



The National Coal Council

Power for America from America

1730 M Street, NW|Ph: 202-223-1191
Suite 907|Fx: 202-223-9031
Washington, DC 20036|www.NationalCoalCouncil.org

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Thoughts as I gaze across the alley...

Well, we are finally going to do it! The twice-postponed fall, 2012 full Council meeting will actually take place on Thursday, May 16, 2013 at 4:00 pm! Yahoo! And it is guaranteed not to snow. And we will even be able to hold our reception later that evening. Will wonders never cease? But seriously, folks, we are actually going to hold this meeting and then hold the spring, 2013 full Council meeting the following day.

The spring meeting should be most interesting. We have Assistant Secretary for Fossil Energy Chris Smith coming to kick off the meeting. Following Assistant Secretary Smith we will have an august group of speakers who will address the future role of coal going through the first half of the 21st century (Fred Palmer), cyber-security issues (Christopher Ling) and conclude with an interesting presentation on how nuclear power can play a role in turning coal into liquid fuels (Don Newel and Fred Moore).

And oh, yeah, it will be my last meeting and Janet Gellici's first meeting as Executive Vice President

and Chief Operating Officer, so we hope to see you in DC!

Climate Change

Indications are increasing that the Environmental Protection Agency will miss the April deadline to complete its greenhouse gas standards for new power plants, the Capitol Hill newspaper *POLITICO* reported. The publication attributed its forecast to the agency's failure to submit the final rule to the White House Office of Management and Budget by mid-March, which it said would make a mid-April finalization "a tight fit."

"On a controversial rule like this, you can bet that OMB will take a long time," Frank O'Donnell, president of the green group Clean Air Watch, told *POLITICO*.

According to the newspaper, officials have said that EPA is still weighing more than a million comments submitted on the rule. And *The Washington Post* has reported, based on anonymous sources, that EPA is leaning toward delaying and potentially weakening the rule, *POLITICO* said.

The potential for major changes to the rule would likely be a loss for

environmentalists, *POLITICO* noted, as strong Executive Branch actions are important given the limited prospects that Congress will pass any major climate legislation.

The newspaper suggested that there are some advantages in delay, including "Put[ting] EPA in a safer legal position defending the regulation in court" as a prerequisite to crafting another set of regulations for existing power plants.

However, *POLITICO* added, the Clean Air Act doesn't allow the agency to finalize standards for existing power plants until it finishes the rule for new ones. The newspaper noted that a rule addressing existing plants would have a far greater impact than one aimed at new builds, in part because "few, if any, new coal-fired plants are expected to come online in the next few years."

Meanwhile, the newspaper *Roll Call* indicated that "federal government agencies -- even without the blessing of lawmakers -- have been thinking about, and quietly acting on, climate change for years."

The article noted, for example, that the Army Corps of Engineers has been building dams and other infrastructure to withstand rising sea levels and more extreme weather events, while the Defense Department is making decisions about present and prospective installations "based on the expectation that sea levels will rise."

Adapting to climate change is easier than mitigating the causes of warming,

Roll Call wrote, because it consists of actions each agency can take on its own, rather than a global effort. As part of a 2009 executive order, it reported, each agency was required to submit climate adaptation plans, which were released in February.

According to Congress's watchdog agency, the Government Accountability Office, individual agencies' differing views of the risks of climate change and their varied adaptation efforts are a weakness in the federal approach to climate change. GAO accordingly recommended greater coordination of what are presently ad hoc efforts.

Elsewhere on Capitol Hill, four Democratic senators asked the President to amend EPA's greenhouse gas standards to decrease their burden on new coal-based plants.

According to *Argus Coal Daily*, the four -- Sens. Joe Manchin (W.Va.), Joe Donnelly (Ind.), Heidi Heitkamp (N.D.), and Mary Landrieu (La.) -- asked that the agency's new source performance standards be amended so that different CO2 emissions limits would be applied to different fuel types. Currently, a proposed 1,000lb/MWh threshold would cover all fuel types.

