

BOUCHER INTRODUCES LEGISLATION TO ACCELERATE THE AVAILABILITY OF CARBON CAPTURE AND STORAGE TECHNOLOGY

Bill Creates \$1 Billion Annual Fund to Bring Cutting Edge Clean Coal Technologies to Market

(WASHINGTON, D.C.) - U.S. Representative Rick Boucher (D-VA) today introduced bipartisan federal legislation to advance the development and deployment of carbon capture and storage (CCS) technologies. CCS is a method of reducing greenhouse gas emissions by capturing and injecting underground the carbon dioxide emitted from electricity generation plants that use fossil fuels. Boucher is joined in the sponsorship of the bill by Rep. Fred Upton (R-MI), Rep. John Dingell (D-MI), Rep. Joe Barton (R-TX), Rep. Nick Rahall (D-WV), Rep. Ed Whitfield (R-KY), Rep. John Murtha (D-PA), Rep. Jerry Costello (D-IL), Rep. Tim Holden (D-PA), Rep. Earl Pomeroy (D-ND), Rep. Artur Davis (D-AL), Rep. Mike Doyle (D-PA), Rep. Baron Hill (D-IN), Rep. G.K. Butterfield (D-NC) and Rep. Charlie Wilson (D-OH).

The legislation would establish a \$1 billion annual fund, derived from fees on the generation of electricity from coal, oil and natural gas. Grants from the fund will be awarded to large-scale projects advancing the commercial availability of CCS technology.

"Coal is America's most abundant domestic fuel, and today, coal accounts for more than one-half of the fuel used for electricity generation. Given our large coal reserves, its lower cost in comparison with other fuels, and the inadequate availability of fuel alternatives, preservation of the ability of electric utilities to continue coal use is essential. The legislation introduced today addresses this clear need by enabling electric utilities that use coal to have the continued ability to do so when a mandatory program is implemented to control greenhouse gas emissions," Boucher said.

According to Boucher, if severe emissions reduction requirements are imposed before the carbon capture and storage technologies are available, the result would be a rapid switch from coal to other fuels. Such fuel switching would significantly increase electricity prices to the detriment of both residential and industrial electricity consumers. Fuel switching from coal would most likely result in far greater uses of natural gas for electricity generation, severely stressing an already constrained natural gas supply and dramatically increasing natural gas prices.

"Today 58% of U.S. homes are heated with natural gas, and numerous industries are heavily reliant on it. If large scale switching by utilities from coal to natural gas occurs, tens of millions of Americans would experience deep economic pain, and many domestic industries would be dislocated. The early arrival of CCS is essential to prevent this economic disruption in a carbon constrained economy," Boucher said.

While some commercial CCS projects are in operation, they are small in scale and have the purpose of enhancing oil recovery. Further research, development and demonstration is necessary for the permanent storage underground of large quantities of CO₂ in a variety of storage media in widely dispersed locations around the nation. Carbon conversion technology also exhibits promise with the ability to convert CO

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into an environmentally harmless form. The new fund will finance research on various methods

of capturing CO

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from the combustion process and establish the reliability of conversion or storage in multiple storage sites.

"Some think power from coal is the dreary past and our energy future is all sun, wind, geysers, trash and tides," Barton said. "Maybe, but not yet. When working families are paying electricity bills so high they look like house payments, we in Washington can't afford to put our country's least expensive and most available energy off limits."

"Carbon-capture technology is reaching maturity, and it offers the promise right now of affordable power. This bill can make a real difference in the daily lives of people who work for their living and strain to pay their bills, and I'm going to help get it passed," Barton said.

"In order to successfully address climate change, we need an inclusive approach. Coal will be a part of any serious discussion. Coal is not, however, without its drawbacks, mainly that it is a major emitter of greenhouse gases. For that reason, we must invest in carbon capture and storage technology. China and India's reliance on coal makes the need for this technology that much greater. I am pleased to join Representative Boucher in this critically important effort," Dingell said.

"In our quest to reduce greenhouse gas emissions and protect the environment, we must promote clean coal technologies that will not only keep costs down for consumers, but also foster new jobs and a strong economy. These technologies exhibit great promise, and in encouraging advancements in carbon capture, we'll be able to responsibly fortify our nation's energy supply with American-made energy and protect the pocketbooks of our nation's working families. We have a clear choice - pursue reckless policies that will bankrupt America's working families and eviscerate our economy - or pursue sound policies that will improve our environment, preserve the integrity of our economy, and keep costs down for consumers,"
Upton said.

"The U.S. needs to rapidly advance research into, and development and deployment of, carbon capture and sequestration technologies. To achieve that, the small-scale work currently occurring must be ramped up and enlarged. Advances in CCS will help to ensure the continued use of abundant domestic coal and the employment of our miners, while providing affordable energy in an age of growing concern about climate change," said Rep. Nick J. Rahall (D-WV), Chairman of the House Natural Resources Committee.

"Coal is one of the most plentiful energy resources we have, generating half of the electricity we use," said Murtha. **"This bill creates a mechanism to rapidly deploy large scale carbon capture projects which will allow us to burn coal cleanly, wean ourselves from foreign energy sources, and keep electricity prices low. In turn, this will strengthen America's coal industry while protecting our environment."**

"Coal is not only our nation's most abundant energy resource, but an important

part of our economy, particularly in my home state of Kentucky. Eliminating coal from our energy portfolio is neither practical nor prudent. By advancing Carbon Capture and Storage technology and deployment we can ensure an environmentally responsible role for coal in our energy future," said Whitfield.

