

## Electric utilities should 'integrate' systems

WASHINGTON — After two energy crises, one might expect the United States to learn its lesson. But with Saddam Hussein's presence in the Persian Gulf threatening to push the price of oil up, America has once again been exposed as unwilling to get serious about energy efficiency.

The electric industry does a better job than others, but it is far from perfect. Enver Masud has been saying that for more than a decade but he has been about as popular as a Popsicle vendor in a snowstorm.

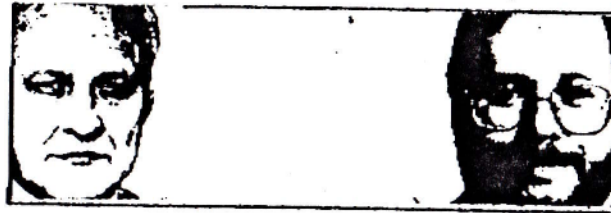
In the late 1970s, when the Masud was a project manager for the Energy Department, he argued that the costs of generating electricity could be cut by billions annually if the industry was better "integrated." That meant simplifying the industry by merging its control areas.

A control area in the electricity business is a service area with a central computer that monitors demand in that area and tells individual plants how to meet that demand. The problem is that there are regions of the country with too many control areas. No single entity is looking at the total demand for electricity in that region and determining the optimum mix of plants to minimize costs.

Some utilities have integrated their control areas and saved money. Bob Woodward manages one of the nation's largest integrated control areas covering Pennsylvania, New Jersey and Maryland. He told our associate Dean Boyd that the concept won't work for every region of the country but in his region it has resulted in increased reliability and massive savings. "It simplifies things and lets you get the most out of the system," Woodward said.

Industry experts agree that less is better, but they also have a book full of reasons why it doesn't always work and those reasons have been used as excuses by some utilities to stay in the dark ages.

Masud says they are dragging their feet. They say he is too simplistic. Over the years his pushy



### WASHINGTON MERRY-GO-ROUND

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attitude about integration has hit a sensitive spot in the Energy Department.

He first proposed more integration at the height of the energy crisis in the late 1970s. He was a high-ranking and respected expert on power grids at the Energy Department and his bosses initially liked his idea. After preliminary tests, the Energy Department concluded that the electrical industry was falling 15 to 20 percent short of what it could be achieving in savings.

Predictably, the utilities didn't like the advice. The National Electrical Reliability Council, which represented utilities nationwide, argued that utilities were saving all they could. The Energy Department looked at the industry's argument and its data and pronounced them "seriously flawed."

After two years of back and forth between government and industry, the Energy Department caved in and even began parroting the industry's data. The inspector general of the Energy Department found out and blasted the department for using data that could be biased. But the department by then had soured on Masud's idea of integration.

We asked Masud's former boss about the change of heart. The boss, who had once praised Masud for

his initiative, told us, "Masud is part of the past and that's where I'd like to leave him."

Masud claims it was increased pressure by utility companies that killed his idea. So he resigned and took a new job with the Iowa State Commerce Commission where he kept pushing his idea. He met with resistance again, and resigned again, but not before several control areas in Iowa merged. Today, according to their chairman, those control areas operate "far more efficiently."

Masud, whose only fault may be that he has a good idea and a bad bedside manner, is now a self-employed engineer.

**MARKET RUMBLINGS** — The stock market hit the skids after Iraq's invasion of Kuwait. Now the experts are wondering just how many world crises it will take before the Securities and Exchange Commission kicks into gear to protect the market from a crash. The SEC has the potential to take a leadership role but instead it has ignored the global issues affecting the market such as trading restrictions, the intermarket trading system and the effect of foreign markets on Wall Street. With the uncertainty of war hanging over our heads, traders are quick to sell — maybe too quick for the good of Wall Street.

**MINI-EDITORIAL** — George Bush recently boasted of great progress in the war against drugs. The president has been spending too much time in Kennebunkport. He needs to look out the window of the White House. The capital city is awash in drug-related crime. Family after family is being destroyed by drugs. The government may take some credit for a small decline in cocaine supplies, but it can take no credit for helping those who are already hooked. Treatment facilities can't keep up with the demand from those who need and want help. Somebody should tell the commander-in-chief that the war is far from over.

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PHOTO: BOB WOODWARD