

Utility sees coal uncertainty

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Thursday, August 20, 2009 7:30 AM MDT

In a Wednesday address to the Petroleum Association of Wyoming, U.S. Sen. John Barrasso, R-Wyo., first promised to try to kill a bill that would reduce carbon emissions through a "cap and trade" approach. He later refined his stance, promising to do his best to improve the measure.

It's the same wavering tone emitted from the electrical utility and coal industries, which seem both on the verge of committing to a modest approach to regulating carbon emissions or launching an all-out campaign against it.

As for one of the West's largest regulated utilities, PacifiCorp says it will not be able to resume building coal-based facilities if the Waxman-Markey bill is defeated.

"Defeat of the Waxman-Markey bill by itself would likely not provide the clarity PacifiCorp needs to put coal-fueled electric generating plants back into consideration," PacifiCorp spokesman Dave Eskelsen said.

PacifiCorp, which operates in Wyoming as Rocky Mountain Power, scrapped a planned 527-megawatt, super-critical pulverized coal unit at the Jim Bridger power plant in Sweetwater County in 2007. The utility explained that the industry realized there will be new carbon regulation at some point, but until the rules are in place it would not consider any new coal facilities.

Coal remains off the drawing board at PacifiCorp. Instead, Rocky Mountain Power has spent the past several years building hundreds of wind turbines in Wyoming.

"What makes coal difficult to plan today is that we cannot tell our regulators with reasonable certainty how new coal generation will affect rates for our customers. That uncertainty would likely remain even if Waxman-Markey is not passed," Eskelsen said.

Without stating support for the idea of reducing greenhouse gas emissions, Eskelsen said if it becomes the policy of the United States, then the federal government should establish a reasonable schedule of declining carbon emission caps. That way electrical utilities can work with state regulatory bodies to achieve the emissions reductions necessary to meet the caps.

"That would enable the company to fairly evaluate the costs of new coal generation with other resources, such as natural gas, wind, geothermal, solar and other renewable sources, as well as nuclear power for electric generation," Eskelsen said.

What utilities want most is for the costs of carbon reductions to be recoverable in utility rates, even if the objectives change.

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