

Husch lawyer: Muddy regs unplug renewable energy

BY STEVE VOCKRODT | STAFF WRITER

A former chairman of the Federal Energy Regulatory Commission said federal and state governments have to get their regulatory houses in order before investment in renewable energy takes off.

"A lot of investors are hoping the regulatory environment is improved, but right now there is a lot of talk, a lot of plans and not a whole lot of approvals and construction because of all the regulatory uncertainty," said James Hoecker, the FERC chairman during the second half of the Clinton administration.



Hoecker

Hoecker, now a lawyer with Husch Blackwell Sanders LLP, said the nation needs about \$300 billion to upgrade electric transmission lines so they're suitable for sending

energy from rural wind farms to cities that need the energy.

He said the nation is at the same point with renewable energy that it was with the highway system in 1956 before the National Interstate and Defense Highways Act — most people are aware of the need to build the infrastructure, but nobody seems sure of who will pay or how.

The good news for the growing sector of smaller-scale renewable energy companies, which supply specific residences and businesses, is that they are not likely

to face significant regulatory scrutiny.

Aron Cromwell, vice president of Cromwell Environmental, said much, if not all, of the regulation of renewable energy for homeowners and small businesses comes from local zoning laws.

"We're not worried about that," Cromwell said. "When you are talking about big wind farms, they don't know what is going to happen. I could see some hesitancy to put a couple hundred million on a project."

Robert Clayton, chairman of the Missouri Public Service Commission, said the state has worked to lower barriers for residences and businesses seeking to sidestep investor-owned utilities by using renewable energy sources. Among these moves are tax credits for using renewable energy and a net-metering law that allows consumers to sell excess power to utilities.

Renewable energy has public momentum behind it, Hoecker said, but government action is needed.

"The problems are not solved," he said. "What I am saying is those problems, if Congress acts like we would like them to and FERC and state regulatory commissions respond in a constructive kind of way, that regulatory environment can be improved enormously over a short period of time. But everyone has to get the same memo on this, and there is a serious difference in opinion."