

# Steven Chu Reaches for the 'Master Switch'

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Steven Chu Reaches for the 'Master Switch'  
Adam J. White  
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As Daniel Halper noted earlier today, ex-Energy Secretary Steven Chu raises a lot of eyebrows in his recent interview with the San Francisco Chronicle, where his defense of the department's loan guarantee program refuses to concede any lessons learned from the Solyndra fiasco.

But that is not the only comment that seems blissfully unaware of history. Arguing that electric utilities need to seek their fortunes in solar power and battery technology, he offers a surprising new vision of the energy industry:

I've been telling them there's another business model. It goes like this: We - the utility - would own the energy storage and the thing on the roof and the electronics. We'll sell you the electricity.

Q: The utilities would own solar panels on homes and sell the power to homeowners? They'd basically be competing against Sunrun and SolarCity and Sungevity?

A: Right. Or they could link up. So you have some alliance, and you've got a good deal. Now all of a sudden, the utility companies are in a growth business.

Q: Are any of the utilities actually considering this?

A: I've been talking with them about it for about a year. And I did not invent this. It was invented by the Bell Telephone system. Remember? They owned the phone. They maintained the phone. You paid for phone service.

The details have to be worked out.

The details have to be worked out! That's quite an understatement, considering how well Bell Telephone's version of vertical integration worked out.

Chu's dream for the future is startling in and of itself, but what makes it all the stranger is its utter discordance with the entire progressive zeitgeist. Tim Wu and Susan Crawford, in particular, have won great acclaim with their recent books -- *The Master Switch* and *Captive Audience*, respectively -- in which they recount the history of telecom monopolists, best exemplified by the Bell/AT&T story, to support their arguments in favor of net neutrality. They argue that vertically integrated corporate infrastructure monopolies cannot be trusted to restrain themselves from abusing market power.

Thus, for telecom infrastructure, progressives' answer tends to be "net neutrality." In sketching out his vision for the future of solar power, and of national energy policy in general, Secretary Chu ought to consider the benefits of "neutrality," and the risks of relying on private infrastructure monopolies to achieve even well-intentioned policy goals.

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John Weston- Washington-DC- Reporter

The President is a nice guy who is kept in a bubble by a more evil staff. They only tell him what they want him to know so they can steer contracts to friends. Notice how many of his famous chiefs of staff and senior aids have "quit" yet still work together. Axelrod, Rattner, Gibbs, Chu, etc. They just use him as a front-man while they finagle their inside deals and tell him: "Don't listen to the distractions, those are just a few noisy people who are upset".

The President is being used, by his own people!

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