Cure Nimby

The latest outbreak of Nimby syndrome may prove one of the most dangerous ever as two major power companies face bankruptcy

Reliable reports confirm that the latest syndrome sweeping California is Nimby. Periodic manifestations of the virulent activity have been reported for years, but the latest outbreak may prove one of the most dangerous ever as two huge power companies—Southern California Edison Co. and Pacific Gas & Electric Co. (PG&E)—face bankruptcy. Spawned in the hothouse atmosphere of high-school gyms and firehouses, Nimby is characterized by excessive emoting, perceptual problems, and sudden urges to stick one's head into the sand. The affliction is contagious, progressive, and hard to cure.

All kidding aside, Nimby (not in my backyard) syndrome is a big problem for developers of major industrial facilities. One of the factors contributing to the ongoing electricity crisis in California is the simple fact that the citizenry has not permitted the construction of large power stations in their state for over 20 years and precious few before that, leaving the state woefully short of bulk power. The last conventional thermal unit over 250 MW built was Encina-5 in San Diego, which entered service in 1978. Nuclear units at Diablo Canyon and San Onofre were completed in the early to mid-1980s, but construction started on Diablo Canyon in the late 1960s and San Onofre Units 2 and 3 shortly thereafter. There is exactly one coal-fired unit over 100 MW—a strapping, 108-MW facility—in California, a state where installed capacity amounts to some 56 GW and annual sales in 1999 totaled about 212 million MWh. Note too that California is a leader in distributed generation as its fleet of 2,500 units includes 1,750 machines of 10 MW or less. In fact, all but 113 units are under 100 MW in capacity.

By Christopher Bergesen

One Golden State outbreak of Nimby is being reported in San Jose, heart of Silicon Valley. For about two years, local government has opposed the application of Calpine Corp., a private power company headquartered in San Jose, to build a 600-MW, gas-fired combined-cycle in the Coyote Valley area. Bechtel Power Corp., the San Francisco-based engineering and construction giant, is the chosen contractor for the Metcalf Energy Center; the proposed site is across the street from a 40-acre substation owned by PG&E. The plant has been designed to look like an office building because it is immediately adjacent to a 700-acre parcel planned by Cisco Systems for a $1.3 billion high-tech campus and corporate headquarters. Despite the fact that residents and high-tech employers are desperate for reliable power and weary of the state's electricity alerts and rotating blackouts, Cisco opposes construction of Metcalf Energy Center as do many local residents. On the other hand, various local and regional business groups endorse the plant and, at this writing, the siting effort continues.

Nimby syndrome is problematic precisely because a "granular" view of each episode clearly illustrates why a particular project should not be built at a particular location. Some examples of locations and why they are deemed unsuitable: Close in to urban areas—too many neighbors; far away—the effect on the pristine environment; brownfield—legacy environmental problems; greenfield—competing land uses; waterfront—impact on recreation . . . you get the idea. This accumulation of layer upon layer of local and regional issues becomes more and more intractable, to the point where facility developers might be excused if they took their ball and went home, but of course—as in the Calpine case—they may not even be able to play on their home field.

So there's the problem. What's the solution? It is clear that public utilities, power plant builders, and other kinds of industrial enterprises must redouble efforts to educate consumers about the tradeoffs implicit in the development and operation of major facilities. There is certainly some civic "pain"—actual or imputed—associated with construction work on this scale and from the operation of power plants, refineries, factories, pipelines, and so on. At the same time, the benefits of more electricity—or more reliable energy delivery, or more employment, or more aluminum, or larger property tax rolls, or more "product" in general—also accrue. The citizenry must see the necessity for cooperation and burden-sharing. It probably would help to make benefits explicit at every opportunity—just as the French discount electricity prices for residents near nuclear plants and Japanese utilities pay fishing industry associations for the use of coastal waters and beachfront.

Perhaps the answer is to devise a market-based solution. Geographic information systems could be used to portray a "cost/benefit zone" for each new or existing facility. A starting point would be to assume that costs and benefits are proportionally related to the distance from the plant and devise a way to index each and present the results for the use of the affected populace. Thereafter, owners, residents, and other affected parties can discuss compensatory mechanisms within an agreed framework. ■