

The Sierra Club's War on Coal

By Christopher Horner

Summary: The United States has been called the "Saudi Arabia of Coal" because of our large domestic supply of this reliable and affordable energy source which helps guarantee American prosperity. But the phrase causes great distress in the environmental movement. The Sierra Club has launched a campaign to curtail coal use in America. Not only does it want to block the construction of new coal-fired power plants, which are intended to replace the nation's aging coal infrastructure and power new economic growth, but Sierra also wants to close existing plants that provide half of our nation's electricity.



Thanks to the Sierra Club and its allies, during the last three years the U.S. has constructed fewer facilities that expand the capacity of proven energy sources—coal, natural gas, and nuclear power—than we have facilities for unreliable “renewable” energy sources like wind and solar that require coal, gas or nuclear plants to back them up. In the meantime major U.S. competitors like China are busy installing coal, gas, oil and nuclear power plants to produce the energy resources they need.

If policymakers fail to think seriously and act responsibly to secure the nation's store of energy they will short-circuit the economic recovery. Green groups and their political enablers are playing a dangerous game that has grave consequences.

The Threat: Abundant Energy

Last year columnist George F. Will observed that the existence of abundant

and reliable energy “horrifies people who relish scarcity ... Today, there is a name for the political doctrine that rejoices in scarcity of everything except government. The name is environmentalism.”

Environmentalists are members of a sect. Once they were obsessed by population growth; now they are driven to restrict access to energy because abundant energy fuels all the industrial activities they despise. In “The Precarious Crown of King Coal,” an article on his blog *Seeking Alpha*, my former colleague James DeLong wrote that “the environmental movement hates coal. The Sierra Club has budgeted \$18 million and hired 100 people to promote a worldwide anti-coal campaign. Its aim is to make coal the target of a Saul Alinsky-style activist crusade: ‘Pick the target,

freeze it, personalize it, and polarize it,’ wrote Alinsky in his manual *Rules for Radicals* (Rule # 13).” Environmentalists are mobilizing hundreds of anti-coal groups worldwide that are pounding out the false message that coal is dirty, dangerous and unaffordable.

The Obama Department of Energy and the mainstream media are hiding the truth

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that green groups are winning the war on coal. DeLong notes how the Department of Energy says that in 2009 eight coal plants with 3,218 megawatts of capacity became operational, hailing this as more new coal capacity than in any year since 1991. The *Associated Press* claims that “more than 30 traditional coal plants have been built since 2008 or are under construction.” But DeLong sees smoke and mirrors. He points out that the “reality is that the pipeline of additional capacity is looking empty, and the additional 28 coal-using plants that the industry thinks it has under construction look like vaporware.” He further notes a recent *New York Times* article called “Twilight of the Coal Era?” which quotes an equipment manufacturer: “looking forward, ‘I don’t know of any negotiations we have currently going on for new coal plants.’”

If the Sierra Club-led campaign against coal succeeds there will be dire consequences for America’s economic well-being and its national security. The lights will indeed go out, if only through regional rolling brownouts. While a poor developing country might see little change from on-and-off energy shortages and stoppages, our economy depends upon a reliable, steady energy supply. As do our wealthier—and therefore healthier and cleaner—lifestyles. American policymakers must fight back against extremist environmental group demands that they kill coal-burning power plants. Will they? Or will the nation limp along, constructing stopgap natural gas plants (the only facilities that can be

constructed in less than a year and a half), as our politicians kick the can down the road until the next power outage, raising a host of other economic problems?

If the U.S. does not expand its coal capacity there will be big hikes in energy prices as utilities attempt to shift their production of electricity from coal to natural gas. *The Wall Street Journal* (9/13/10) notes:

“Coal-burning facilities are expected to slip to 10% of total new capacity in the U.S. in 2013, down from 18% in 2009, the U.S. Energy Information Administration reports. Gas, meanwhile, is expected to soar to 82% of new capacity in 2013 from 42% last year.”

Natural gas has many uses: It is necessary for the production of plastics, chemicals and fertilizers for industry and agriculture. But if gas is diverted to produce electricity for homes and businesses then its price, and the cost of making those products here, will go up -- along with the cost of consumer, farm and manufactured goods. For these reasons, only a few decades ago natural gas was considered far too valuable to burn just to produce electricity. But the environmentalist war on coal has turned energy economics on its head.

The economic damage created by the Sierra Club’s anti-coal campaign to date can still be reversed. But do policymakers have the will to fight back before it metastasizes?

The Obama Anti-Energy Campaign

In 2009 the Obama Administration and its allies hit the ground running. They were determined to impose aggressive anti-energy policies on America. With the deceptive cry of “energy independence,” the Administration aimed to limit not just foreign sources of energy, but domestic energy too.

The Wall Street Journal cut through the rhetoric that the President deployed in an April 5, 2009 speech in Prague not long after his inauguration:

“Mr. Obama repeated his pledge to ‘confront climate change by ending the

world’s dependence on fossil fuels, by tapping the power of new sources of energy like the wind and sun.’ Never mind that neither the wind nor the sun are new sources of energy. It so happens that the U.S. gets about 2.3% of its energy resources from ‘renewable’ resources of the kind the president advocates while fossil fuels account for about 70%. . . Mr. Obama’s energy policy goes something like this: Phase One: Inaugurate the era of ‘green’ energy. Phase Two: Overturn the first and second laws of thermodynamics. Phase Three: Carbon neutrality.”

