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## Cap and tax fight already being lost

*NOLAN FINLEY*

Drop any hope that the new Republican majority in the House will end President Barack Obama's carbon cap-and-tax ambitions. That train's already left the station, and by the time the GOP gets an opportunity to turn it around, up to 40 percent of the nation's coal-fired power plants will be headed to mothballs.

A regulatory offensive by the Environmental Protection Agency that began during the Bush administration and accelerated under Obama is burying coal power under a mountain of new rules and mandates that will make the most cost effective, plentiful and popular fuel for producing electricity far too costly to use.

"There are a series of regulations in motion at the EPA that we call the train wreck," says Gerry Anderson, the new chief executive of DTE Energy. "So many regulations are layered on top of each other with so many requirements that if they execute all of them it is a significant wipe-out of the coal-powered fleet."

The EPA has put coal plants on a three- to five-year timetable for installing hugely expensive carbon scrubbers and catalytic converters. Aided by anti-coal regulators at the state level, including in Michigan, permits also are being routinely rejected for new coal burning plants and the relicensing of existing facilities. In Michigan, that places major power producing units in Rogers City and Monroe in jeopardy.

Before you join environmentalists in a happy dance at the prospect of windmills replacing smokestacks, remember we live in Michigan. Neither wind nor solar will generate the 70 percent of power that coal accounts for here.

"Realistically, over time they may account for 15 to 20 percent of our power generation," Anderson says. "But you can't substitute intermittent sources for base load power — coal, nuclear, hydro, natural gas."

Anderson says the billions of dollars in technology investment the EPA is demanding at coal plants and the arduous process for opening nuclear plants will drive most power companies to switch to natural gas, a cleaner fuel, but one with a very real down side.

"The price is extremely volatile," Anderson says. "It is far more prone to market spikes."

Overall, Anderson estimates the loss of coal could drive up household electric bills by 25 percent. In Michigan, where natural gas is the primary heating fuel, diverting natural gas to power production also will result in much higher home heating costs.

And it's unnecessary. In the past 30 years, coal-fired power plants have reduced emissions by 80 percent, and are on track for 95 percent reduction.

But the EPA wants 100 percent of coal emissions to go away ASAP.

"This is a really silly path for the country," Anderson says. "To throw a major source of our power generation to a jump ball over a short time is wasteful and inefficient."

Considering the impact on the economy and consumer pocketbooks, it's also unacceptable that these

decisions are being made by bureaucrats.

"We argue that the nation needs an energy policy that knits all of this together," Anderson says. "And that's really a job for Congress."

But not one that Congress is likely to tackle until after 2012, and then only if voters continue to replace liberals with conservatives. By that time, America will be well down the road to losing its most reliable, affordable source of energy.

And the left will have won their cap-and-trade victory without a shot being fired in Congress.

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