

The Internalization of Externalities from Electrical Power Plants as a Tool for Progressing Towards Sustainability in Small Island Developing States: The Case of Bahrain

Statements by Ali J. M. Al-Hesabi

1. Adequate estimates of the true cost to society of power generation, including the external costs are a necessary but insufficient condition for making progress on improving resource conservation and progressing toward a more sustainable society.
2. An appropriate electrical tariff structure based on consumer-specific, long run marginal costs, is essential to achieve environmental and socioeconomic objectives that are more sustainable.
3. The impacts and corresponding damage costs related to human health effects and impacts upon buildings and other man-made structures due to atmospheric pollutants generated by fossil fuel based electricity generation activities are consistently ignored, or at best are underestimated, in Bahrain.
4. The economic evaluation of power generation externalities can be a key motivator for reforming governmental policy and for restructuring the energy sector in Bahrain.
5. Internalizing externalities can serve as a decision-making support tool for enhancing the political will to make the necessary policy and procedural changes in Bahrain.
6. The social cost of power generation is equal to the public and private costs plus externalized costs.
7. The cost estimates of external environmental effects of energy production and usage differ widely depending upon the methods and assumptions that are used.
8. The policy-makers and stakeholder's awareness and support are essential in developing and implementing ways of internalizing the externalities of all societal activities.
9. A large number of regulations and economic incentives exist worldwide to promote the introduction of more environmentally sound policies that can help societies to implement more sustainable societal life styles.
10. Market-based mechanisms are preferred alternatives that can be more effective than the conventional "command-and-control" regulatory approaches.
11. All the respondents to this thesis questionnaire will get mini solar cars at the expense of the government.