"The full development of CCS technologies is a national priority, and this legislation will allow us to maximize our domestic coal resources while keeping energy bills affordable for consumers," said Costello. **"Coal will continue to play a significant role in our national energy plans and CCS will let us use it cleanly while creating jobs."**

The legislation would authorize the nation's fossil-based electricity distribution utilities to hold a referendum on the establishment of a Carbon Storage Research Corporation. If approved by entities representing 2/3 of the nation's fossil fuel-based delivered electricity, the Corporation would be established and would be authorized to collect assessments from retail customers of fossil based electricity. The Corporation will be operated as a division of the Electric Power Research Institute and would assess fees totaling approximately \$1 billion annually. These monies would then be used by the Corporation to fund the large scale demonstration of CCS technologies in order to accelerate the commercial availability of the technologies. The fee to be collected would represent an increase of approximately \$10-12 annually for the average residential consumer of fossil fuel based electricity.

The legislation enjoys wide industry support:

"We wholeheartedly support this legislation because it will allow our nation to responsibly address climate change by developing the technology needed to stabilize greenhouse gas emissions both here in the U.S. and around the world. America must be a leader in developing and implementing CCS technology and this legislation will enable us to do that. Passage of this bill is critical for all Americans, including those who mine the coal that produces the energy needed to meet our nation's current and ever-increasing demands," said Cecil Roberts, President of the United Mine Workers of America.

"The technology funding envisioned by this bill will put America on the road to reducing greenhouse gas emissions while protecting our economy with an affordable and secure energy source for American households and businesses," Hal Quinn, president and CEO, The National Mining Association.

"The electric utility industry has committed itself to achieving dramatic reductions in greenhouse gas emissions. To do this will require that all technology options-including carbon capture and storage-reach commercialization," EEl President Tom Kuhn said.

"Congressman Boucher's bill recognizes this need and the important role coal plays in providing low-cost electricity to millions of Americans, businesses and industrial customers. We need a steady stream of funding to attract investors and make carbon capture and storage mainstream technology options. Congressman Boucher's bill is critical to helping utilities make the transition to a carbon-constrained future."

"On behalf of the National Association of Regulatory Utility Commissioners (NARUC), I would like to thank Representative Boucher for his leadership on the development and deployment of Carbon Capture and Storage (CCS) technology by introducing the Carbon Capture and Storage Early Deployment Act. As Congress considers options to limit the nation's carbon dioxide emissions, we recognize that without commercially viable CCS facilities, the economic impact - particularly on electricity ratepayers and the electric utility industry - will be dramatic. NARUC supports the Carbon Capture and Storage Early Deployment Act as introduced," said Frederick F. Butler, President of NARUC.

"Thank you, Representative Boucher, for your vision and courage in addressing the issue of utilizing coal as part of the nation's future energy portfolio. This abundant resource is critical to meeting our increasing energy needs and economic prosperity, as the nation addresses the threat of global climate change. We look forward to working with you to ensure passage of this most important legislation," Butler continued.

"In this bill, Representative Boucher recognizes the importance of carbon capture and storage technology to the nation's economy and energy security," said Michael G. Morris, Chairman, President and Chief Executive of AEP.

"The bill provides funding for development and commercial deployment of technology necessary for the nation to meet commitments to reduce greenhouse gas emissions, filling what we consider to be a significant void in other climate legislation. Representative Boucher's efforts to address greenhouse gas emissions from coal will bring more cost-effective options for meeting climate goals."

"As the saying goes, a vision without resources is a hallucination-and we simply cannot address climate change without new and creative ways to fund advanced

technology that can capture carbon dioxide from coal power plants and sequester it safely underground," said Duke Energy CEO Jim Rogers. "I congratulate Congressman Boucher for his proposal and encourage all members of Congress who want to go to work on climate change to support this legislation."

"The Carbon Capture and Storage Early Deployment Act is an essential step forward to advance new technologies to address global climate change by reducing carbon emissions, promoting domestic energy sources and protecting consumers. Dominion strongly supports this legislation," said Thomas F. Farrell, II, Chairman of Dominion.

"If we are to continue to meet rising electricity demand and reduce greenhouse gas emissions, it is essential that we develop and deploy new clean coal generation technologies," said David Ratcliffe, Chairman, President and CEO of Southern Company. "I applaud Congressman Boucher for taking a leadership role by introducing this legislation, which will provide a practical mechanism to fund the research and development initiatives necessary to do so."

"A challenge facing policy makers today is how to achieve the greatest reduction in carbon emissions with the least impact to the economy. Breakthrough technology is vital to our ability to maintain a diverse fuel supply and lower greenhouse gas emissions while maintaining a reliable electric system. Congressman Boucher's bill recognizes the importance of aligning reduction targets with technological advancements, and I commend him for his leadership on this issue," said Bill Johnson, Chairman, President and CEO of Progress Energy.

"SRP supports the intent of legislation introduced by Congressman Rick Boucher to accelerate development of commercial scale technology to control greenhouse gas emissions. We believe the best interest of our customers can be best served by the proposed public-private partnership and funding formula," said Dick Silverman, CEO of Salt River Project.

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[Read a copy of the bill](#)