



UNITED Carbon Sequestration Council STATES

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Sequestration News

U.S. Energy and Environmental Leadership

The new Administration seems set on its energy and environmental leadership, including:

- Dr. Steven Chu, a Nobel Laureate and currently the Director of LBNL, will be the Secretary of Energy
- Carol Browner, ex-EPA Administrator, is expected to be named climate czar within the White House.
- Lisa Jackson, with the NJ Commissioner of Environmental Protection, will head the EPA.
- Nancy Sutley, Deputy Mayor of Los Angeles for Energy and Environment, will head the White House Council of Environmental Quality (CEQ).

EPA and CCS

EPA asks DOI/BLM to reconsider imposing “voluntary” CO₂ reductions at White Pine power plant, under NEPA authority.

On November 24, EPA Region 9 issued comments to the DOI Bureau of Land Management regarding the BLM EIS for White Pine Energy Station Project, a coal fired power plant proposed for Nevada.

<http://www.epa.gov/region09/nepa/bru-land-mgmt.html> ;

<http://www.epa.gov/region09/nepa/letters/White-Pine-FEIS.pdf> . The EIS stated that the impact of a single power plant on climate change was impossible to determine. EPA’s comments challenged this statement and referenced a NHTSA EIS that evaluated the proposed CAFÉ standards for motor vehicles, and an EPA assessment of the impact of a single source on the global mean temperature. Noting that White Pine had agreed to install CCS when the technology is deemed (by the NV-PUC) to be commercially available, EPA recommended that BLM consider voluntary measures to mitigate GHG emissions as part of the EIS. EPA cited the Big Stone (SD) power plant project that agreed to offset fully all CO₂ related to power generation destined for MN consumers from the new unit.

Australia & CO₂ Reductions

An Australian White Paper lays out the government's plan to reduce GHG emissions by 5-15% below 2000 levels by 2020, including measures to reduce cost impacts on low and middle income households.

On Dec. 15, Australia issued a white paper on its long-awaited "Carbon Pollution Reduction Scheme" (CPRS). The government endorsed the findings of the "Garnaut Climate Change Review Final Report," which called for capping GHG concentrations at 450 ppm, or lower, but noted that meeting this goal was unlikely in the near term. Instead, the plan proposes a 5-15% reduction in emissions by 2020, with a goal of 60% (below 2000 levels) by 2050. Australia notes the EU plan to reduce emissions by 20-30% by 2020 (below 1990 levels) but argues that, with population growth taken into account, Australia's goals are actually tougher than the EU's. The plan provides for significant subsidies to low income households and middle income households, with 97% of middle income households receiving direct cash assistance. Fuel tax reductions will offset the carbon tax for the first 3 years of the program.

<http://www.climatechange.gov.au/whitepaper/summary/index.html>

Climate Related Debate

Some environmental groups attempt "to move the goal line" for Clean Coal Technology (CCT) by saying if you cannot capture CO₂ at a competitive price now, then it's not "Clean Coal."

As the policy positions of the new Administration are being formed, various energy interest groups are seeking to garner greater public support for their particular issue. With the climate debate heating up, several environmental groups (Al Gore's Alliance for Climate Protection, League of Conservation Voters, NWF, NRDC, Sierra Club) have formed the "Reality Coalition" to spend millions of dollars to convey the message in print media, TV, and even U-tube, that clean coal technology does not exist.

http://www.huffingtonpost.com/2008/12/04/gore-leads-reality-coalit_n_148397.html ;

<http://www.thisisreality.org/#/?p=facility> ; <http://www.youtube.com/watch?v=PdHuB7OvI2o>

Ethanol producers are smarting from domestic and international charges that use of corn and cropland for ethanol production has driven up global food prices over the past two years (and that net greenhouse gas emissions have actually increased from renewable fuel use). A response from a group called "Growth Energy – America's Ethanol Producers" is available at <http://www.growthenergy.org/> (Click on "The Truth about Food Prices").

Second generation biofuels such as algae, jatropha (a bush), and halophytes (salt tolerant plants) are attracting attention as possible alternatives to corn-based ethanol. Algae, for example, have been cited as a possible CO₂ "consumer" for coal-fired power plants in locations with favorable climate.

<http://www.mcclatchydc.com/226/story/57207.html> . Government publications on algae production

are available from a trade association website at:

<http://www.algalbiomass.org/resources/documents.html> .

