

VILLAGE VIEW

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How can we know what the future holds? Daisy petals? Stars? Tea leaves? Cards? Palmists? Few of us can peer into a crystal ball and foresee coming events. But experience teaches some things. Knowledge of what is happening in the business world, in political arenas, in society as a global whole, enables us to make educated guesses.

Industries base their production and marketing plans on those factors, and through their actions send out signals of what we may expect. Looking ahead several years, not just weeks or months, utility companies are wig-wagging anticipation of increased costs. Country-wide, they are applying for approval to raise rates and increase fuel adjustment charges. They are making no secret of it. As consumer's of their products, power, we'd be wise to take whatever steps we can to protect ourselves.

Americans received too little recognition and credit for the energy conservation efforts they made in the recent past. We did remarkably well, considering it was an individual push by millions of people. Nobody forced anybody. Enough of us saw the need and did the sensible thing. The oil glut of the past several months and the lower prices at the gas pump demonstrate how effective our efforts have been.

Now prices creep upward again, and many of us find we were lulled into false security. There's no more oil or gas than there ever was. Supplies are still finite. Fossil fuel prices, over the long run, are headed up; they may well exceed previous peaks.

For the rest of 1982, tax credits for energy-efficient home improvements remain available. Deciding whether to use this opportunity requires assessment of your present and future finances, a knowledge of which home improvements qualify, and the probable pay-back period at present energy-cost rates. Fifty years is too long to wait to break even, but five or ten years may not be. The most attractive investments are those that give immediate savings to swing the balance in your favor in a short time.

Insulation, storm sash (even triple glazing), caulking, and weather-stripping qualify for tax credits; at least part of their costs can be used to reduce income taxes. Other items qualify, too.

Replacing an old furnace with a new one designed to function efficiently could help keep your heating bills in line when icy winds whistle around the eaves next January and February and for many winters more. Even if no tax credits applied, an efficient burner would save immediate dollars.

Since 1977, when solar panels to heat water for domestic use first began to appear, that industry has gained respectability. Now local oil distributors offer customers solar hot water systems just as they sell burner replacements. Oil distributors, like utilities, take a long view of fuel supplies, see potential shortages and higher prices ahead; to guarantee adequate supplies and keep customers satisfied, they have geared up to help householders conserve.

If you had installed a solar water heater in 1977 (when #2 fuel oil sold for less than .50 cents a gallon), your system would already have paid for itself. If you had waited until 1979 (when prices had increased to around .85 cent a gallon), your system wouldn't have reached the pay-back point until this summer. A three-year pay-back isn't bad.

Because nobody knows, to the penny, what a gallon of oil or a unit of gas will cost a year from now, or five years from now, but because utility companies are getting rate increases, and oil companies are selling solar water heaters, we don't need a crystal ball to know where prices are headed.

As fuel prices rise, electric bills will increase. Some people, looking ahead, are installing windmills to generate electricity. Tax credits are available for them, too. Will a windmill supply all your electrical demands plus extra power to sell to the utility company? That's unlikely; but you might lower your electric bill by 30%. If future rates were to rise 30%, your bills would be at 1982 levels. If, over the next several years, the cost per kilowatt hour goes up 100% (as did oil costs in less than six years), your pay-back period would be only one-third as long as if rates remain stable. And your bills will be consistently lower than if you had no supplemental power.

Thinking about ways to manage in "hard times" is alien to most Americans. The majority of this country's population has never faced true economic hardship. More than half of us came into the world after the end of World War II. Agonies of the Great Depression are troubles younger people have only heard stories about. It seems impossible to them such economic disaster could ever recur.

Fool's paradise. While there's no guarantee this nation's economy will collapse, there's reasonable chance that most of us old enough to remember the grim days of the 1930s will witness another serious economic depression. Ten million Americans today feel it's happening to them. Many who once earned more than \$10 an hour (and who have now exhausted their unemployment benefits) gladly work for minimum wages. It may be years before we see great improvement.

Meanwhile, energy costs continue their upward trend. Inflation, although better controlled now than in the late 70s, continues to erode purchasing power of money. Whatever investments we make now to reduce expenses in months and years ahead will be money well-spent. Conceivably, our alternative could be learning to live without electricity or central heat. While survival is possible under those circumstances, of course, American society is not geared to live

that way. With foresighted action today, with continued conservation efforts, and with educated guesses about the future, most Americans won't be forced to those extremes.

Through combined efforts of those who already have installed alternative energy systems, those who bought high-mileage cars, those who took conservation seriously, demand for fuel dropped, nationwide. The resulting oil glut caused prices to drop. People responded by using more fuel. Now the price is headed up again. If Americans re-double efforts to conserve, prices can be kept at affordable levels. More than self-interest is involved. What's good for you and me as individuals is good for the country as a whole.

Americans, in the past few years, demonstrated how effective individual action can be and what can be accomplished when almost everyone recognizes the problem and acts responsible. Winning the first skirmish is only the beginning, though. The big battle is still ahead. It could be a tough one unless we stay alert to the continuing reality of energy shortages.