

Idaho raises the bar on climate change with a permit that may set the national standard on clean coal

Under a new agreement, the first 'clean-coal' plant in the nation could open near American Falls by 2015.

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The Idaho Department of Environmental Quality set a national precedent Monday when it issued a permit requiring the proposed Power County plant to cut carbon dioxide emissions by 58 percent of what a comparable facility now emits.

The permit - hashed out over several months among Southeast Idaho Energy, the state, the Sierra Club and the Idaho Conservation League - was issued only days before negotiators from around the world arrive in Copenhagen, Denmark, to write a new treaty to reduce greenhouse gas emissions worldwide.

The deal could bring the state much-needed jobs in an emerging industry.

It gives the the company an easier shot at raising money to build the clean-coal gasification fertilizer plant by ensuring that environmental groups won't fight the permit in years of court battles.

And it gives groups like the Sierra Club - which has opposed all new coal plants up to now and has been skeptical about the potential of clean-coal technology - a chance to help set the national standard for carbon sequestration from coal plants.

Southeast Idaho Energy's facility would turn coal into gas that would both produce nitrogen fertilizer and sulfur.

The company plans to separate the carbon dioxide during the gasification process and ship it to Wyoming, where it would be pumped underground to ease the extraction of oil and natural gas.

The technology to do all of this already exists, said John Burk, a Southeast Idaho Energy spokesman.

The challenge the company faces, he said, is economically transporting the carbon dioxide from the plant to the oil fields. The company is looking at shipping by rail and perhaps building a pipeline that could allow it to economically capture even more carbon dioxide.

"Carbon capture and sequestration have always been a fundamental part of our overall business plan," said Ramesh Raman, Southeast Idaho Energy president.

DEQ had issued a permit in February, but it was challenged by the Sierra Club and Conservation League. The environmental groups argued that the plant as permitted in February would have spewed 2.3 million tons of carbon dioxide each year - a gas that scientists say traps heat in the atmosphere and contributes to global warming.

That would have been about twice the amount of carbon dioxide that would be released from a normal natural gas-fired fertilizer plant, said Andrea Issod, a Sierra Club staff attorney.

The environmental group decided to endorse this permit because of the company's willingness to put its own money behind its commitment to remove and sequester carbon dioxide, she said.

"Other companies are getting money from the federal government and making the ratepayers take the risk," Issod said. "Southeast Idaho is bearing the risk on their own."

The Environmental Protection Agency is in the middle of rulemaking to regulate carbon dioxide as a pollutant.

When that is done, the gas will be treated as other hazardous pollutants by the Clean Air Act, which requires companies to consider the "best available control" to prevent pollution.

That means that Southeast Idaho Energy's permit could become the standard that other new coal plants will have to meet.

DEQ officials said they will not include greenhouse gas limits in future air quality permits until federal regulations have been finalized. By agreeing to issue this permit, DEQ officials say they were helping the project move forward without environmental challenges.

"This permit is a win-win for the people of Idaho," said Justin Hayes, program director for the Idaho Conservation League.

Southeast Idaho Energy expects to hire up to 1,300 people during the construction of the \$1.5 billion to \$2 billion plant, which would employ about 150 permanent workers.

"Having a permit that is not contested will give us access to additional money so we can move the project along," said Burk.

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