



March 16, 2001

*Global Climate Change Still a Serious Concern*

# **President Bush: The Right Decision on Carbon Dioxide**

In his March 13 response to a letter from four Republican Senators, President Bush articulated a clear and effective policy with respect to air emissions from power plants:

. . . I support a comprehensive and balanced national energy policy that takes into account the importance of improving air quality. Consistent with this balanced approach, I intend to work with the Congress on a multipollutant strategy to require power plants to reduce emissions of sulfur dioxide, nitrogen oxides, and mercury. . . . I do not believe, however, that the government should impose on power plants mandatory emissions reductions for carbon dioxide, which is not a “pollutant” under the Clean Air Act.

## **Industry Concerned with Clean Air Act Compliance**

Some electric utilities suggest that the government mandate reductions in power plants emissions in the context of a so-called “four-pollutant” regulatory regime. The four “pollutants” under this regime are oxides of nitrogen (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>), mercury (Hg), which are pollutants regulated by the Clean Air Act (CAA), and carbon dioxide (CO<sub>2</sub>), which is not regulated by the CAA. All are byproducts of burning oil, coal, and natural gas to generate electricity, and each of those sources of energy produces varying amounts of each substance.

The reason some in the utility industry are promoting the multi-pollutant approach is because of the many uncertainties associated with implementation of New Source Review (NSR) required under the (CAA) when covered facilities install new equipment. Such alterations will trigger a new source review of their operating permits and could result in further emission reductions requirements under the CAA. They argue that a “multi-pollutant” approach is needed to ensure adequate supplies of power in rapidly changing electricity markets. Not all utilities agree that CO<sub>2</sub> should be part of a mandatory regime.

It is generally accepted that investing in pollution control equipment for all three CAA pollutants (NO<sub>x</sub>, SO<sub>2</sub> and Hg) at the same time will be less expensive than installing these controls one at a time. This is especially true if, as part of a “deal,” utilities are able to trade credits in these pollutants and are able to get a guarantee that the pollution reduction requirements and NSR reviews will not change for a specific period, such as ten years.

According to a recent General Accounting Office report, the cap and trade program for sulfur dioxide has worked well, and the conventional wisdom is that such a program would work to reduce other emissions. A “cap and trade” program involves a limit or quota on the total production of an emitted substance. However, some utilities want to expand the “multi-pollutant” approach to include CO<sub>2</sub>, with either tradeable voluntary or mandatory cap and trade approaches.

## **Reducing CO<sub>2</sub> Means Limiting Electricity Availability**

While the “cap and trade” approach may be appropriate for SO<sub>2</sub>, NO<sub>x</sub> and Hg, including CO<sub>2</sub> presents serious problems:

- Carbon dioxide is not considered a pollutant under the Clean Air Act.
- Carbon dioxide is not a poisonous gas or a toxic substance.
- Carbon dioxide does not represent a threat to human health or the environment.
- There are no control technologies (like selective catalytic reduction for NO<sub>x</sub> or scrubbers for SO<sub>2</sub>) for carbon dioxide.
- It will bias electricity generation even more to natural gas and away from coal — exacerbating our natural gas supply situation.

The only way to reduce carbon dioxide emissions from power plants is to reduce the amount of coal, oil, or natural gas consumed at the power plant thereby reducing electricity output. Placing a cap on carbon dioxide emissions from power plants means those plants would not be able to generate any significant amounts of new electricity. Capping carbon dioxide emissions from power plants would make the current crisis in electricity markets permanent. It would force premature shuttering of most U.S. coal-fired steam electric generation plants which produce over half of the nation’s electricity. In essence, it would mandate reliance on new natural-gas fired power plants without any assurance that adequate gas supplies would be available — potentially raising residential natural gas prices and the cost of doing business to energy intensive industries.

Further, controlling CO<sub>2</sub> emissions in this manner would result in significantly higher costs to consumers and business. A recent report by the U.S. Energy Information Administration found that reductions of SO<sub>2</sub>, NO<sub>x</sub>, and CO<sub>2</sub> at levels consistent with current proposals (minus mercury) drive up electricity costs substantially. The report shows that electricity prices would rise 21 percent by 2005

and 55 percent by 2010 (1999 dollars), and it attributes most of the rise in prices to controlling CO<sub>2</sub> emissions. (Note that the report was prepared when natural gas prices were a third of what they are today, which means that future electricity prices likely would be much higher under the various control strategies used by the report because the report assumes that most new generating capacity would be gas fired.)

As a matter of international policy, the Bush Administration opposes implementation of the 1997 Kyoto Protocol which mandates, among other things, a reduction of CO<sub>2</sub> emissions in developed economies such as the United States. Regulating carbon dioxide at power plants would be tantamount to implementing the Kyoto Protocol as a matter of domestic policy and a capitulation to those alarmists who blame carbon dioxide for the apparent warming phase the world is experiencing. The President's decision not to regulate carbon dioxide should be viewed separately from his concern about climate change. Rather, he is concerned about our national energy situation as well as climate change, and wants to be sure we take prudent action (from his letter):

Coal generates more than half of America's electricity supply. At a time when California has already experienced energy shortages, and other Western states are worried about price and availability of energy this summer, we must be very careful not to take actions that could harm consumers. This is especially true given the incomplete state of scientific knowledge of the causes of, and solutions to, global climate change and the lack of commercially available technologies for removing and storing carbon dioxide.

The last sentence recognizes what many in the scientific community have long known — it is not known if the perceived warming trend is normal climate variation or if it is man-made. Further, if it is man-made it is not really known if the culprit is carbon dioxide. Any evidence is purely circumstantial at this point — the “science” is not conclusive. Much more hard information based on sound science is needed before any commitment to the draconian measures to reduce carbon dioxide emissions envisioned by the Kyoto Protocol.

John R. Christy, an atmospheric-science professor and director of the Earth System Science Center at the University of Alabama at Huntsville, wrote an article for the *Atlanta Constitution* on March 11, 2001, referring to the Intergovernmental Panel on Climate Change (IPCC) “Summary for Policymakers” from the IPCC's 2001 Report. Following are several excerpts from his article.

I was one of about 130 lead authors of the main report, considered by most scientists in the field to be the world's authoritative work on climate observation, theory and projections.

Despite recent headlines — many warning that global warming was going to occur faster than previously thought with up to 10.4 degrees warming in the next 100 years — the bulk of the

scientific findings in the IPCC report, in my view, don't support the doomsday scenarios. What ended up the focus were a few model results on the outer fringes.

The most widely reported forecast of impending disaster was the worst-case scenario of more than 200 runs of a simplified computer model. That means it is one of the scenarios least likely to happen.

Incidentally, reports that new computer model forecasts prove that human-induced global warming is a reality are misguided. Computer models can't prove anything. They are valuable tools for understanding complex systems and making forecasts.

"Uncertainty" appears everywhere in the IPCC text, especially in discussions of climate fluctuation and the believability of climate models. Then considering predictions and consequences, the report, responsibly is a series of "ifs," "mights" and "coulds."

Written by John Peschke: 224-2946