

Alliance for Clean Energy New York * American Lung Association of New York *
Campus Climate Challenge SUNY Fredonia * Catholic Care for Creation Committee of Buffalo *
Citizens Campaign for the Environment * Clean Air Coalition of WNY * Earthjustice *
Environmental Advocates of New York * Great Lakes United * Jamestown Area Concerned
Citizens * New York Interfaith Power & Light * New York Public Interest Research Group *
Northeast Sustainable Energy Association * Physicians for Social Responsibility - Washington,
DC * Sierra Club Niagara Group * Sierra Club Atlantic Chapter * Sierra Club National Beyond Coal
Campaign * UB Environmental Network * Western New York Climate Action Coalition *
Western New York Sustainable Energy Association

PRESS RELEASE

For Immediate release:
December 14, 2009

For more information:
Erica Ringewald (518) 210-9903
Walter Simpson (716) 839-0062

US DEPT OF ENERGY SAYS ‘NO’ TO JAMESTOWN, NY’S DIRTY COAL PROPOSAL

ENVIRONMENTAL, ENERGY & HEALTH GROUPS CELEBRATE DECISION TO DENY FUNDING FOR UNNECESSARY COAL PLANT

(ALBANY, NY)—On Friday, December 4th, the United States Department of Energy (DOE) announced the agency’s second installment of Round 3 Carbon Capture and Sequestration (CCS) funding. Three projects received almost \$1 billion in federal funds, but a hotly debated proposal in Jamestown, NY, was not among the projects funded. Environmental, health and energy groups have been fighting plans for the “clean” coal plant for years, noting the likely burden on Jamestown ratepayers, including the prohibitively high cost of power from the plant and the fact that the community can meet its energy needs more cheaply and cleanly.

“The U.S. Department of Energy got it right,” said Walter Simpson, Clean Energy for Jamestown coalition leader. “This project did not deserve federal funding and DOE withheld it. It just does not make sense to build a completely unneeded power plant—let alone one that burns coal. Now let’s hope the message sinks in among community leaders in Jamestown. It’s over. It’s time to celebrate in Jamestown and across the state that this ill-conceived project was stopped and move on to cleaner, far less expensive options.”

“Since the Jamestown project will not receive federal funding, I am hopeful that it will soon join the more than one hundred proposed coal-fired plants that have been rejected or abandoned in the last few years. America is turning away from dirty coal and turning toward clean, renewable sources of energy,” said Glen Hooks, Regional Director for the Sierra Club’s Beyond Coal Campaign.

The proposed plant would have been the first new coal-fired power plant built in New York in more than 25 years. The federal Department of Energy is instead supporting CCS projects in New Haven, WV, Mobile, AL, and Midland-Odessa, TX with a total value of \$3.18 billion. None of the funded projects use oxy-coal technology, as proposed by the Jamestown project. Noteworthy, the New Haven and Mobile projects are retrofits to existing coal plants and thus will produce a net reduction in carbon emissions while avoiding the pitfall of constructing new unneeded coal plants to demonstrate CCS.

“The Department of Energy’s decision to withhold funding from the Jamestown coal plant is a positive step to protect the health of the nation’s public. Coal plants contribute to global climate change and have an adverse effect on health due to the emissions of mercury, SO_x, NO_x, particulates and other hazardous air pollutants,” said Alan H. Lockwood MD FAAN, Professor of Neurology, University at Buffalo, and Co-Chair, Environment and Health Committee, Physicians for Social Responsibility.

“Every dollar spent to perpetuate the burning of fossil fuels such as coal for energy is a dollar wasted on the past. To help build a future for New Yorkers that is healthy in every way—physically, economically, environmentally—we should make sure all new energy investments are in efficiency and in clean, renewable sources,” said Nicola Coddington, Executive Director, New York Interfaith Power & Light.

”The Department of Energy’s decision to pass on the Jamestown project should be the final nail in the coffin of this ill-conceived proposal,” said Brian Smith, WNY Program Director, Citizens Campaign for the Environment. “It’s time for the JBPU to finally get serious about cheaper and cleaner solutions for Jamestown’s energy needs, including energy efficiency and renewable energy.”

In the past, project opponents have voiced concerns that federal and state funding would require significant additional public expenditures in the future. These could include subsidies to cover:

- The extra power production costs associated with the plant, given that as much as 30 percent of its output would be needed to operate the oxy-fire carbon capture and storage technology. This substantial “parasitic load” would increase the already high cost of electricity produced by this plant by as much as 40 percent.
- Anticipated losses Jamestown would incur when selling the plant’s expensive excess power—which could amount to 80 percent or more of the plant’s output—to non-ratepayers on the open market where the going rate for electricity will be much lower. These losses could amount to \$20 million or more annually.
- Additional public subsidies if the state indemnified the project and agreed to cover liability issues associated with permanent carbon capture and storage. These subsidies could amount to hundreds of millions of dollars over the plant’s 50-year lifespan.

Analyses have concluded that power from the plant would cost between 15 and 20 cents per kilowatt hour even if full Department of Energy funding had been received. This is far in excess of the cost of alternatives strategies for meeting Jamestown ratepayer’s electric needs, e.g. New York Power Authority (NYPA) power (\$0.02/kWh), energy efficiency (\$0.03/kWh), purchases off the grid (\$0.06/kWh), and wind energy (\$0.08 - \$0.093/kWh).

Environmental organizations opposed to the coal plant have pointed out that 90 percent of Jamestown’s ratepayer electric needs are currently met by low-cost hydropower from the New York Power Authority (NYPA). Thus, the City’s self-generation needs, now said to be met by an older coal plant which should be shut down, are minimal-to-non-existent. Jamestown ratepayers’ non-NYPA-provided-load can be met more cleanly and less expensively by a combination of energy efficiency and renewable energy development.

The groups also oppose the coal plant because it’s dirty. If operated as a CCS demonstration project, the coal plant would only be required to capture and sequester 55 percent of its carbon dioxide emissions. Assuming it could meet that target, the carbon dioxide output from the proposed

plant would still add up to an additional 190,000 tons of climate-altering carbon dioxide into the atmosphere each year—equal to the pollution released by about 35,000 cars and trucks.

The project suffered a series of setbacks this summer. In June, environmentalists prevented project-enabling state legislation drafted by the Paterson Administration from being passed in the State Assembly. In August, it was reported that the project's principal corporate backer, Praxair, Inc., shifted its support from the Jamestown project to one in Holland, MI. The Jamestown Board of Public Utilities went forward with a modified application to DOE for the Round 3 funding that was denied last week.