



05-14-09

## Senators debate key details of proposed energy legislation

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As the Senate and House race to write new energy legislation focused on developing renewable energy to combat global warming, there's serious concern about possible unintended consequences, with talk of "the devil's in the details."

The Senate Energy Committee met again on Thursday to continue marking up its comprehensive energy legislation. The main issue for the day seemed uncontroversial. As it deals with each separate section of the overall bill, the committee was considering the bipartisan "Department of Energy Carbon Capture and Sequestration Program Amendments Act of 2009." This bill, S-1013, was introduced by Energy Committee Chair Jeff Bingaman (D-NM) and co-sponsored by Senators John Barrasso (R-WY), Byron L. Dorgan (D-ND), John Tester (D-MT), Evan Bayh (D-IN), Mary Landrieu (D-LA), Robert Casey (D-PA), and George Voinovich (R-OH).

Witnesses testifying in favor of the bill included not only government officials and energy industry executives but Scott Anderson, Senior Policy Adviser for the Environmental Defense Fund (EDF). Anderson began his endorsement of Bingaman's carbon capture & sequestration (CCS) bill by noting that it's not often that EDF and Southern Company, a major utility, agree on legislation. Anderson told the committee that EDF supports long-term, deep underground carbon sequestration as a necessary means "for accommodating coal, the world's most abundant but carbon-intensive fuel, to a carbon-constrained future." He said that "as a technical matter, CCS is ready to begin deployment today. All the necessary technologies exist." He welcomed the Bingaman bill and said that the necessary next step is for Congress to pass cap-and-trade legislation to "create a market value for avoiding carbon dioxide emissions."

Witnesses explained that the reason for the Bingaman bill is to shift liability for potentially massive but very unlikely damage that might be caused by sequestered liquid CO<sub>2</sub> from private companies to the federal government. They said damage potentially could include contamination of surface water or underground aquifers. Bingaman said that "Based on the input of industrial, environmental, NGOs and other organizations, it is clear to me that there is a real need for liability treatments and adequate project financing for early-mover projects. The creation of an indemnity program for these large-scale early-mover projects is an important, necessary step to building confidence for project developers, as well as the public."

Bingaman added that “Carbon capture and geologic storage holds promise as a measure that can be used to mitigate global climate change, while still allowing the use of fossil fuels at electricity-generating plants and industrial facilities. With discussion centered on coal use in a carbon-constrained world, carbon capture and storage may pose the most immediate solution for continued use of coal while not contributing further to carbon dioxide emissions and global warming.”

Ranking Member Lisa Murkowski (R-AK) said “It’s imperative that we find a way to continue to use our vast coal reserves in a manner that is both economical and leads to a reduction in our greenhouse gas emissions.” Wyoming State Rep. Thomas Lubnau testified that if Congress imposes a cap-and-trade system putting a high price on carbon emissions but fails to protect coal with a CCS system, “One of two things is going to happen, either the carbon caps aren’t going to work, or the economy is going to fall apart.”

However, bipartisan support for the CCS bill, backed up by expert testimony, didn’t convince Sen. Bob Corker (R-TN). During the markup session he questioned the basic concept of carbon sequestration. He pointed out not only would CCS require a national network of pipelines to move pressurized CO<sub>2</sub> to safe geologic sequestration sites, but the high costs of CCS might eliminate coal’s chief selling point: that’s it’s cheap.

Corker asked “are we just all doing this to make coal, to those who oppose coal, seem like something that’s doable under a cap-and-trade scheme? Are we smoking something?” Lubnau replied that CCS needs to be made to work because if Congress caps carbon emissions, “we don’t have enough energy sources to do it otherwise.”

Before the committee began consideration of CCS, Senator Maria Cantwell (D-WA) raised another concern about unintended consequences. She offered an amendment to the overall energy legislation:

“To require that any electricity generator that directly interconnects into a high-priority national transmission project has a greenhouse gas emission rate that is lower than that of a single-cycle natural gas-fired combustion turbine.”

Cantwell explained that the Senate’s intention in the overall energy bill is to accelerate the development of low-carbon clean energy from renewables including wind, solar, geothermal, biomass, nuclear, and new coal plants using CCS technology. She warned that the way the bill is drafted, however, “may end up shifting cheap, coal-fired electricity from the Midwest and the South to higher-priced markets in the Mid-Atlantic and New England, that is, transmission lines would be built, the coal plants might already be there in those communities but now, instead of having that coal basically sold locally, because of the new transmission lines, they can go to a region with a shortage that would pay a higher price.” The unintended result, she warned, could be to undermine rather than support the development of new cleaner alternatives to traditional coal-powered electricity generation.

Cantwell postponed asking for a committee vote on her amendment to give herself more time to convince Senate colleagues to support changes needed to protect renewables.

To read the witness statements on the Carbon Capture & Sequestration bill and the 14-page bill text, go to: <http://energy.senate.gov/public/>