

Too Much Of A Good Thing

By George Porter

According to the Idaho Manufactured Housing Association newsletter the Bonneville Power Company is canceling the "Super Good Cents" program, the most successful energy saving plan for a utility in the country. For those of you that are not familiar with MAP (Manufacturers Acquisition Program,) it is a rebate incentive program that rewards energy efficient homes because they save the power companies money. Why in the world would the power companies do that you may ask? Well, because in the pacific northwest it costs a lot of money to build new power plants or upgrade old ones. If they can decrease the consumption of electricity in new housing they can save billions in the expense of rebuilding the system to supply the demand. When you add new customers and continue to generate their needs with the existing equipment then you can make more money for your stockholders.

The reason this program was so successful was because it was not a government mandate or an emotional outcry from "tree huggers," it was based on the life's-blood of American business, PROFIT. While it is in front of you I would like to point out that "profit" is not a four letter word. Profit created the most energy efficient homes in this country and they were all HUD code built. Eventually all the manufacturers in the northeast made nothing but MAP homes and the public would demand only those types. Homes built and installed to this to this standard would qualify for incentive payments of up to \$2500 at one time. In 1994 this payment was reduced to \$1500 because of the higher energy standards mandated by the HUD code. This program was in a large part responsible for these standards being upgraded across the country and it was this success that led to its scheduled cancellation on July 29th of this year.

It seems that the public purchased many more homes than the utilities had forecast and the power companies had to pay out millions more in incentives than planed. Even though this was providing long term benefits to the utilities, (wasn't that the original plan, pay millions, save billions?) the stockholders were experiencing short term reductions in earnings and were complaining. When the stock holders don't like something it dies a quick death and that is what happened here, so much for long term planning and "wall street wisdom". Unquestionably over the next ten years, when the real benefits of this program are realized by the utilities and their stock is more profitable than other utilities around the country, Wall Street investors will be clawing to get at it. I have often wondered why they call them "investors"? It seems to me that they are more like gamblers at a horse track. They will play the odds and wager money on a race. If they win some quick cash they are pleased, if they loose they won't bet on that horse again. In any case they have no intention of feeding the animal, that's someone else's problem. The Super Good Cents Program was high-grade oats for this industry and the utilities involved. It has been and will continue to be a real winner even after it is cancelled.