

NO FREE LUNCH

“There is no free lunch!” “There is no free lunch!” “There is no free lunch!” – I heard this comment every single day of economics class in college more than 30 years ago. The professor wanted to leave an impression while teaching a lesson. Dr. Palfin (see I remembered his name even) accomplished both. The core of the lesson was the simple fact that we give up something each time we are given something be it free or not. If you buy me lunch, I am taking time away from another activity that could have equal or greater value.

Energy is no different. Wind, coal, solar, nuclear, hydro and gas ---- NONE of them will ever provide a free lunch. All come with external costs. The term currently being used is “externality”. The Webster dictionary definition is “a secondary or unintended consequence”. An external cost of coal may be the deterioration of the railroad system from high use caused by the transportation of coal from one end of the country to the other. Truck transportation and the associated break down of our interstate highway system would then have to be an external cost to the construction of wind or solar farms.

I have no intention of arguing the existence of external costs. They do exist. What I may want to argue is the cost associated and the extremes some scientists are going to attach external costs to forms of energy like coal. I recently read a study that included such things as rail transport deaths, cardiovascular disease from mercury, loss of property value in mining states and even claims of retardation caused from living near a coal plant. Retardation – seriously? I am embarrassed to even have to point out the use of such a concept. How can coal be blamed as the exclusive cause of such maladies?

I live in a rural area of this region of ours that is predominantly tourism based. I love my home, this region and certainly support tourism. BUT, if I were to take up the argument that tourism has external costs, it would certainly be plausible. A downturn in the economy caused a decline in tourism. My external cost was a huge drop in my home value. There is nobody to blame but myself. I made a choice. I chose to live in this region.

Instead of arguing externalities, let’s simply consider the fact that we each have a choice. We can choose a local energy provider which supplies us with a variety of energy sources resulting in a relatively stable and affordable supply of electricity. OR, we can choose to go “off the grid” and install windmills, solar panels and battery backup. There is nothing wrong with either choice. Each has external costs attached. Like it or not, it is really that simple.

The cooperative electric industry chooses not to argue about external costs even though, given some of the claims, there is much to argue. Instead, we are choosing to move forward in search of the best alternatives to provide power for the decades to come. Yes, this does include coal (but also wind). We can produce energy with coal BETTER than we have in the past. This is where we choose to put our efforts. We are searching for long term solutions rather than pointing fingers at supposedly scientific studies that do nothing to bring us closer to resolving our energy future.

So, when you begin to hear the term “externality”, I only ask that you look at all sides of the claim and remember two things: 1) we are seeking better long term solutions all of which have a cost; and 2) there is no free lunch, there is no free lunch, there is no free lunch.