earn 50 percent of the federal poverty level or less and pay on average 52 percent of their annual income in energy bills. According to the 2000 US Census, 68,878 households fell into this income category. The poverty level set by the US Department of Health and Human Services for that year was $8350 for an individual and $17,050 for a family of four in the contiguous United States; in 2008 it is $10,400 for an individual and $21,200 for a family of four. More recent data from the Census Bureau's American Community Survey, while not as in-depth as the full census, suggests that the number of these households has not changed dramatically since 2000.

[6] Stephanie Ettinger de Cuba, John Cook, Deborah A. Frank, et al, Fuel For Our Future: Impacts of Energy Insecurity on Children's Health, Nutrition, and Learning (Boston: Children's Centennial Nutrition Assessment Program, 2007).

[7] Mile High United Way 211, 2007 Annual Report and July 2008 Report (unpublished), and personal communication.

[8] On this troubling trend see, for example, Rebecca Smith, "More Utility Bills Go Unpaid," Wall Street Journal (3 Nov. 2008).

[9] Colorado Statewide Homeless Count, Summer 2006 (Feb. 2007): ix.

[10] A version of this text was provided by Energy Outreach Colorado.

[11] When it comes to cap and trade policies, we like the recommendations put forward by the Center on Budget and Policy Priorities: Robert Greenstein, Sharon Parrott, and Arloc Sherman, "Designing Climate-Change Legislation that Shields Low-Income Households from Increased Poverty and Hardship" (Washington, DC: Center on Budget and Policy Priorities, 2007); Chad Ston and Matt Fiedler, "The Effects of Climate-Change Policies on the Federal Budget and the Budgets of Low-Income Households: An Economic Analysis" (Washington, DC: Center on Budget and Policy Priorities, 2007).

[12] Operation Fuel, "About Us," http://www.operationfuel.org/about_us.html; Fuel Fund of Maryland, "About Us," http://www.fuelfundmaryland.org/about-us.shtml; Energy Outreach Colorado, "Who We Are," http://www.energyoutreach.org/who.asp.

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Responding to the Need for Energy Assistance

In the late 1970s, as the United States grappled with soaring energy prices in the wake of the Arab Oil Embargo earlier in the decade, local elected officials and community organizers throughout the nation began to recognize a growing need among economically vulnerable people who fell through the cracks of existing federal and industry-led energy assistance programs. These energy security advocates came together to form organizations like Connecticut's Operation Fuel and the Baltimore Fuel Fund (now the Victorine Q. Adams Fuel Fund) to stand in the gap for the elderly, the chronically ill, and the working poor who struggled to pay their energy bills. Today the mission of these pioneering groups has been taken up by independent nonprofit organizations across the country dedicated to providing energy assistance to those in need.

Energy Outreach Colorado was created through an initiative of the Colorado Governor's Office in 1989 to help offset federal funding decreases for the state's energy assistance programs. Energy Outreach Colorado offers a variety of programs and services, from direct assistance with paying energy bills to promoting energy efficiency measures designed to lower home energy costs. As those costs rise, its mission gains depth and urgency: to ensure that the state's low-income families can meet their energy needs in ways that allow them to maintain their well-being and self-sufficiency.[12]

Center of the American West

Report From the Center #9

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