

# Why the lights went out

**EVERYTHING** is political. If most of Ontario and the Northeastern US suddenly goes dark, given the technological prowess of the two nations involved, we need to look beyond rumors of lightning and examine the social systems that are charged with maintaining the power grid. The blame game is silly. It doesn't matter if the blackout began with a lightning strike in Niagara Falls (a quickly debunked rumor given the region's clear weather) or with the blaster computer worm debilitating an alarm system at an Ohio power plant. A power plant can drop into the sea.

The point is, in 2003, 38 years after the great east coast blackout, the loss of a power plant should not darken most of an area stretching from Long Island to Ottawa to Ohio.

There really were no surprise technological failures here. No, "oh wow," we didn't think that could happen. And no real need for a chorus of "oh, gee, let's have an investigation." What happened was totally predictable, and in fact, was predicted by the US Energy Department during the Clinton administration, whose energy secretary, Bill Richardson, described our nation's power system as "a third world grid." Jack Casazza, a former

## **WHY THE LIGHTS WENT OUT / 2**

electric utility executive and author of "Sham? Shame! Inside the Electric Power Industry," predicted a blackout of the magnitude that we just experienced would hit by 2004. Casazza, it turns out, was pretty much on target, predicting the breakdown would begin in the Midwest, but he was overly optimistic about the date.

The problem is that in this climate of deregulation, utility companies are not required by the government to properly maintain the power grid. Hence, while investors pour money into profitable new power plants, there is little incentive to invest in the less profitable wires that carry juice to consumers, and more importantly, between power districts. During the last decade the grid has begun to resemble New Hampshire's highways. That state has become a haven for anti-tax retirees drawn by New Hampshire's low taxes. Their tax savings allow them to buy expensive luxury cars, but fiscal realities leave these pensionados driving their bling bling cars on some of the country's most dangerously ill-maintained roads. In a nutshell, that's our power grid, with new plants on the generating end, new power-sucking appliances on the consumer end, and shitty wires in between.

### **Wake Up and Lie**

This brings us to dark Thursday, when those of us lucky enough to have power got to hear George W. Bush proclaim that, surprise of surprises, he suspects that our power grid needs updating, calling the blackout "a wakeup call." He explained that, "We'll have time to look at it and determine whether or not our grid needs to be modernized. I happen to think it does, and have said so all along." Lame as this proclamation appears to be, it also is the opposite of the truth, since Bush has opposed Democratic initiatives to upgrade the grid since seizing office in 2001. That year, California congressional representative Sam Farr authored a bill to provide \$350million in government loans to begin modernization of the nation's energy grid. Borg-like Republicans voting along party lines voted the bill down three times at the urging of their clonemaster-in-chief. The first defeat was in the Appropriations Committee, then in the Rules Committee, and finally the bill failed to pass on the floor of the House of Representatives.

One week before the bill failed, former House Minority Leader Dick Gephardt, in a rare pre-9/11 moment, accused Bush of "obstructionism," arguing that the "president" was "committed to helping the big energy special interests" who opposed the bill. Three months later the nation became distracted, with the Weasel Chief Gephardt more interested in lining up behind a "Wartime" Bush than in arguing about electricity. The power grid, predictably, failed 26 months later.

How's that for homeland security? Bush went on in 2001, fighting to roll back efficiency

## **WHY THE LIGHTS WENT OUT / 3**

standards for air conditioners, a move that will further strain the overstressed grid.

### **Holding the grid hostage**

For the next two years the congress continued to fail to pass a bill mandating modernization of the power grid. This was primarily due to Bush administration insistences that any such bill should also contain riders to further deregulate the energy industry, open wilderness areas to oil and gas drilling and further subsidize the nuclear power industry while relieving it of safety regulations. The current House Minority Leader, Nancy Pelosi, told The New York Times that Bush put the interests of energy companies ahead of the American people by insisting that we let oil companies drill in wilderness areas "rather than modernize our energy system."

Bush's kindergartenish "my way or no way" insistence on linking environmental destruction and corporate welfare to any bill to update the grid is blackmail, with the nation's power grid held as hostage. Recent post-blackout Republican rhetoric blaming the power failure on the oil industry's inability to drill in the Alaska National Wildlife Refuge is just the most recent example of this campaign.

