

States seek clean-coal incentives

By Dennis E. Curran

October 1, 2007 --

CHEYENNE -The federal government needs to step up its research and incentives for clean-coal projects if America is going to attain energy security and "keep the lights on," according to Wyoming Gov. Dave Freudenthal.

The governor recently invited three colleagues to Cheyenne to discuss the need for a greater federal role. The week before he was in Washington, D.C., testifying before a congressional committee on clean-coal projects. And he talked candidly about the importance of federal incentives in a wide-ranging interview with the Wyoming Business Report.

"In order to do what needs to be done for both energy security and carbon management, we need the same commitment to clean-coal technologies that we once had to putting a man on the moon," Freudenthal told the Business Report.

"If we're serious about this as a country, then why did we end up with an Energy Bill, both from the Senate and the House, that fundamentally did not have incentives in it for the development of clean coal?"

The problem, he noted, is that in the rush to embrace greater use of so-called alternative energy sources, Americans - and their political leaders in Washington - have forgotten that coal still supplies half of the nation's electricity and fossil fuels 80 percent.

In his testimony before Congress, Freudenthal noted that America has more than 1,500 coal-fired power plants that consume more than one billion tons of coal a year - including 445 million tons from Wyoming.

"Like it or not, coal is going to be used in America and the world for some time to come," he told the House Select Committee on Energy Independence and Global Warming. "For the foreseeable future, carbon-based resources are a necessity if we want to keep the lights on."

Wyoming takes lead

Wyoming has taken a lead in preparing for future federal mandates for carbon capture and carbon sequestration to eliminate greenhouse gas emissions from new generation power plants. It is actively looking at everything from sequestration sites (See story in Southwest Regional Business, Page 31) to exploring the many legal issues surrounding carbon sequestration.

"One of the reasons we're beginning to invest so much time in CO₂ and CO₂ management is that some form of CO₂ management is going to part of our future, and we need to make sure that it's a form that recognizes that you can utilize coal," he told the Business Report. "Over the next 50 years, we will change the way in which we utilize it, but it's still the basic Btu source that is most available in Wyoming."

In his testimony and his interview, Freudenthal complained that the federal government has been quick to offer incentives to alternatives but ignored coal.

"Part of the frustration has been that the federal government won't provide the same level of incentives for clean coal that it's been providing for wind and solar and some of the other options," he said.

Until the federal government weighs in on the key issues, states, energy producers and utilities will be "wandering in the desert," Freudenthal said. "Uncertainty about future carbon rules absolutely overwhelms every discussion."

On Sept. 13, Govs. Joe Manchin of West Virginia, Jon Huntsman of Utah and Bill Ritter of Colorado met with Freudenthal in Cheyenne to determine how they could advance a clean-coal agenda with the federal government.

The governors said they will enlist the aid of their colleagues to put clean coal back into the equation as the nation struggles to regain energy independence.

"We're trying to find ways to make this nation much more secure and much less dependent on foreign energy," said West Virginia's Manchin. "We're trying to find how we as the states can come together and go in one direction, and hopefully entice the federal government to join us, so we can make this country strong and secure and independent."

Utah's Huntsman said the objective is "trying to figure out a clean and efficient and secure way to power our economy into the future. There has to be some sort of bridge between the rhetoric and the reality of where we are with clean energy and energy independence."

Part of the energy future

"In Colorado," Ritter observed, "we've made a big push for renewable energy and we've had some great successes ... but we still understand that renewable energy is just part of the energy portfolio for the future. We're coal-producing states, and we certainly want to ensure that coal will be part of the energy future."

Freudenthal said it is appropriate to pursue all of the alternatives as long as the federal government recognizes that coal's going to have a role, too.

"We believe that the tax credits and the other things that have been available for some of the alternatives need to be continued, but given the recognized fact that coal is going to have a role, coal is going to need similar encouragement and similar advantages in order to be part of the energy future. It is clearly our belief that the federal government's failure to move quickly is going to impose a significant price on us as a nation," Wyoming's governor said.

Added Manchin, "Any of the energy experts will tell you, coal has to be a major part of the equation. What we're seeing is a complete movement away from incentives to help develop new technology to do it cleaner and better. It has to be part of the equation, and as governors from coal-producing states, we're willing to step forth and move the dialogue forward."