

Coal-fired power plants

The writing on the wall

May 7th 2009 | BOULDER, COLORADO
From The Economist print edition

Only green compromises will allow them to survive

THE coal-fired power plant that was cancelled in Michigan on May 1st is the 97th to be rejected since 2001, and the ninth this year. The number of planned coal plants across America has plummeted from 150 to 60 in the past five years. Last year 5,465 megawatts (MW) of new electricity were announced, but more than twice that capacity—12,572mw, according to Edison Electric Institute, which represents the electricity industry—was subtracted because of cancellations or delays. The nine coal plants cancelled this year alone, Edison notes ruefully, would have provided about 6,650mw of power, or enough to heat almost 5m homes.

Environmentalists, though thrilled, know they still have a long way to go. The Energy Information Administration reports that more than 600 coal-fired plants still produce about half of America's power and will still produce 47% of it in 2030. But the government has pledged to slash greenhouse-gas emissions by 80% by 2050. "If the [planned] coal plants don't get derailed, President Obama won't be able to cut greenhouse gas emissions in the next four years," says Bruce Nilles, who heads the Sierra Club's anti-coal campaign.

At least the Environmental Protection Administration (EPA), in a complete reversal from its role under the Bush administration, is doing its best for the cause. On April 27th it withdrew an air-quality permit it had issued for a 1,500mw pulverised coal-fired power plant, called Desert Rock, which was to be built on Navajo Nation land in New Mexico. In effect, this pulled the plug on the enterprise. That ruling was the first public consequence of an EPA mandate, issued on April 17th, that the most harmful heat-trapping greenhouse gases were a threat to public health and welfare and a cause of global warming. The mandate gives Barack Obama *carte blanche* to regulate the power industry.

Among the utility companies feeling the heat is NV Energy, which is postponing plans for a \$5 billion, 1,500mw coal plant in eastern Nevada. Instead, it will harvest the state's plentiful solar and other renewable resources. Farther north, Southern Montana Electric Generation and Transmission Co-operative says "regulatory uncertainties" have forced it to defer plans for its 250mw Highwood coal plant near Great Falls. It proposes to build a smaller, cleaner-burning, natural-gas power station, as well as a previously announced 9mw wind farm. And several power companies are planning to convert older coal-burning plants to run on biomass, such as woody forest waste.

Renewable resources can't yet begin to replace coal as providers of power. But a deal struck in Kansas on May 4th, ending 19 months of impasse between Sunflower Electric Power corporation and the state government, shows under what conditions coal may be able to survive. Two coal-fired plants had been planned by Sunflower. It will now build just one, which will use new clean technology, offset carbon dioxide emissions and develop wind energy on the side. In return, the Kansas Department of Health and Environment cannot impose any greenhouse-gas regulations that are tougher than those emerging from Washington. Suddenly, that seems a pretty high bar.