

Power struggle

Energy providers, environmentalists clash over proposed coal plants

**By Lynn Walker/Wichita FallsTimes Record News
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On a day when an approaching ice storm had North Texans fretting about a possible power outage, the head of the Texas Business Association came to Wichita Falls to warn of a graver problem: Texas faces an electricity shortfall as early as next year if something isn't done — fast.

The TAB lobbies the Texas Legislature on behalf of 200 chambers of commerce and more than 3,000 businesses. Its president, Bill Hammond, contends that quick construction of coal-fired electric generation plants is the only way to avert a disaster.

Hammond said a rolling blackout that affected central and south Texas in April is "the canary in the coal mine" that foreshadows the near future if the plants aren't built soon."

Gov. Rick Perry has used his executive authority to speed up the licensing of 11 coal-fired plants that are on the drawing boards, most owned by TXU. Another seven plants are in the works, none in the Wichita Falls area.

Hammond said Texas' growing population — projected to reach 35 million by 2040 — is the main reason for the desperate need. Texas' economy will suffer if something isn't done, he said.

His visit to Wichita Falls and other communities comes as a showdown over electricity generation shapes up in the 80th Texas Legislature, which began last week.

In a classic match-up, Hammond and other promoters of coal-fired power plants face stiff opposition from environmentalist groups. But this contest defies usual environmentalist-industrialist, liberal-conservative, Republican-Democrat political alignments.

The mayors of more than 30 cities — including Dallas — are fighting plans to build the generators. Their constituents don't want the plants, historically considered the dirtiest form of power generation, in their backyards.

One of the state's wealthiest Republican oilmen, Albert Huddleston, has said he will sue in federal court to keep one of the plants from being built.

Hammond argues that the new generation of coal-fired plants will have new emissions control technology that will reduce harmful emissions by 20 percent. The alternative to building new, cleaner plants is to keep the older, dirtier ones online, he said.

Tom Smith, Texas director of the Public Citizen watchdog group, doesn't agree.

"We can reduce electricity use by at least half through a variety of time-tested methods," he told the Times Record News.

He points to new technology that reduces spiking in peak electricity usage, light bulbs that use 80 percent less electricity, and high-tech thermostats that make heating and cooling more efficient.

The Clean Coal Technology Foundation of Texas doesn't think that's enough.

"Texas is walking a very fine line. The Texas Legislature should take action to ensure that new sources of power come online as quickly as possible," said Donna McDonald, the foundation's administrative director, in a press release that accompanied a slickly-packaged special report on energy.

The report is filled with graphs that show electricity consumption going up while capacity goes down.

"There is no time to waste because current projections show that by 2009 existing Texas power plants will be unable to meet demand," McDonald said.

Regardless of the level of urgency, coal-fired plants face rough waters. Environmentalists and cities are pressuring the Legislature to put a moratorium on construction of the plants, and individuals and communities are filing lawsuits to stop them.

Also, large investors in TXU are challenging the plans. Ceres, consisting of environmental groups and institutional investors, has filed shareholder resolutions challenging the projects. Five New York City pension funds also filed a resolution demanding an explanation of how the plants will meet environmental concerns.

The flak that coal-fired plants are taking has some Wall Street analysts concerned. Bernstein Research recently expressed "skepticism of TXU ability to complete its construction program on the proposed budget and schedule, as well as its ability to raise nonresource financing for the expansion...."