

# Coal industry cries foul as enviros get rule they want

Jean Chemnick, Environment & Energy Publishing, 3-27-12

Environmentalists got much of what they wanted in the greenhouse gas rule proposed today by U.S. EPA -- notably an assurance that new coal-fired power plants would be barred from emitting more carbon dioxide than natural gas plants.

The rule -- which will enter a public comment period after it's published in the *Federal Register* -- requires power plants to meet the same standard of 1,000 pounds of CO<sub>2</sub> per megawatt-hour regardless of their fuel.

Compliance will be much easier for natural gas plants than for new coal plants, but EPA Administrator Lisa Jackson told reporters it "can be met by a variety of fossil fuels plants."

She acknowledged that coal plants will eventually need to use carbon capture and storage (CCS) to bring their emissions down, but she said industry is moving toward lower-carbon technologies anyway.

"We build on where the industry is going and lock that trend in, which we believe is an important signal for investors," she said.

But industry advocates say a one-size-fits-all standard is a departure from EPA's past practice of crafting New Source Performance Standards that are specific to fuel types.

"The agency claims that it's their prerogative to do it that way, but there's not a lot of good precedent for that," said Scott Segal, director of the Electric Reliability Coordinating Council, a coalition of power companies.

Segal maintained that requiring CCS for all new coal-fired power plants, in effect, "bans the future of coal."

But Megan Ceronsky, an attorney at the Environmental Defense Fund, said EPA has included a provision that allows coal-fired power plants to average their CO<sub>2</sub>-equivalent emissions over 30 years. That, she said, lets them delay using CCS for 10 years in exchange for making deeper reductions later.

"It means that they don't have to install carbon capture and storage technologies tomorrow," she said. "They, in fact, don't have to do it for a decade."

CCS technology has been proved to be effective, she said, but hasn't advanced for lack of regulation that would force its use. The new CO<sub>2</sub> rule would change that, she said.

American Electric Power discontinued a CCS project at its Mountaineer plant in West Virginia because it said it could not recover the costs without regulation.

But Segal said environmentalists had not always supported CCS, and securing a permit to inject the greenhouse gas into the ground may become a struggle.

Further, he said Jackson's statement that the rule would be inexpensive for industry seems to presume that there will not be many new coal-fired power plants built, because CCS is costly.

"EPA's own models are dictating to them that its not going to be CCS," he said.

In a call with reporters, Jackson said EPA's cost estimates for the rule could change if the price of gas increases dramatically.

Lawmakers from coal states have painted the rule as an assault on the coal industry.

### **'War on coal'**

"I continue to be outraged at this administration's war on coal," Rep. Ed Whitfield (R-Ky.) said in a statement. The administration, he said, was "circumventing the will of Congress and the American people by moving forward with a regulation that threatens our most abundant, reliable, and affordable domestic electricity source."

Sen. Joe Manchin (D-W.Va.) said the rule wouldn't make CCS less expensive and more available.

"If they quit picking winners and losers based on what they would like to see happen, and see what the market can really justify, I think we'd be much better off," he said.

The United States has already wasted half a billion dollars on CCS research that has failed to make the technology commercially viable, he said.

"The thing that people have to understand is that if coal is going to be the energy this country is dependent upon ... if that's going to be the case, you would think they would be working with us and not against us, and putting obstacles in front of us all the time," he said.

Sen. James Inhofe (R-Okla.) has said he will offer a resolution under the Congressional Review Act to kill the rule outright. He could not do so until the final rule is printed in the *Federal Register* -- something that is unlikely to happen this year -- but he said that schedule suits his purposes.

"This [resolution] would mature at about the time a new president would be elected," he said. While the review law allows a resolution to pass the Senate under expedited terms, it would still need to be signed by the president -- something that President Obama is unlikely to do.

But Inhofe noted that all Republicans running for their party's presidential nomination would have a different position.

Whitfield said he did not expect the House to move a CRA resolution of its own.

"We're not going to do it," he said, "because we already passed a bill that prohibited" greenhouse gas regulation by EPA.