Let's get one thing straight. The power failure was not due to a lack of energy. It was due to an antiquated delivery system. In any event, electric energy should not be a problem in this country, with biomass, wind and solar technology now developed to a point (no thanks to the federal government) where it is a feasible and sustainable power source, both on the grid (my house is powered by a 100% biomass and solar mix at a slightly lower cost than conventional electricity thanks to the Energy Cooperative of New York – [www.ecny.org](http://www.ecny.org)) and off the grid.

The problem is political. The keyword here is deregulation. Deregulation of the electric industry began in 1992, initiated by George Bush Senior. The electric industry, according to BBC investigative reporter Greg Palast, rewarded the Bush family by contributing \$16 million to the Republican party in 2000 – a donation that would have been banned under prior rules governing electric utilities instituted by President Franklin Roosevelt.

### **Looting the energy market**

The current industry-centered deregulation of the national power grid has created market-driven chaos, with electric bills skyrocketing as high as 300% in California while power systems become less and less reliable – all at a time when the shrinking cost of renewable energy should be providing lower costs and a more reliable system. Ohio congressional representative and presidential candidate, Dennis Kucinich, in an interview with Democracy Now!'s Amy Goodman, explains how, "In the frenzied deregulation

## **WHY THE LIGHTS WENT OUT / 4**

atmosphere of the past five years, private investors supported companies building highly efficient [natural] gas-fired power plants, while traditional investments in transmission lines and related equipment took a back seat." Jack Casazza, also speaking to Amy Goodman, argues that "all of these individual companies became more interested in their individual profits than the welfare of the grid."

Of course this self-interest is mandatory given Wall Street's carnivorous nature. Dennis Kucinich points to First Energy of Ohio, the utility in whose territory the Blackout of 2003 began. "First Energy," he explains, "has consistently failed to invest in upgrading of equipment." Instead, he argues, "Their emphasis has been on holding onto their cash so that they maintain the fiscal stability of their company while Wall Street is looking at it." First Energy, despite one of the worse plant safety records in the industry, can't help but follow a policy of hoarding cash while their system goes to hell.

Hoarding cash not only looks good. It's also a defense mechanism. If First Energy didn't keep large cash assets readily on hand, they'd be vulnerable to a hostile takeover. Hence, in a financial culture obsessed with short term profits, the only way a utility can operate is recklessly – which is the strongest argument for reregulating the industry.

### **Mugging the nation**

The recent blackout illustrates the problem. The current theory is that the first power failure began after a transmission line under the control of First Energy subsidiary Toledo Edison failed. This caused an undetected power overload in another transmission line which picked up the load. It overheated and eventually failed, short circuiting into a tree. Greg Palast recounts how Toledo Edison was "messing around" for an hour, failing to either fix or contain the problem, before it spread throughout the grid.

As First Energy's plants went down, a power surge moved east like an electron wave, knocking out adjacent plants until the problem reached Niagara Mohawk's territory in Western New York. Once the surge hit NiMo, Palast argues, there was no containing it, with NiMo spreading it to adjacent systems like "Typhoid Mary." This, he argues, is because under deregulation, NiMo was bought by the "notoriously incompetent" British power company, National Grid, who immediately fired 800 NiMo maintenance workers. This and other cuts to an already stressed and worn system allegedly resulted in a one shot windfall of almost \$90 million for NiMo stockholders while setting the system up for failure.

If the Bush administration has its way, none of the utilities responsible for the blackout will be penalized. To the contrary, they'll be rewarded for their greed and incompetence with rate hikes. Energy Secretary Spencer Abraham argues that "the people who benefit

## **WHY THE LIGHTS WENT OUT / 5**

from the [current] system," who in his mind are the already overcharged consumers and not the corporate shareholders, "should have to be part of the solution here." Speaking on NBC's Meet the Press, he clarified himself, explaining, "That means the rate-payers are going to have to contribute. We think the rates need to be sufficient to incentivize the building of new transmission [sic]."

This is akin to being mugged, only to face your mugger in court and have the judge tell you that you have to compensate your assailant for the time he had to spend mugging you. And the current Bushista call for more nuclear power and wilderness oil drilling as a solution to the problem, is akin to the judge ordering you to spend more time walking in dark dangerous areas. Under the Bush administration, this is what we call an "Energy Policy." ●