
Clean Coal Bill

By Odessa Admin

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Officials are hoping that a bill filed Thursday can help bring a \$2.8 billion coal gasification plant to the area. The bill, filed in the Texas Senate by Sen. Kel Seliger, R-Amarillo, and in the House by Rep. Phil King, R-Weatherford, will give up to \$100 million in franchise tax credits to the first three Texas projects to qualify. "It's one of the hurdles that we have to clear in order to make the Summit project happen," said Gary Vest, economic development director for the Odessa Chamber of Commerce. Vest attended an announcement of the filing Thursday in Austin along with Seliger, King, State Rep. Tryon Lewis, R-Odessa, Texas Railroad Commission Chairman Michael Williams and other dignitaries.

Colorado-based Summit Power is considering building the plant on the Penwell site once reserved for FutureGen, a federally funded near-zero emissions coal-fired power plant that was eventually awarded to Mattoon, Ill.

While Summit doesn't claim the plant will have zero emissions, the bill does require it to sequester 60 percent of the carbon dioxide it produces in order to meet the standards for tax credits.

In addition, the bill would give a 30-year tax rate reduction to oil producers using CO₂ generated by clean coal plants for enhanced oil recovery.

"I think clean coal technology is important," Seliger said. "The efforts that have been put forth in Odessa both for energy generation and for CO₂ are particularly important."

Seliger said he likes the bill's chances of passing. He was encouraged by the support of Rep. Rafael Anchia, D-Dallas, who vocally opposed the construction of 16 new conventional Texas coal-burning plants in 2007.

"It's important to look to the energy needs of the future," Seliger said. "Clean coal technology represents the future."

Other challenges still remain before the project can start. There is the issue of priority on transmission lines. Clean coal advocates would like for it to receive the same treatment as wind energy.

Vest said that issue would have to be addressed by the Public Utility Commission of Texas. But he liked that PUC Chairman Barry Smitherman was on hand Thursday to lend his support to the bill.

Then there is the land. Vest said he still hasn't secured the 600 acres in Penwell where the project would be built. But not getting that particular location wouldn't necessarily kill the deal.

"The Penwell site is a great site, but it's not the only site," he said.

Should Summit come to the Permian Basin, Vest said other companies would likely follow. He said there is interest

from companies directly and indirectly related to clean coal.

"There's just a lot of ripple effect," he said.

Also included in the bill is a requirement for the Bureau of Economic Geology at the University of Texas at Austin to perform monitoring and verification duties for CO2 sequestration at the state's first three clean coal sites.

"A lot of people will be coming to study this project," Vest said. "This will really put us on the global map if it happens."

A bill filed by Seliger that was designed to help Texas land FutureGen passed during the 2007 legislative session.

He is hoping this bill will be more fruitful.

"There was considerable effort that people in Midland and Odessa put out for FutureGen," he said.

"They're redirecting it."