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RE: Concerns of the Natural Resources Defense Council (NRDC) and Clean Air Task Force (CATF) regarding the Advanced Coal Technology Work Group to the Clean Air Act Advisory Committee, and the Work Group's Six Month Interim Report

Dear Rob, *et al.*:

We are writing to surface some very serious concerns about EPA's handling of the Advanced Coal Technology Work Group to the CAAAC, especially in the context of other recent EPA actions.

On June 27, 2007, the co-chairs of EPA's Advanced Coal Technology (ACT) Work Group presented to the Clean Air Act Advisory Committee (CAAAC) a Six-Month Interim Report from the ACT Work Group, which was described as representing the Work Group's "substantial consensus." However, in neither the June 5th nor the August 7th meetings of the Work Group was there an opportunity to discuss or debate the text of the Interim Report sufficient to permit it to be described to the CAAAC as a consensus document, whether "substantial" or otherwise. While the Work Group reached what might be described as limited

consensus on some core issues – for example, the group generally agreed that to address global warming, coal-based energy production must transition away from conventional technologies and toward technologies that capture their CO_2 emissions – there was insufficient discussion and debate around the detailed text of the document to allow for meaningful consensus to emerge. As a result, significant disagreement remains among the members regarding certain fundamental elements of the Interim Report (including the appropriateness of the specific recommendations and what technologies should and should not be eligible for differential treatment and under what circumstances). Ultimately, while the Interim Report accurately reflects the general subject matter of the Work Group's discussions, it offers few conclusions that are the product of actual broad-based substantive agreement.

Additionally, on August 30, 2007, EPA Region 8 issued a final PSD permit for the 110MW CFB Deseret Bonanza coal plant in Utah. In responding to comments on the draft permit EPA specifically and definitively staked out a position on the consideration of innovative combustion technologies (like IGCC) in the context of BACT analysis. This regulatory driver was at the core of the litigation that gave rise to this Work Group, and, indeed is the first element in the CAAAC's charge to the Work Group. EPA's August action would appear to preempt meaningful Work Group dialogue on this point and raises a serious question about the significance of the work group's effort to EPA. This action, combined with EPA's continued unwillingness to address greenhouse gas emissions (in any fashion) in the context of permitting new major stationary sources leads us to question the value of continued participation in the ACT Work Group process. Indeed, as a result of EPA's preemptive decisionmaking – that precludes meaningful discussion of CAA regulatory options – the only utility of our membership is likely to be as a voice of dissent in response to objectionable elements of the Work Group's ultimate recommendations on broader coal technology policy.

That said, NRDC and CATF also have several concerns specifically regarding the Interim Report, which are significant enough to bring to the attention of the Co-chairs and CAAAC. While we will not detail each point of our groups' disagreement with the text of the Interim Report, our general concerns, along with some specific thoughts about the more important details of the Interim Report, are outlined below.

- One could read the Interim Report as suggesting that the Work Group reached consensus that more efficient conventional coal combustion technologies, without a practical commitment to near-term carbon capture, might qualify as "advanced coal technologies" worthy of support and advancement. We do not believe this is a position that the majority of the Work Group would support. Moreover, NRDC and CATF believe that increased U.S. reliance on conventional coal combustion technologies without carbon capture, is bad energy policy, based on important concerns regarding global warming, conventional air pollutants, other environmental impacts from energy facilities, and the devastating upstream impacts associated with unsustainable coal extraction practices (such as mountaintop removal mining). To the extent that the U.S. continues to rely on coal as a source of energy, we must make an *immediate* shift toward coal technologies that can practically capture a majority of their CO_2 emissions in the near term and we must fully characterize and meaningfully

address adverse upstream impacts. Additionally, and simultaneously, the U.S. must maximize its efforts to deploy and dramatically increase U.S. reliance on renewable sources of energy (wind and solar technologies, e.g.), as well as promoting energy efficiency improvements to greatly reduce electricity demand. All cleaner energy production options must be explored if we are to achieve the needed reductions in carbon dioxide emissions by 2030 and do our share to stave off the serious consequences of climate change.

- NRDC and CATF simply cannot support policies that will facilitate the construction of any new conventional coal-fired power plants or other large coal-burning facilities, based on the use of alleged "advanced" technologies that provide only incremental increases in plant efficiency, where such plants do not have the practical ability to capture a significant portion of their CO_2 emissions.

- Despite suggestions to the contrary in the Interim Report, NRDC and CATF take the position that technologies exist *today* that can allow new coal plants to begin capturing their CO_2 emissions for permanent geologic storage. For example, gasification technology (that has been in widespread use for decades), when used to generate syntheses gas for a combined-cycle power block, provides the most cost effective option for CO_2 capture and storage at present, and has lower conventional emissions, produces less solid waste, and uses less water than a conventional coal plant. This technology is both available and technologically feasible, and making progress *now* is essential, both to demonstrate the commercial viability of carbon capture and storage and its enabling technologies and to begin testing the soundness and capacity of potential CO_2 repositories. While other viable technologies may (or may not) emerge, we cannot wait to begin taking action, including taking advantage of the regulatory drivers currently available under the Clean Air Act, to promote the choice of this technology.

- Finally, NRDC believes that the use of coal to produce transportation fuels does not make sense from a global warming or an energy security perspective – even with substantial CO_2 capture (85%), coal has a worse life-cycle CO_2 impact than petroleum as well as serious upstream environmental impacts. In NRDC's view, there are much more effective (and more environmentally benign) ways to decrease our reliance on foreign oil. To the extent that the Interim Report addresses coal use for the transportation sector, it does not recognize these serious concerns.

NRDC and CATF emphasize in our work the tremendous importance of significant *near term* policy changes and actions to address global warming, and in particular the need for a rapid shift away from coal technologies that cannot meaningfully address CO_2. And while we support the objective of the Work Group's mission – that is, as we understand it, to explore with other stakeholders opportunities (including opportunities under the Clean Air Act) to facilitate a transition away from CO_2-intensive coal technologies – we do not endorse the statements and recommendations in the Interim Report to the extent that they are inconsistent with the principles and observations outlined above.

We request that this letter be placed in the public record for the CAAAC Advanced Coal Technology Work Group.

Sincerely,

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