



July 15th, 2009

“Not UNDER My Backyard!”

While the federal “cap and tax” scheme has been getting a great deal of attention lately, it should be noted there are other outlandish proposals coming down the pike in the “fight” against global warming. One of these is an expensive money-making-scheme called carbon sequestration. Under this scenario, it would be okay to produce carbon dioxide, as long the emissions are stored underground and not released into the atmosphere.

Carbon sequestration would be an expensive proposition for Wisconsin because our state does not have the geology for this technology. Wisconsin’s utilities and other producers of CO₂ would be forced to store their CO₂ emissions in underground “geologic repositories” in adjacent states, such as Illinois. Yes, you and I would pay Illinois to store our hot air.

First, locating suitable underground sites would involve significant costs, possibly involving techniques similar to oil exploration. Second, delivering the CO₂ from each emitter would involve obtaining easements and building a significant pipeline infrastructure. Pumping the CO₂ through these pipelines would also entail a cost to taxpayers since the CO₂ wouldn’t simply flow to the underground storage sites. Finally, actually storing the CO₂ underground would not be free; there would be a “rental” fee.

Although ideas like this sound ludicrous they are unfortunately gaining very real political traction. Last week, the Dayton (Ohio) Daily News reported on a \$92.8 million plan to inject an ethanol plant’s CO₂ into a storage site 3000 feet beneath the Town of Greenville, Ohio. That’s right, \$92.8 million!

While almost unimaginably expensive, keep in mind this is the carbon sequestration cost *for a single ethanol plant*. These are the sorts of costs individual utilities and producers might incur under a “cap and tax” scheme, either being forced to purchase a carbon credit or utilize carbon sequestration. Either way, you will ultimately foot the bill. If the Waxman-Markey climate bill (see Hot Air #16) becomes law, this sort of scenario could become common in the United States.

Even if Waxman-Markey doesn’t pass the U.S. Senate, we may still have to deal with carbon sequestration costs in Wisconsin, since Governor Doyle and his Global Warming Task Force think it is a good idea. Page 21 of their final report states:

“This policy recommends that the PSC (Public Service Commission) and the DNR convene a special commission to explore the potential for geologic carbon sequestration for CO2 produced by Wisconsin’s electricity generation fleet. While it appears unlikely that Wisconsin has suitable geologic repositories available for CO2 injection, this option should be explored, as should the more likely possibility of piping CO2 to underground injection sites in an adjacent state...”

Back to the project in Greenville, Ohio. The Dayton Daily News also reports that local opposition has developed, and it has little to do with the outrageous cost. A meeting recently organized by opponents of the plan was attended by 700 residents, with one attendee quoted as saying, “We don’t want to become the dumping ground for carbon dioxide.”

The concern in Greenville goes beyond simply having CO2 stored under the town. There are also questions about the preliminary seismic testing that could damage tiles that drain farm fields, the possibility that property values could decline and the difficulty in obtaining man-made earthquake insurance. Yes, man-made earthquake insurance!

Stay tuned. If Governor Doyle’s Global Warming Task Force has its way, the Greenville experience could be coming to a neighborhood near you. Access my reports online, at: <http://www.legis.state.wi.us/assembly/asm23/news/media.htm>.

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