

November 30, 2008

The Honorable Robert C. Byrd
Chairman, Committee on Appropriations
United States Senate
Washington, D.C.

The Honorable Thad Cochran
Ranking Member, Committee on Appropriations
United States Senate
Washington, D.C.

The Honorable Byron L. Dorgan
Chairman, Subcommittee on Energy &
Water Development
Committee on Appropriations
United States Senate
Washington, D.C.

The Honorable Pete Domenici
Ranking Member, Subcommittee on
Energy & Water Development
Committee on Appropriations
United States Senate
Washington, D.C.

Dear Chairman Byrd, Ranking Member Cochran, Subcommittee Chairman Dorgan and Subcommittee Ranking Member Domenici:

We are writing in support of funding recommendations made by the Senate to the FY 2009 Department of Energy (DOE) funding request for coal research, development and demonstration (RD&D) programs. The Senate's recommendations were included in S. 3258, the FY 2009 Senate Energy & Water Development Appropriations bill. While both the House and Senate recommendations recognize that the DOE's coal RD&D program is a critical component of our nation's greenhouse gas mitigation efforts, the Senate recommendations, in our judgment, more clearly reflect important funding priorities we have previously identified.

There are three components to the DOE program that will help this nation advance the technologies needed to achieve reductions of CO₂ emissions from coal. They are: (1) the base coal R&D program; (2) the Clean Coal Power Initiative; and (3) the preservation of the FutureGen project located at Mattoon, Illinois. Each of these elements plays a unique role in developing technologies to address greenhouse gas mitigation efforts.

The FutureGen at Mattoon project is an important step forward in the advancement of carbon capture and storage technology development, and we support the Senate's recommendation to temporarily suspend project activities until a new administration can determine how to move forward. The unique industry structure and integrated nature of this project, encompassing both capture and sequestration in an advanced gasification power plant, warrants the level of government support that was promised by the Bush Administration in early 2003. We believe this project should remain a vital component of the DOE RD&D portfolio.

We have supported significant funding increases for demonstration projects that focus upon integrated carbon capture and storage (CCS) technology demonstrations for both combustion and gasification based systems. The Senate recommendation to provide an additional \$147 million in FY 2009 to conduct a 3rd solicitation for carbon capture and sequestration projects under the Department's Clean Coal Power Initiative (CCPI) moves us in that direction. Further, we recommend that clarifying language that amends a provision of the Energy Policy Act of 2005 (EPAAct '05) be included in a final

appropriations measure. Specifically, section 402(b)(1) of EPAct '05 requires that 70% of funding for the CCPI program be allocated to gasification projects and to “other advanced coal based technologies capable of producing a concentrated stream of carbon dioxide.” Unfortunately, the advanced coal based technology category was included in the provision addressing gasification projects and as such, “other advanced coal based technologies ...” can only qualify if the technology is gasification-based. We do not believe this was the original intent of Congress. Indeed, the sponsor of the amendment to include this new category wrote a letter explaining his original intent. There are several technologies able to produce a concentrated stream of CO₂ for purposes of sequestration that are not gasification-based technologies. We urge you to modify existing language to reflect the intent of Congress when this specific provision was originally accepted by the conference committee during House and Senate negotiations over EPAct '05 provisions.

We also support the need to not only maintain the base R&D program, but to also advance increased funding for these vital programs. Given the urgency of moving forward, we do not believe it is necessary to establish new offices within the Office of Fossil Energy. It is true that carbon sequestration is a critical carbon mitigation technology that must be successful, but the management of the carbon sequestration program already has the requisite leadership and scientific base at DOE to meet any challenges to deploying this technology, as already demonstrated through the success of the Regional Carbon Sequestration Partnerships. Restructuring the program at this juncture would only cause delays in moving forward with these important activities.

We also believe that additional measures to advance the large-scale demonstration of CCS technologies are urgently needed, as recommended by the MIT Coal Report and other recent assessments of CCS funding needs. The prospect of near-term action on global climate legislation adds great urgency both to these funding needs, and to the DOE program support we are urging.

We appreciate your continued leadership and support of coal, and thank you for consideration of these recommendations.

Sincerely,

Coal Utilization Research Council
Edison Electric Institute
National Mining Association
United Mineworkers of America