

Aussie official calls for equitable international CO2 regulations

# Powder River Basin coal model goes global

By DUSTIN BLEIZEFFER - Star-Tribune energy reporter | Posted: Friday, June 25, 2010

LARAMIE -- A Peabody Energy executive says Wyoming's Powder River Basin model for mining coal should be applied in nations around the world in order to lift growing populations out of poverty and to further advance economies of developed nations.

Fred Palmer, senior vice president of government relations for Peabody, spoke at the International Advanced Coal Technologies Conference in Laramie this week. For Palmer, using more coal is a matter of human rights in that cheap coal offers a higher standard of living for all.

Cheap coal power "allows people to live better and live longer," said Palmer.

The Powder River Basin coal mining district in Wyoming is regarded as the most prolific coal mining model in the industry to date. Some 14 active coal mines extract more than 400 million tons annually, and two railroads deliver that coal to some 37 states.

The district is said to have a capacity upwards of 500 million tons annually, which would amount to half the United States coal supply.

Now Peabody Energy -- and other companies -- are eyeing a coal field in Mongolia to apply the Powder River Basin model.

With its own newly acquired interests in Mongolia near the northern Chinese border, Peabody said Mongolia is poised to establish a Powder River Basin-style coal mining district twice the size of Wyoming's within the span of just 10 years. It took about 35 years to establish the current Powder River Basin mining district.

"The market for that coal, obviously, is China," said Palmer.

Peabody, which operates three coal mines in the Powder River Basin, has argued against several incarnations of climate change legislation at the national and international level, urging lawmakers to allow the industry more time to deploy coal-gasification and carbon sequestration technologies.

Those are technologies to curb coal's emissions of CO2, the main greenhouse gas contributing to global warming according to the world's top scientists.

Palmer suggested that any climate change regulation ought to allow more time to refine and deploy the technology -- not to simply delay the cost of a cleaner coal utility regime, but to bring the costs down.

Palmer said if the richest nations in the world force developing countries to put the current CO2 emissions-heavy coal power plant model on the shelf, it would be inhumane to those populations desperate to lift themselves out of poverty.

"I say it's energy apartheid to sit here in the U.S. and say the rest of the world cannot enjoy the same lifestyle," said Palmer.

Palmer also touted Peabody's investment in multiple efforts around the world to advance research and deployment of technologies that may reduce coal's CO2 footprint. But he insisted that current proposals to curb those emissions are just too costly in the short-term and threaten coal's "first phase" ability to supply cheap power for nations rich and poor alike.

"On the world level it goes without saying the power of coal is as real as the beauty of Wyoming," said Palmer.

But others believe the scenario of building two new Powder River Basin-sized coal fields would have a devastating impact in terms of climate change unless it's done with technologies to curb CO2 emissions.

Peter Beattie, trade commissioner to the U.S. for Queensland, Australia, said that in order for there not to be winners and losers under climate regulation, the same rules must be applied internationally.

"Frankly, I think the more globalized the regulations the better," Beattie told the Star-Tribune.

Beattie said only under a uniform set of rules will countries like the U.S. be able to develop the energy technologies needed and then sell them to growing nations like China -- which can afford to buy them. He said China is not proposing to simply grow its economy on CO2 emissions-heavy combustion coal plants. China is rapidly growing its deployment of renewable energy along with coal-gasification facilities that can capture CO2.

"It is in the U.S.'s interest, and in Australia's interest, to have uniformity and to have all the energy generated with the same environmental standards. Otherwise, the U.S. gets disadvantaged, and that's a fact," Beattie said.

As for needing more time to refine coal technologies to curb greenhouse gas emissions, scientists are hard at work on that, too. The Institute for Clean and Secure Energy at the University of Utah is focused on greatly accelerating the process of research, development, testing and deployment of cleaner coal technologies.

"Historically, it's taken too long to deploy new technologies in energy. We can't wait for decades for new technology to deploy," said Philip Smith, director of the Institute for Clean and Secure Energy.

Smith said his colleagues believe the laboratory-to-commercial-scale process can be accelerated -- and some stages perhaps even leapfrogged -- thanks to highly advanced simulation abilities through high-performance computing.

Along these lines, a Duke Energy coal-gasification facility now under construction in Indiana is fitted with more than 450 devices solely for the purpose of data collection to help better design the next coal-gasification plant, according to GE officials.

"We can look at simulated data and ask if we have accomplished validation, and understand risk," said Smith.

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