Coal-based power plants cannot achieve this standard without installing carbon capture and storage technology that is not yet commercially viable, *Coal Daily* noted.

Manchin denounced EPA's current position as "overreach," asserting that it would have "a devastating effect" on

U.S. coal production, *Argus* said, and endangering the reliability of the nation's electricity supply.

Air Quality

The Environmental Protection Agency is seeking U.S. Supreme Court review of a federal appeals court's decision striking down the Cross-State Air Pollution Rule, *Argus Coal Daily* reported. Several green groups also filed a petition seeking review of the January decision by the U.S. Court of Appeals for the D.C. Circuit.

According to the newsletter, the Solicitor General's petition, filed on EPA's behalf, raised three questions:

- Whether the appeals court lacked jurisdiction to consider the challenges lodged against the cross-state rule;
- Whether states are excused from adopting plans to regulate SO₂ and NO_x until after EPA adopts a final rule that sets out their contribution to downwind non-attainment of air standards; and
- Whether EPA's method of determining each state's contribution was wrongly rejected.

The court's ruling could cause years of delay in downwind states' efforts to comply with National Ambient Air Quality Standards and in some cases make it impossible for them to do so, *Argus* quoted the petition as saying.

According to the newsletter, the D.C. Circuit's majority found EPA's two-step approach illegal because it could force some states to cut their CO₂ and NO_x emissions beyond their contribution to downwind pollution.

Energy Issues

As the West Virginia Public Service Commission considers a request to transfer ownership of the 1,984 MW Harrison Power Station, a coal-based plant, other interests are using the proceeding to pursue a lengthier discussion of energy efficiency and the use of other generation fuels as an alternative to coal, *Argus Coal Daily* reported.

Comments submitted by industry and environmental groups suggest they see the matter -- involving plant ownership of "as a way to shape the state's power mix and range from keeping coal as a fuel source to considering purchasing power," the newsletter reported.

Elsewhere, the growing issue of fracking is the subject of an agreement through which "some of the nation's biggest oil and gas companies have made peace with environmentalists." According to an AP piece in *The Arizona Republic*, the accord covers a voluntary set of tough new standards ... in the Northeast that could lead to a major expansion of drilling."

Many of the new standards "appear to be stricter than state and federal regulations," the article said. If the

project wins wide acceptance, it added, "it could ease or avert some of the ferocious battles over fracking that have been waged around the country."

The project will cover Pennsylvania, West Virginia and Ohio, where drilling is underway in huge, gas-rich formations, as well as in New York and other eastern states that have put a hold on new drilling, the AP specified.

People on the Move

James Hansen, one of the nation's most prominent voices on climate change, is leaving the federal government, where he serves as head of NASA's Goddard Institute for Space Studies, after more than 40 years at the agency. According to *The Washington Post*, he is becoming a full-time climate activist.

The newspaper noted that Hansen was one of the first climatologists to make assertions about the dangers of man-made global warming, in the 1980s. It reported that he now believes that international climate change goals -- limiting global warming to 2 degrees Celsius or less -- are not sufficiently ambitious, and should aim at a limit of 1.5 degrees Celsius or less.

He has argued that atmospheric CO₂ levels must be brought down below 350 parts per million, from today's 391 ppm and rising, through the rapid phase-out of coal use. The *Post* indicates that he supports a carbon tax, rather than a cap-and-trade

strategy, as the best way to deal with climate.

The newspaper added that "from his perch at NASA, Hansen has often clashed with various administrations," particularly that of George W. Bush, and "has become particularly outspoken in recent years."

The *Post* noted that Hansen has claimed a fork in the road has been reached, where the continued exploitation of "every fossil fuel we have," including tar sands, tar shale and offshore drilling in the Arctic, will have an effect on the climate system beyond the control of future generations.