China, India, Mexico & GHGs

Su Wei, an official within China's National Development and Reform Commission, addressed the climate meeting at Poznan last week and proposed a global cap on GHG emissions, based on 2.3 tons per person per year, for the period 1900-2050. Those nations emitting above this level would have to pay for reductions elsewhere. Not surprisingly, China would not have to pay anything, but the US has already

exceeded its budget by 3-fold.

<http://www.reuters.com/article/environmentNews/idUSTRE4B77IC20081208>

Climate Wire (Dec. 12) reports that there are over 4,000 projects “now in the pipeline” under the Clean Development Mechanism (CDM) for generating GHG offsets via projects in developing nations, citing a report by UNEP’s Rios Center. This is in contrast to 185 projects underway through the Joint Implementation program, a second offset scheme created under the Kyoto Protocol. With regard to CDM, 3240 projects, three-fourths of the total, are in Asia/Pacific, mainly China and India.

Climate Wire (Dec. 12) also reports that Mexico has pledged to reduce carbon emissions by 50%, relative to 2002, by 2050, provided needed funding is provided by others, and recognizing that the pledge is non-binding.

The EU & CCS

The GAO delivered to Congress a report titled, “Lessons Learned from the European Union’s Emissions Trading Scheme...” Among other things, the report criticized the “Clean Development Mechanism” or CDM, for having very high transaction costs, and an unclear project approval process. GAO used the report as an opportunity to raise some familiar themes of recent GAO climate reports – basically opposing emissions offset projects compared to eliminating existing GHG emissions, encouraging investments in less carbon intensive technologies, and opposing “free” distribution of allowances.

NOAA Climate Report

NOAA reports interesting data on the past 50 years of temperature trends in the U.S. Overall warming of 1.5 degrees F was calculated, but NOAA sees no warming in the interior portion of North America, or Eastern Canada; and no change in precipitation for the continent.

On December 11, NOAA released “Reanalysis of Historical Climate Data for Key Atmospheric Features: Implications for Attribution of Causes of Observed Change.” The 156 p. report is part of a series of analyses by the US Climate Change Science Program. The report concludes that most climate change warming is likely due to human activity (emissions, deforestation); that the average temperature in N.America increased 1.6 degrees F between 1951 and 2006, but rainfall was unchanged; that the central part of North America (between the Appalachians and the Rockies) and eastern Canada have not warmed over the past 50 years (the “warming hole”); and that ocean temperatures affected the N.American climate. <http://www.climate-science.gov/Library/sap/sap1-3/final-report/default.htm>

Climate Related Hearings & Briefings

The Senate Energy & Natural Resources Committee held a hearing on Dec. 10 regarding clean energy and “green jobs.” Those submitting testimony included the Center for American Progress (Podesta’s think tank), the Maryland Energy Association, the Alliance to Save Energy, Grid Point, a former Department of Interior (DOI) official, and a former Deputy Director of the National Park Service. http://energy.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=f950a2d8-bd94-5d1f-ec07-a93bf518e2e5

Climate Wire (Dec. 10) reports that the Center on Budget and Policy Priorities (an advocacy group addressing poverty in America) briefed congressional staff on climate rebate approaches. Noting that

people will likely oppose a climate initiative that takes too much money from their pockets (Green Wire cites the CBO report saying a 15% emission cut will cost poor people \$750/year; and Obama is committed to an 80% cut), the CBPP advocates a program like the one Alaska uses to distribute oil royalty revenues to its citizens. In the case of climate change, the revenue would come from the auctioning of allowances. The challenge comes from figuring out how to distribute the funds, which obviously cannot be sufficient to fully offset the costs of the mitigation program. CBPP expects to publish a report with their recommendations in January.

South Africa's Electricity Shortage

The Government of South Africa, which literally ran out of electricity despite advanced warnings from State-owned Eskom Holdings Ltd., decided earlier this year to add new capacity in the form of nuclear power, either 2 or three large new reactors. On December 5, Eskom announced that global financing and the cost of nuclear power had driven the utility to cancel the initiative.

<http://www.bloomberg.com/apps/news?pid=20601085&sid=a2kESlhbYYHE&refer=europe> .



The U.S. Carbon Sequestration Council (www.uscsc.org) is a not-for-profit, 501(c)(3), organization established as an authoritative source of information to inform and to educate on all matters pertaining to carbon sequestration.