

# Energy Development and Transmission Committee

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Sandi Tabor  
General Counsel  
Lignite Energy Council

## **What's Next at the Federal level**

- \*Variation of Lieberman/Warner/Boxer may resurface in June or July next year**
- \*If not then, probably will not see a credible bill until 2010**

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## **What's Next at the Federal level**

### **★Both presidential candidates support climate change legislation**

- **Cap & trade system**
  - McCain – 60% below 1990 levels
  - Obama – 80% below 1990 levels
- **Advanced clean coal technology**
  - McCain - \$2 billion/year
  - Obama - \$150 billion over 10 years
- **Coal-to-Liquids**

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## **What's Next at the Federal level**

- \*Cap and Trade concept likely mechanism**
- \*But, carbon tax gaining more interest**
- \*May see a combination of both**
  - Carbon tax – pay for technology development**
  - Cap & trade to ensure compliance**

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## **What Are the Issues?**

### **★Letter from 10 Democratic Senators ...**

- **Contain costs and prevent harm to US economy**
- **Invest aggressively in new technologies and deployment of existing technologies**
- **Treat states equitably**
- **Protect America's working families**

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## **What Are the Issues?**

### **★ Letter from 10 Democratic Senators ...**

- **Fully recognize agriculture and forestry's role**
- **Clarify federal/state authority**
- **Provide accountability for consumer \$\$**
- **Protect US manufacturing jobs and strengthen international competitiveness**

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## **What Are the Issues?**

### **★Economics of climate change must be considered**

- **One way to protect consumers – include safety valve on price of allowance**

### **★Allocation of allowances**

- **Must be sufficient to meet emissions until such time as technology is available**

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## **What Are the Issues?**

- ★ All sectors must be included**
- ★ Must include a global effort**
- ★ Effective date of regulation must be timed with development and demonstration of technology**
  - EPRI – CCS not deployed until after 2020**

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## **S. 3208 – Carbon Reduction Technology Bridge Act**

**★ Conrad/Hatch sponsors**

**★ Focus: acceleration of early technology demonstration**

- 7-year amortization for improvements of existing plants**
  - Coal-drying**
  - Improvements in operations to reduce pollution**

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## **S. 3208 – Carbon Reduction Technology Bridge Act**

- ★ Tax credits for new clean coal units – up to 30%**
- ★ Tax credit for installation of carbon capture, transportation and storage equipment – 30%**
- ★ Tax credit for CO<sub>2</sub> storage**
  - \$30/ton for storage**
  - \$15/ton for EOR**

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## **HR. 6258 – Carbon Capture and Storage Early Deployment Act**

- ★ Establishes wire charge (carbon tax) to fund early development and deployment of CCS technology**
- ★ Assessment made on distribution utilities**
  - \$.00043/kilowat hour for coal-based electricity**

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## **S. 6258 – Carbon Capture and Storage Early Deployment Act**

- ★ Establishes private corporation to run program**
- ★ Issue grants to support:**
  - Large-scale demonstration projects**
  - New and retrofit applications**

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# Questions???

## Thanks for listening!!!

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