

## **2008: New Energy For America Trumps Coal**

In 2008, 24 coal-fired power plants were defeated or abandoned, laying the groundwork to fundamentally change the way the U.S. rebuilds and repowers itself. If built, these 24 proposed coal plants would have emitted more than 76 million tons of carbon dioxide annually. Add that to the eight million tons of carbon dioxide kept in the ground in 2008 by preventing destructive mining and the progress made in the fight against global warming becomes clear.

In 2001 the Bush-Cheney Energy Plan included building over 150 new, dirty coal-fired power plants. Since then 82 of these proposals have been defeated or abandoned, and dozens more have been delayed or sent back to the drawing board for failing to meet minimum pollution standards.

Public opposition, rising costs, increasing financial risks, and concerns over future carbon regulations all played a significant role in shifting investments away from coal and into clean energy technologies.

These shifting investments have led to a 20% increase in new geothermal projects under development in the U.S.,<sup>1</sup> and record expansion in the wind industry. More than 50% of the wind components for the record number of wind projects under construction are now being made right here in America, providing 9,000 much needed jobs.<sup>2</sup>

With plans to build more than 80 new coal-fired power plants still in the works, the coal rush is far from over. But the significant progress made in 2008 has started the shift to a cleaner, healthier, more secure energy future.

### **Highlights**

#### ***Utah – Deseret Power’s Bonanza Plant***

This decision may prove to be the most significant development of 2008. On November 13, in response to Sierra Club’s lawsuit over the proposed Bonanza Generating Station, the U.S. EPA’s Environmental Appeals Board (EAB) rejected all of EPA’s excuses for failing to regulate greenhouse gases from coal-fired power plants.

Though in the waning hours of the Bush Administration the EPA has issued a guidance document responding to the EAB’s Bonanza decision, the guidance merely reinstates the exact same policy of not regulating carbon dioxide from coal plants, based on the same reasoning that the EAB rejected. Sierra Club lawyers immediately challenged the memo in court as the year ended.

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<sup>1</sup> [http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=ind\\_focus.story&STORY=/www/story/08-07-2008/0004863950&EDATE=THU+Aug+07+2008,+12:32+PM](http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=ind_focus.story&STORY=/www/story/08-07-2008/0004863950&EDATE=THU+Aug+07+2008,+12:32+PM)

<sup>2</sup> [http://www.awea.org/newsroom/releases/AWEA\\_Quarterly\\_Report\\_102208.html](http://www.awea.org/newsroom/releases/AWEA_Quarterly_Report_102208.html)

### ***Nevada – Coal Plants Going Nowhere***

Public opposition to the development of three coal plants in Nevada has successfully stalled these three projects for more than two years. Along with the vocal public opposition of Senate Majority Leader Harry Reid, who stated that such coal plants would be immoral in the face of global warming, intense organizing and legal efforts by the Sierra Club led to the indefinite postponement of one of the plants and a continuing limbo for the other two. The Nevada Department of Environmental Protection recently announced that permits for the plants would be re-circulated to the public to receive input on the Bonanza decision and the need for CO2 regulation.

### ***Georgia – Longleaf Coal Plant Permit Rejected on CO2 grounds***

In the first ruling of its kind, a trial judge in Georgia agreed with the Sierra Club and ruled that the permit be remanded because it failed to limit emissions of carbon dioxide. This decision was hailed nationwide as a landmark ruling on the need to control greenhouse gases from these huge sources. The case is currently on appeal.

### ***Wisconsin – Alliant Plant Rejected***

After a year-long organizing effort by Sierra Club and its allies to stop this project the Wisconsin Public Service Commission soundly rejected the proposed 300MW Alliant coal plant because of global warming and cost concerns. The Commission received a record number of comments opposing this project and urging Alliant to invest in clean energy alternatives.

### ***North Carolina – Duke Energy and Mercury Emissions***

In early December, a federal judge rejected Duke Energy's attempts to build its new Cliffside coal-fired power plant without modern mercury and other pollution controls. The Duke plant was one of almost 30 plants nationwide that the Sierra Club challenged for skirting public health protections on mercury. As the first coal plant sent back to drawing board after the D.C. circuit court rejected lax Bush administration mercury rules earlier this year, the case sets a promising precedent for protecting our communities from mercury pollution..

### ***Kentucky – Peabody Abandons Thoroughbred Generating Station***

After years of community opposition and litigation that stalled Peabody's plans to build this massive, 1,500 MW coal plant in Muhlenburg County, Kentucky, the company withdrew its application and officially abandoned the project in late 2008. The work is not over at this site because Peabody is now proposing to develop a coal gas plant at the site.

### ***Utah – Local Residents Win Ballot Initiative on Coal Plant***

Local citizens of Sevier County, Utah won a ballot initiative election in November 2008 that will require a local vote before any coal plant can be built in the county. The ballot initiative was opposed by the industry and initially thrown out by a state trial court, but then was saved by a last minute order from the Utah Supreme Court. As a result, local

power reigns supreme, and the coal developers will have to win a county election before building anything.

