

Weekly News Update

Saturday 11th February 2012 - Friday 17th February 2012



The CO₂ Capture Project (CCP) is a partnership of seven major energy companies working together to advance the technologies that will underpin the deployment of industrial-scale CO₂ capture and storage (CCS).

<http://www.co2captureproject.com/>

Duke Energy and China Huaneng Group Expand Cooperation to Develop Carbon Capture and Sequestration Technologies

Duke Energy (NYSE: DUK) and China Huaneng Group have signed a new, three-year agreement expanding their research cooperation in the areas of advanced coal and carbon capture and sequestration technologies.

The two parties initially signed a Memorandum of Understanding in 2009 to pursue high-level discussions and information sharing on a number of renewable and clean-energy fronts. In 2009, Huaneng Group developed a facility that economically captured 120,000 tons of the carbon dioxide per year emitted from the 1,320-megawatt coal-fired Shidongkou power station in China.

The expanded agreement signed today calls for an engineering study to determine the potential feasibility of applying Huaneng Group's low-cost carbon capture process at unit 3 of Duke Energy's Gibson Station in Indiana. There are no plans to make any modifications to the power plant at this stage of the study. There are five units at Gibson with a combined capacity of 3,145 megawatts.

Funding for the project will be provided by the U.S.-China Clean Energy Research Center (CERC), which was established by the two countries in 2009 for such collaborative endeavors.

The 12th Annual APGTF Workshop 'Carbon Capture and Storage – can the UK maintain a leadership role?'

Tuesday 13th and Wednesday 14th March 2012, 1 Victoria Street Conference Centre, Westminster, London
for information and to register click [here](#)

Clean coal project in Texas signs EPC contracts

Summit Power Group has signed \$2 billion in engineering, procurement and construction contracts that will reportedly guarantee the price of building a proposed \$2.8 billion, 400 MW coal-fired power plant with carbon capture technology in Texas.

According to Platts, Summit said it signed an EPC contract with Selas Fluid Processing, a unit of German-based The Linde Group, and with Korea-based SK E&C, to build a chemical block capable of producing synthetic gas by gasifying Power River Basin coal and capturing up to 90 percent of the carbon dioxide (CO₂) and compressing it for sale. The second EPC contract is with Siemens Energy (NYSE: SI), which will build a 400 MW combined-cycle power plant that will run on syngas and natural gas.

A separate 15-year contract was signed with Linde to maintain and operate the site in Texas, the article said.

Global CCS Institute reports now available to download:

- [The Global Status of CCS : 2011](#)
- [Accelerating the uptake of CCS : Industrial use of captured carbon dioxide](#)
- [CO₂ capture technology selection methodology](#)

New emissions rules could lead to new plant

State legislators repealed one of New Mexico's two carbon cap-and-trade laws Feb. 6, and Farmington electric utility officials are hoping the second one will be repealed in March. If so, it could mean a new natural gas power plant for the area, which would provide more power and an increase in revenue for the city. In 2008, officials began planning a new natural gas plant before New Mexico became one of only a handful of states to pass strict carbon cap laws. "Both of those rules required greenhouse gas reductions," said Farmington Electric Utility Director Maude Grantham-Richards. "The



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only way to reduce emissions is to burn less gas. Every year it decreases." The laws required power plants to reduce the amount of carbon dioxide released per megawatt hour by 3 percent per year. This level of reduction quickly would put any new power plant out of compliance. Because the city would seek bonds for at least part of the plant, and bonds typically are issued for 20 years or longer, building a new natural gas plant under the old carbon cap regulations would be fiscally irresponsible, officials say. "Based on the reduction's starting point, the plant would no longer meet requirements within eight years," Grantham-Richards said. "That would mean we would have to start reducing capacity or buying carbon offsets." Buying offsets would mean an increase in what people pay for electricity. "We are committed to keeping our customers' power bills as low as possible," Grantham-Richards said.

Cleaning Coal is the Path Forward

When policymakers look for new ways to add jobs to the economy, they need to remember the critical role that American coal is already playing in protecting our jobs and helping our economy. Just as the Hippocratic Oath compels doctors to "first, do no harm," so, too, must our elected and appointed officials ensure that any actions they take will not harm coal and, by extension, our nation's economy. It is no accident that coal generates nearly half of our nation's electricity. It is because coal is affordable, abundant and reliable and is being increasingly used in more environmentally friendly ways. Thanks in large part to investments by the utility industry in clean coal technology during the past 30 years, major air pollutants from coal-fueled power plants traditionally controlled under the Clean Air Act are more than 80 percent lower per kilowatt-hour of electricity generated. Coal's ability to serve as a baseload power source means that it provides the electricity needed for millions of American families and businesses, day or night. Coal makes sure that our lights are on, our water is hot, and appliances and computers are working, regardless of whether the sun is shining or the wind is blowing.

New carbon legislation could end coal fuelled plants in US

The Obama administration is expected soon to unveil long-delayed rules limiting carbon emissions from new coal-fired power stations, possibly helping to slam the door shut well into the future on building plants that run on the fuel. The Calgary Herald reports that the Environmental Protection Agency has dragged its feet on proposing the new standards on carbon emissions that would hit new coal plants or facilities undergoing expansion. The short-term impact of the rules, the first to limit U.S. carbon emissions from new power stations, is expected to be symbolic — the rules will not tackle existing plants, which would have been far more disruptive to the industry. The EPA rules have pushed utilities to close more than 30 coal-fired plants, and companies have announced plans to shut at least 130 more through 2020. No new coal-fired plants were started in the US in 2011, but more may be needed in the future if the economy recovers and natural gas prices rebound.

The carbon rules could require new coal-fired power plants to capture a portion, up to 60 per cent, of their carbon emissions and bury them permanently underground, or take other measures to reduce emissions.

Government will provide £3m for CO₂ emissions projects

The government is to provide grant funding totalling nearly £3m to four collaborative projects that will develop and demonstrate technologies to tackle CO₂ emissions.

In addition, 10 feasibility studies into innovative ideas that could significantly contribute to CO₂ abatement will share an additional £650,000 of government support.

All the studies will be led by small and medium-sized enterprises. According to a statement, the grant funding from the Technology Strategy Board will help to support innovative solutions for carbon abatement technologies for large single-point emitters of CO₂ — including fossil-fuelled power plants and energy-intensive industries such as chemical and metal processing, paper, glass, ceramics and cement.