

New Coal Technology Better for the Economy and the Environment; IGCC Technology Also Guards Against Lost Tax Revenues

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Boulder, CO – A report released today, *Western Coal at the Crossroads*, shows that failure to demonstrate cleaner, integrated gasification combined cycle (IGCC) technology with western coal threatens the region's environment and could lead to a decline in the western coal industry and the tax revenues it generates across the West. "IGCC technology provides a way to reconcile using our region's abundant coal resources with environmental protection, while maintaining the economic contributions that coal production provides to many western communities," says John Nielsen, Energy Program director of Western Resource Advocates.

The report, produced by Western Resource Advocates, describes the advantages of IGCC technology compared to pulverized coal power plants. It shows that building the new round of pulverized coal plants currently proposed across the region would be an enormous environmental and economic mistake and that IGCC technology is a wiser choice, if new coal power plants are needed, especially given global warming concerns and the growing call to limit carbon dioxide emissions.

The report also shows that revenues generated by coal sales from western states are at risk if the region fails to take advantage of cleaner, coal gasification technology. Wyoming, for example, may lose up to \$60 million in annual tax revenues by 2020 associated with lost coal sales to utilities in the East and Midwest. Coal sales and related tax revenues from other western coal-producing states, especially Montana, Colorado, New Mexico and Utah, are also vulnerable.

Because of global warming concerns, California has announced its intent to stop buying power from plants using outdated pulverized coal technology. Recently, a Sempra Energy power plant proposed for Nevada was cancelled in the face of the new California policy, and Idaho put a two-year moratorium on building new pulverized coal plants. In the eastern and Midwestern United States, utilities are moving toward IGCC technologies using local rather than western coal.

"Over the long run, failure to show western coal's compatibility with IGCC technology puts at risk hundreds of millions of dollars in tax and other revenues from western coal sales," says Bruce Driver, co-author of the report. "This is an instance when economic and conservation interests are aligned and where the West, if it embraces IGCC rather than pulverized coal technology, can be a leader in building a more sustainable economic and environmental future for the West, and even for the planet."

To view the full report, please visit www.westernresourceadvocates.org.

Western Resource Advocates is a nonprofit conservation organization dedicated to protecting the Interior West's land, air, and water.

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