

## Bill Clinton Offers 3 Big Energy Ideas at ARPA-E

**Transmission constraints, energy efficiency financing and methane capture are no problem for the former president.**

Katherine Tweed: February 29, 2012

Former President Bill Clinton stepped onto the stage at [ARPA-E's third annual Energy Innovation Summit](#) to a standing ovation. He started off by reminding the tech-savvy crowd that he was "famously technologically challenged." He then reflected on his position of being a former president, adding, "One of the saddest things about being a former president is no one might care what you think."

For Bill Clinton, that statement couldn't be further from the truth. The ballroom was packed with a receptive crowd of innovators, entrepreneurs, scientists and policymakers. Everyone wanted to hear what he had to say.

Despite his technological handicap, Clinton delivered. He echoed the upbeat vibe that has permeated EIS 2012, but he was honest in saying that despite the exciting work being done by those in the room, there was a gap between the trendlines of moving toward cleaner energy at lowering costs and the headlines that play into partisan politics.

He didn't just wax poetic about the state of the energy economy -- he also offered concrete solutions, including one to finance and build [interstate transmission](#), capturing rapidly dispersing greenhouse gases for energy, and tips on how to move forward to grab the low-hanging fruit of [energy efficiency](#).

Like [Bill Gates the day before, Clinton called for far more money for ARPA-E](#) for developments in solar, batteries and electrofuels that are being financed by the young agency.

His most novel suggestion revolved around transmission, another sticky issue for the federal government that Bill Gates brought up the previous day at the conference. There are more than [300,000 megawatts of wind power waiting to come online](#) due to transmission constraints, according to the American Wind Energy Association. Clinton suggested the best way to finance transmission was to build an infrastructure bank, an idea that he said once had bipartisan support. He suggested the government put in a small (for the government) amount of money of a few billion dollars and have corporations match the funds or exceed them to get future returns on the investment.

Clinton argued companies could invest money if they are allowed to repatriate money from overseas. If they don't put it into the infrastructure bank, where companies will certainly earn a return, they would have to pay taxes on it at the long-term capital gains rate.

After solving the transmission financing issue -- although he did not touch upon the 800-pound gorilla of siting these energy highways -- Clinton moved quickly on to the issue of [greenhouse gases](#), such as methane. "This is not rocket science," he argued. "We need a system in America to more rapidly disperse greenhouse gases."

He noted that there was no reason the U.S. shouldn't have a federal finance model for capturing GHG from landfills and agricultural waste. A successful model could also be an example for the rest of the world. Unlike transmission, Clinton did not offer an example of what that might look like, especially with low natural gas prices. One firm that was at ARPA-E, [FlexEnergy, can work with low-quality methane](#), making the payback potentially achievable for municipalities with landfill gas that is currently being flared. The technology, however, is still young and is in pilots.

In Orange County, the FlexEnergy system of eight power stations is expected to pay for itself in five to six years based on the revenue from the gas, as well as from the money that will be saved in fees to monitor and maintain the flare that currently burns the methane at the landfill. Theoretically, a federal policy that regulated the treatment of landfill gas could help scale methane capture and processing technologies.

Another area that the former president argued needs a more cohesive federal policy is energy efficiency, the energy issue he is most closely tied to. The Clinton Foundation helped build the framework for Obama's [Better Buildings Initiative](#), which will provide \$4 billion for commercial building energy efficiency retrofits.

He pointed to the most oft-cited retrofit, the Empire State Building, which has cut its energy use and utility bills by about 40 percent. The upgrades -- which included custom windows for the Art Deco masterpiece -- will pay for themselves in five years.

Of course, the average building owner does not have the cash reserves of the landmark building, nor will the average school building or small office employ the likes of Honeywell, Siemens or Johnson Controls to do the upgrades.

"This is a huge deal for America's unemployment problem," said Clinton. Instead of the largest building companies, non-college-educated, middle-aged people could do the work if they were trained as assessors or even contractors for many retrofits. The problem, however, is that "there's no national 'Say Yes' system here."

A 'Say Yes' system could include decoupled utilities that offer on-bill financing. The United Kingdom will implement a system along those lines later this year with its [Green Deal](#), which will pump \$20 billion for retrofits into the market. Private capital has put up the money and billing will go through the utility, but all upgrades will be done through companies approved through one federal system.

Clinton argued for [PACE](#) financing to not only come back to California, but be implemented nationally. He argued against Fannie Mae and Freddie Mac, which claim it drives down the value of mortgages. "This sterile and meaningless debate has kept Congress from doing this nationwide."

Even if [PACE](#) financing does not come back or go nationwide, Clinton offered a call to arms. "Focus on being more systematically effective in energy efficiency," urged Clinton. "Once people know the facts, no one is against this, but there are too few non-college-educated people that understand the huge impact this could have on their future."