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Consumers turn frugal as costs for energy rise

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HOPKINTON, MASS. - A year ago, firewood entrepreneurs Gary and Bruce Garner sold 1,000 cords of wood, for about \$180 apiece. This year, sensing increased demand, they bumped up the price to \$220. But they still ran out of wood in September - two months earlier than last year.

Welcome to fall 2005, which is starting to look a lot like the 1970s, when the aftermath of an Arab oil embargo crimped American energy consumption.

True, recent gas lines in Houston and elsewhere were caused by hurricanes rather than government rationing. Still, there are numerous signs - from wood stoves to locking gas caps - that the public may be on the cusp of moving back toward a more energy-conscious lifestyle.

"People seem more concerned now than they were back then," said Gary Garner, who began selling firewood with his brother in 1978, shortly before the second energy crisis.

Other echoes of the 1970s include:

- HearthStone, a Morrisville, Vt., wood-stove maker, has added a second shift to keep pace with demand. The company expects to ship some 15,000 stoves this year, 50 percent more than last year.
- Stant Manufacturing Inc., in Connersville, Ind., has ramped up production of locking gas caps by 50 percent nationwide, amid a raft of gasoline thefts.
- Sales of high-tech stoves that burn wood pellets are up 60 percent.

With heating-oil prices surging and natural-gas prices forecast to be up to 70 percent higher this year in some regions, homeowners are worried. But because there are far more alternatives than there were 30 years ago, "there's nowhere near the desperation there was back in the 1970s," said Paul Bartlett, sales manager at HearthStone. "People were really afraid back then."

Others agree that public reaction is not as intense as it was in the '70s. But they also say that unless the government takes stronger steps to urge fuel efficiency and to curb demand - as in the 1970s - the nation could end up reliving past difficulties.

Presidents Richard Nixon, Gerald Ford and Jimmy Carter, for example, responded with a raft of energy-saving measures, from 55-mph speed limits to higher mileage standards for cars, as well as public education campaigns to reduce energy consumption via actions like home insulation and caulking. "Don't be fuelish," went a catchphrase from a 1975 public-service ad, which still pops up today.

Energy-awareness programs worked then and have since proved to reduce consumption, said Steve Nadel, executive director of the American Council for an Energy-Efficient Economy, a Washington-based advocacy group. For example, electricity use fell 6 percent in 2001 after California adopted a statewide awareness program.

"If we did this nationwide, the country could cut demand for natural gas, gasoline and coal and save billions," he said.

Buried under billions of dollars in oil and gas subsidies in the recent energy bill was authorization for a tiny \$90 million public-awareness campaign on energy efficiency. Will it be funded? Nadel isn't optimistic.

Among the most significant steps taken in Washington during the 1970s was President Ford's mandate to Detroit to boost auto mileage. If the U.S. required a 40-mpg fleet mileage by 2015, the nation could save \$73 billion by 2020, the council estimated this spring.

Despite the initial pain, 1970s energy-efficiency measures helped make America's economy more competitive, many economists say. Manufacturing efficiency boosted then still shows up today. The overall "energy intensity" of the economy - the amount of energy used to produce \$1 of GDP - has fallen about 43 percent between 1973 and 2002, according to the Department of Energy. Even so, per capita energy use (think SUVs) has been rising since the mid-1980s.

"The country spent about 20 years learning how to save energy and the next 12 years forgetting more than we ever learned," said Amory Lovins of the Rocky Mountain Institute, an energy think tank in Snowmass, Colo. Subsidies for fossil-fuel development, contained in recent energy legislation, will end up being a costly waste as the economy and the public move toward efficiency on their own, he predicted.

Beth Shiffler, poking her nose into a showroom filled with wood stoves at Energy Unlimited of New England in Wayland, Mass., said she was here because the cost of her oil contract rose \$90 a month from last year. "I like seeing the fire burning -and we'll save oil, too," she said. "That's it."

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