### ***Kentucky – Mountaintop Removal Coal Mining***

In early 2008, Sierra Club and environmental group Kentucky Waterways Alliance convinced the U.S. Army Corps of Engineers to rescind a permit to International Coal Group that would have expanded the company's existing 960-acre mountaintop removal mining site by nearly 1,000 acres. This victory helped keep more than four million tons of coal that otherwise would have been mined and burned in the ground and protected the drinking water quality of more than 1 million Kentuckians. It also represents the first time that the Corps has suspended one of its coal mining permits in Kentucky.

### ***West Virginia - Mountaintop Removal Coal Mining***

In October, a U.S. District Court ordered Fola Coal Company to stop mountaintop removal mining operations at its massive Ike Fork mine in West Virginia. The court ruled that the Army Corps of Engineers' assessment of the mine's impact on nearby streams was inadequate. The decision protected more than six miles of stream from being buried with mining waste.

### ***Dynegy Rethinks Coal Power***

Earlier this month Dynegy Inc., the largest coal plant developer in the nation announced it is now re-evaluating all eight of its planned coal-fired power plants, including two that are under construction, because of difficulty getting permits, uncertainty about climate regulation, and the high cost of capital. The eight plants are in Texas, Arkansas, Nevada, Michigan, New Jersey, and Georgia.

### ***USDA Getting out of the Coal Business***

The Sierra Club has targeted the Rural Utilities Service (RUS) arm of United States Department of Agriculture to stop the loans and other financial support RUS gives to rural cooperatives who want to build or buy into financially risky coal projects. In March, RUS announced that they were suspending all new loans for coal plants. Yet despite the risks to consumers, and \$36 billion in outstanding debt, the USDA continues to allow rural utilities to take on billions of dollars in additional debt from Wall Street to build new coal plants. The Sierra Club has continued to voice its concern about the financial risks of coal to taxpayers, and those concerns are not falling deaf ears. The East Texas Rural Cooperative has sued the Sierra Club, blaming the organization for causing USDA to deny its requests for loans to buy into the Plum Point and Turk coal plants in Arkansas.

### ***Government Predictions - Coal Use Projected to Decrease***

As another sign of the shift against coal, in mid-December the U.S. Energy Information Administration (EIA) revealed in its energy outlook that projected coal use will significantly decrease by 2030. This is because of companies canceling the construction of new coal plants as the coal industry faces the reality of the need to slash emissions of carbon dioxide. The Union of Concerned Scientists points out that "between last year and this year, EIA has reduced its 2030 projection of new coal plants from 104 GW to 46 GW....This is the equivalent of nearly 100 typical-size new coal plants (600 MW)."

## What to Watch For in 2009

### ***Policy Catches Up with Science:***

Scientists are warning that the only way to end runaway global warming is to stop building new coal plants and retire all existing coal plants no later than 2030. Watch the politics and policy steps catch up with the science in 2009.

***Carbon and Mercury Regulations:*** Denial is no longer in vogue - carbon legislation is coming with the new Obama Administration. On day one President-Elect Obama could direct the EPA to require all new power plants limit their global warming emissions and begin a rulemaking to set carbon dioxide limits for new and existing coal plants. This leaves the carbon-intensive power producers scrambling for alternatives.

We will also be working with President-Elect Obama to restore America's international leadership in the fight to end global warming by publicly committing the U.S. to cut its CO2 emissions by at least 35% by 2020.

After eight years of inaction by the Bush Administration while mercury pollution continues to pile up in our waterways, expect the incoming Administration to move swiftly to fulfill a campaign promise and limit mercury emissions from coal-fired power plants, the largest industrial source of toxic mercury pollution in the United States.

***Ending Mountaintop Removal Coal Mining:*** While no new mountaintop removal coal mine permits have been issued in Kentucky or Virginia since 2007, a decision by the 4<sup>th</sup> Circuit Court of Appeals in the coming year could either continue to hold off destructive mining projects or open the gates for a flood of new permits. That's why right out of the gate in his administration, we are urging President-Elect Obama to enforce the Clean Water Act and direct EPA to undo the Bush Administration loophole that allows coal companies to dump mining waste into valleys and streams.

***Liquid Coal:*** Despite impending carbon legislation and regulation, energy companies are pushing forward with plans for more than a dozen liquid coal and synthetic coal gas plants, including the Baard plant in Ohio and the Peabody plant in Kentucky. Since liquid coal is incredibly expensive and emits twice the global warming pollution of pulverized coal, these projects will have a significant impact on U.S. efforts to fight global warming and jumpstart a clean energy economy.

***Michigan:*** With 19 existing coal-fired power plants, and more proposed coal plants than any other state, Michigan will be at the center of the coal fight in 2009. The large number of coal plant proposals coupled with the state's huge clean energy manufacturing potential, make Michigan a potential microcosm for the country.

***Texas:*** Close behind Michigan is Texas, with a slew of new coal plant proposals in the queue, a shame for a state with so much wind and solar potential. Watch for vigorous legal fights and public debates over the future of coal in that state.

***Kansas:*** Despite being home to Governor Sebelius, a clean energy champion in the third windiest state in the Union, the coal industry remains intent on trying to build a massive coal plant in Western Kansas primarily to serve out-of-state customers. Governor Sebelius has vetoed the coal plant three times, but the industry has vowed to tie up the legislature again unless it gets its plant. We will be working overtime to make sure this does not happen.