



The Growing Trend Against Coal-Fired Power Plants

The past year has witnessed a remarkable and growing rejection of efforts to increase our nation's reliance on coal as a source for power. Just a few years ago a new coal rush was widely predicted. Today communities throughout the country are rejecting this 19th century approach, due to concerns about escalating construction costs, uncertainty regarding the cost of future carbon dioxide ("CO₂") regulations, and the economic and environmental benefits of cleaner energy sources. As the investment company Citigroup stated in its recent decision to downgrade coal stocks, "prophesies of a new wave of Coal-fired generation have vaporized" and the industry is "likely to be structurally impaired by new regulatory mandates applied to a group perceived as landscape-disfiguring global warming bad guys."¹

The attached articles from the *Wall Street Journal* and *Washington Post* detail how concerns about escalating costs, global warming, and air pollution have led companies, permitting agencies and courts throughout the country to reject new coal-fired power plants.

Following are some of the nearly two dozen proposals that have been scrapped recently:

1. Southwestern Power Group's Bowie Power Station (Arizona) - proposed 600 MW IGCC coal plant cancelled by company in favor of pursuing a natural gas fired plant, in part because of market economics and regulatory uncertainty. September 2007.²
2. Florida Power & Light's Glades Power Plant - Proposed 1960 MW power plant rejected by Florida Public Service Commission due, in part, to the uncertainty over the cost of future carbon regulations. July 2007.³

¹ Citigroup Global Markets, *COAL: Missing the Window* (July 18, 2007), at p. 3.

² Bob Christie, Facing Criticism, Power Firm Drops Plan to Burn Coal at Proposed Plant, *Arizona Daily Star* (Sept. 3, 2007), available at <http://www.azstarnet.com/sn/printDS/199452>.

³ Steve Bousquet and Craig Pittman, Fla. Utilities Dump coal-fired power plant, *St. Petersburg Times* (July 4, 2007), available at http://www.sptimes.com/2007/07/04/State/Fla_utilities_dump_co.shtml.

3. American Electric Power and Oklahoma Gas & Electric's Red Rock Generating Station (Oklahoma) - proposed 950 MW plant rejected by the Oklahoma Corporation Commission for failure to evaluate alternatives such as natural gas. September 2007.⁴
4. Tenaska's Sallisaw Electric Generating Plant (Oklahoma) - Company cancelled its plans to build a 660-880 MW plant on the grounds that it is not economically viable. July 2007.⁵
5. Peabody Coal Company's Thoroughbred Generating Station (Kentucky) - air permit for 1500 MW plant reversed by Franklin Circuit Court due to inadequate air pollution control analysis. August 2007.⁶
6. Seminole Electric Power Cooperative's Seminole 3 Generating Station (Florida) - proposed 750 MW plant rejected by Florida Department of Environmental Protection on the grounds that the plant would not minimize environmental and public health impacts, and would not serve the public interest. August 2007.⁷
7. Great Northern Power Development's South Heart Power Project (North Dakota) - applicant withdrew air permit application for 500 MW plant. August 2007.⁸
8. Florida Municipal Power Agency's Taylor Energy Center (Florida) - proposed 800 MW plant withdrawn by applicant shortly after Florida PSC denied application for Glades Power Plant. July 2007.⁹
9. TXU Corporation (March 2007) – As part of a buyout of TXU Corporation by private equity firms, TXU announced that it would abandon plans for eight out of eleven proposed plants in Texas.¹⁰
10. Indeck Energy Service's Elwood Energy Center (Illinois) - US EPA's Environmental Appeals Board reversed the air permit for a proposed 660 MW plant. Sept. 2006.¹¹

⁴ AEP News Release, OCC Denies Application for Red Rock Power Plant (Sept. 10, 2007), available at <http://www.aep.com/investors/newsreleases/print.asp?ID=1396>.

⁵ Lareign Ward, Tenaska Blames Costs, Fort Smith Times Record (July 9, 2007), available at <http://www.swtimes.com/articles/2007/07/09/news/news02.txt>.

⁶ *Sierra Club v. Environmental and Public Protection Cabinet*, Civ. Action No. 06-CI-00640 (Franklin County Circuit Court Aug. 6, 2007).

⁷ Marcia Lane, Seminole Electric Plans to Appeal Rejection of Coal-Burning Unit, St. Augustine Record (Aug. 22, 2007), available at http://staugustine.com/stories/082207/news_4789614.shtml.

⁸ Dakota Council, South Heart on Life Support (Aug. 2007), available at <http://www.drcinfo.com/documents/DRC%20newsletterAug07.pdf>.

⁹ Steve Bousquet and Craig Pittman, Fla. Utilities Dump coal-fired power plant, St. Petersburg Times (July 4, 2007), available at http://www.sptimes.com/2007/07/04/State/Fla_utilities_dump_co.shtml.

¹⁰ MarketWatch, TXU's Emissions U-Turn Shocks Power Industry (Feb. 26, 2007).

¹¹ Alison Carney Brown, EPA Denies Permit for Coal Plant Near Midewin, Chicago Wilderness (Winter 2007), available at <http://chicagowildernessmag.org/issues/winter2007/news/midewin.html>.