

John Podesta Opens Keystone Can Of Worms

by [Tina Casey](#)

Advocates for the controversial Keystone XL tar sands oil pipeline got a roller coaster of a ride this week when the White House announced the appointment of well known Keystone opponent John Podesta to be White House counselor, only to follow up with an indication that Podesta would recuse himself from the review process for the project. Well, it might be a little too soon to pop the corks for Keystone.

Take a look at Podesta's work as founder and Chair of the progressive organization [Center for American Progress](#), and you'll see a record of advocating for renewable energy that goes far deeper than opposing this or that particular fossil fuel project.

In that context, Podesta doesn't have to recuse himself from the Keystone review in order to have a decisive impact on its outcome.

As a corollary, consider the effect that a relatively modest new \$2 million Department of Energy solar energy award could have on the US electric vehicle market (and consequently on domestic

demand for petroleum products), and you can see how Podesta's long time arguments against oil imports will also come into play.

 [solar grant illustrates why Keystone oil pipeline is doomed](#)

Solana CSP in Arizon (cropped) courtesy of US Department of Energy.

So, let's go ahead and pick these two things apart, starting with [that new solar award](#).

More Solar Power, More Electric Vehicles, Less Oil

[Google's Abengoa Solar](#) is the awardee, and if that name doesn't ring a bell look on over at Arizona, where the company is just putting the finishing touches on start-up operations for its 280 megawatt [Solana solar plant](#), the largest of its kind in the world. The concentrating solar power (CSP) plant is based on solar energy collectors in the form of large parabolic troughs.

Solana also includes an energy storage feature that enables it to keep churning out electricity for six hours after dark.

The technology has proven successful which is all well and good, but in order to keep driving the cost of solar power down the cost of building similar solar plants will have to come down, too. That's where the \$2 million award comes in.

The award falls under the Department of Energy's [SunShot initiative](#), which was established under the Bush Administration and has revved up to speed under the Obama Administration,

the goal being to bring the cost of solar power down to parity with fossil fuels.

This particular grant will bring the cost of CSP plants down by streamlining the manufacturing for parabolic troughs, as described by Abengoa:

The goal of this DOE SunShot Initiative project is to improve the cost competitiveness of CSP and will apply precision automation technologies to the manufacturing and final assembly of Abengoa's new SpaceTube® collector, an advanced parabolic trough design of over 26 feet (8 meters) aperture width. Leveraging the improved structural efficiency and component standardization of the SpaceTube, the objective of the new R&D project is a major reduction in the total cost versus the existing commercial trough technology.

Now consider that this is just one of many SunShot projects, add in other renewables including wind and geothermal, and you can get a glimpse of just how extensive the renewable energy platform for electric vehicles will become in the not too distant future.

When you add in the work being done to advance [electric vehicle battery](#) and [charging](#) technologies, you're looking at an electric vehicle market that is going to put a significant crimp on future U.S. petroleum demand.

John Podesta And The Keystone XL Pipeline

That brings us right around to Mr. Podesta again. Forget about Keystone for a minute and check out his views on the tension

between domestic renewable energy and oil imports in this article he co-wrote almost two years ago, published in the Wall Street Journal January 24, 2012 under the title "[We Don't Need More Foreign Oil and Gas.](#)"

The article was basically a pitch to renew the Production and Manufacturing tax credits. The subtitle "America is poised to be the world's clean energy leader" pretty much says it all, but here are a couple of the juiciest quotes starting with the lede:

In the hubbub around the president's decision not to approve the proposed Keystone XL pipeline between Canada and the United States, Americans missed the big picture. While conservatives have been fighting to build a pipeline to import more foreign oil and deepen U.S. dependence, the U.S. is poised to transform its energy portfolio by developing domestic resources—renewable and mineral—that will let it become a net exporter of clean energy and energy technology in this decade.

For the record, let's note that the primary goal of the Keystone pipeline, at least in the near future, is to enable increased petroleum exports to the global market from Canada via US ports, not necessarily to increase the amount of oil imported into the US for domestic use (proponents have tried to position the pipeline as a benefit to domestic supply, but that is simply not the case).

In fact, some observers have noted that the pipeline will relieve a transportation bottleneck that has kept fuel prices down in some border states. Approval of the pipeline will reduce the current glut and result in higher fuel prices in that region, not lower prices.

That appears to weaken Podesta's opposition in terms of imported oil (after all, if Keystone isn't going to increase oil imports, what's the big deal?), but only if you neglect the second part of his argument, which is America's potential to export renewable energy and energy technology.

As an enabler of conventional energy consumption in global markets, the Keystone pipeline comes into direct conflict with America's competitiveness in those markets, which is no small potatoes. According to Podesta and co-writer Mark Steyer:

America is the largest clean-energy investor, after reclaiming this title from China last year. Our companies make over 75% of all venture investments in clean technologies world-wide. Overall, because of U.S. public and private investments in clean energy—including renewables, efficiency, transportation and infrastructure—the clean economy grew by 8.3% from 2008 to 2009, even during the depths of the recession.

Natural Gas Stealth Attack

To sum up, Podesta's renewable energy advocacy has a powerful flip side, which is to oppose the growth of petroleum exports from or through the US into global markets, where they will compete with renewable energy, and by association, compete with US companies that are trying to export clean tech.

We caught a glimpse of how fast that global clean tech market is heating up during a recent tech tour of Israel, where the [solar vs.](#)

[diesel](#) race is focused on the increasing demand for electricity in developing economies as well as within the domestic market.

That's why we're guessing that Podesta will play an influential role in the final decision on Keystone, if not specifically than as a part of a broader policy that takes the big picture of international markets into account.

If anything, renewable energy advocates should take a closer look at that article ([here's](#) that link again) and note Podesta's support for the natural gas industry, despite substantial environmental issues related [fracking](#), [waste disposal](#), and [fugitive methane emissions](#).

Update: Our friends over at [The Hill](#) have been following the Podesta story closely and I'd really recommend checking them out for upcoming news.