

September 26, 2007

Global Warming Issues and Talking Points Duke Energy's Proposed Cliffside Coal Facility

Duke Energy is proposing to build an 800 MW coal-fired facility that would emit over 6 million tons of carbon dioxide annually. We expect a facility of this size will live at least the average of a 50-year lifespan, which means a total of 312 million tons of carbon dioxide into the atmosphere throughout its life. This grand total is equal to adding one million cars to the road each year! This facility would have NO ability to capture or control carbon, which means all of these emissions will pump freely into our already warming atmosphere for at least the next 50 years.

Imminence of Carbon Regulation

- In April of 2007, the U.S. Supreme Court handed down a precedent-setting and groundbreaking ruling that will allow the Environmental Protection Agency to regulate carbon dioxide emissions from vehicles. This ruling is the first, and most fundamental move for the federal government to address necessary emission reductions of global warming pollution from all sources. While it does not mandate EPA to act, we can see that this ruling creates a platform on which to base future emission regulations at the state and federal levels.
- Momentum is gaining rapidly on Capitol Hill to embrace a global warming bill that would set limits on carbon dioxide emissions and create a carbon marketplace. Support for a carbon cap on emissions is growing, with proponents on both sides of the aisle representing many, diverse constituencies. We are likely to see significant movement, if not passage, of a global warming bill in the 110th Congress of 2008.
- **The uncontrolled carbon dioxide emissions this plant would emit flies in the face of the state's current diligent efforts with the Legislative Commission on Global Climate Change**, which is only half way through their tenure. Commissioners of this process are working hard to understand and propose solutions to the state's existing contributions to global warming pollution. Adding new pulverized coal plants before solidifying a comprehensive plan locks the state and ratepayers into unnecessary future carbon risks.
- North Carolina's Department of Air Quality must consider the significance of the Supreme Court ruling, momentum in Congress, and unfinished business of the NC Climate Commission as clear signals that in the very near future **we need to create plans to significantly reduce our global warming pollution**. Therefore, adding new sources of carbon dioxide now, knowing what is about to come is counter-productive and irresponsible.

Carbon Risk

- Based on the above knowledge that North Carolina may very well be dealing with state or federal regulations on carbon dioxide and other global warming emissions within the next few years, allowing new sources of pollution on-line before we understand the impacts of the requirements is irresponsible and harmful to North Carolina ratepayers.
- **Duke Energy's 8 existing coal plants already emit 40.7 million tons of carbon dioxide into the atmosphere annually.** As carbon regulations solidify, Duke

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- will inevitably need to figure out how to reduce the pollution from these facilities or take them offline. They may be able to buy carbon credits for some of the emissions, but not likely all of it. Duke may be hoping the existing facility and new facility at Cliffside could get grandfathered into new regulations and avoid compliance requirements, but this is an irresponsible and careless step to the detriment of all North Carolinians facing the risks of global warming impacts.
- **Duke Energy customers will be the ones to bear the burden of irresponsible investments in coal-fired technology today that have no carbon capture capabilities.** As penalties for carbon pollution come on-line, the costs of energy will go up and ratepayers will be the first to feel the effects of these penalties as Duke Energy passes the costs on.

Best Available Control Technology

- Under the Clean Air Act, the state may only issue an air permit that requires Duke to build a plant that employs “Best Available Control Technology,” meaning the cleanest technology available. The cleanest and most modern technology for coal combustion is an advanced technique called Integrative Gasification Combined Cycle (IGCC). IGCC is a means of gasifying coal such that the criteria air pollutants (nitrogen oxides, sulfur dioxide, and mercury), toxics, and carbon dioxide can be captured in the waste streams and disposed of properly before those emissions ever reach the atmosphere.
- Unlike pulverized coal facilities like the one Duke proposes to build, IGCC is the only solution to deal with the global warming pollutants that burning coal releases. **Gasification now would ensure that we have options for the near future to sequester the 6 million tons of CO2 expected on an annual basis.**
- DAQ should require BACT for coal facilities to be IGCC and hold Duke Energy to this standard in their proposal to build a new plant.

Duke Rhetoric

- Jim Rogers, the Chief Executive Officer of Duke Energy has claimed publicly that carbon emissions contribute to the phenomenon of human-induced global warming and need to be controlled. Yet Rogers in his still new position at the Charlotte-based utility company is aggressively pursuing the addition of this unit at the Cliffside power station in Rutherford and Cleveland Counties. Rogers was a strong proponent of coal gasification (IGCC) while at Cinergy in Ohio, but says this cleaner, truly modern technology, is not an option for North Carolina citizens.
- In 2005, Rogers claimed, “...*in my judgment nothing is more important for our industry than to have a laser-focus on carbon and climate change and it has to be on the top of our agenda.*” **Building new coal power plants is nothing short of the complete opposite direction from a laser-focus on carbon and climate change.**