Reading Obama’s statements, Gerard Jackson, economics editor of Australia’s *Brookes News*, wrote, “Obviously raising energy prices to lower living standards is part of his agenda.”

The Administration’s steps are complemented by the Sierra Club campaign to block all new coal plants and force the retirement of existing plants. The group, which runs on an annual budget of about \$100 million, is a major donor to Democratic Party candidates. In recent election cycles the Club tilted toward giving by a ratio of 96 percent to Democrats to 3 percent to Republicans in 2006. In 2008 that ratio was 99 percent to 1 percent. For 2010, as of this writing Sierra Club election filings show contributions to Democrats over Republicans are 100 percent to 0 percent. Who says there’s no such thing as having a “friend” in Washington?

The Left’s war on energy is not new. Appearing on Fox Business in June 2008, Senate majority leader Harry Reid pouted, “Coal makes us sick. Oil makes us sick. It’s global warming. It’s ruining our country. It’s ruining our world.”

The truth is that countries that don’t have modern coal-fired electric power have terrible air, soil and water quality. They fall victim to outrageous levels of infant respiratory disease. Their young people are sentenced to spending their days cutting down forests for wood and wading through dung to form patties for fuel. If poor countries had the coal-powered electricity that the Sierra Club wants to take away from Americans, their economies would

Editor: Matt Patterson

Publisher: Terrence Scanlon

Address: 1513 16th Street, NW
Washington, DC 20036-1480

Phone: (202) 483-6900

Email: mpatterson@capitalresearch.org

Website: www.capitalresearch.org

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radically improve and, to use President Obama's words, would "fundamentally transform" their people's lives by creating wealth and improving the environment.

Unfortunately, the President and his political party pander to activist environmental groups that would litigate, legislate and regulate central coal-fired electricity out of existence.

The Regicide of Old King Coal

After bemoaning a global coal renaissance thanks to economic growth, the media now more typically reports the death of "King Coal." The trade-press outlet *ClimateWire* notes that, although some long-planned coal capacity finally came on-line last year:

"The end of 2009 marks another year in which utilities abandoned new coal-fired power plants at a breathtaking pace. Environmentalists say it signals a trend, and they smell victory in their ongoing war on coal. . . . The coal slowdown came as the Sierra Club, along with many other green groups, battled new plants vociferously at protests and in courtrooms."

"Michigan Denies Permit for New Coal-Fired Power Plant," proclaimed the headline of a May 21, 2010 story in the *Environmental News Service*. "Developers have abandoned their plans for a coal-fired power plant slated for southeastern Nevada," said a March 23, 2010 *New York Times* story. "Big Stone II Pulls Plug on Power Plant Plan" said the *Echo Press* of Alexandria, Minnesota.

In the *Boston Review* (September 2009) David Victor, a University of California, San Diego, professor of international relations, noted that coal is plentiful, easy to find, and easy to dig, which is why China expects it to fuel its economic expansion. Yet Victor observes that in the U.S. "essentially no new plants are gaining approval."

An article "Death of a Thousand Cuts," in *Grist*, a leftwing magazine, summed up the situation:

"As of late February [2010], activists had

derailed 97 of the 151 new plants that were in the pipeline in May 2007. Since 2001, according to the Sierra Club, 126 coal plants have been stopped. In 2009, not a single new coal plant broke ground. All this was accomplished . . . by a broad, feisty movement that inflicted a 'death of a thousand cuts.'"

Noting this coverage, DeLong writes:

"As Death said, it is at the state and local level that the ANGA/enviro alliance is rolling up victories. In April 2010, Colorado enacted the Clear Air-Jobs Act, which requires conversion of 900 megawatts of coal-fired capacity to natural gas, and the governor called the measure 'a national model for retiring coal-fired power plants.' Nevada is following the same track. In June, North Carolina approved the killing of the planned construction of a new coal burning plant in favor of one using natural gas, after holding two public hearings at which no witnesses appeared."

The Obama Administration has joined the campaign against coal. As a candidate, Barack Obama famously boasted to the *San Francisco Chronicle* editorial board in January 2008 that he would "bankrupt" coal. Killing the domestic coal industry is probably among the reasons why as president Obama brought into his administration radicals like Carol Browner and Van Jones. He snuck them in the back door by appointing them to phony "Czar" positions that did not require Senate confirmation while giving them direct access to him. Their overall climate agenda imposes energy poverty on our country, and their first step is to finally kill Old King Coal.

It doesn't matter to environmental extremists that coal today is burned more cleanly than ever before. The environmentalists find the mere act of taking it from the ground offensive to their sensibilities. That's why they redefine malleable terms like "clean coal." Ignoring the fact that modern technology has drastically curbed the actual pollutants caused by burning coal, the greens now claim that clean coal requires carbon dioxide-free combustion (or very close thereto). Of course, this is a practical

absurdity: coal is a carbon-based energy source. The more efficiently it is burned, the more carbon dioxide is produced.

Instead, they are creating a policy framework whereby coal is only allowed if its carbon dioxide emissions are captured, then stored. To imagine the bottleneck they are setting up, recall the same movement stopped domestic nuclear power in its tracks largely by fighting new plant siting and creating a "waste disposal" problem that otherwise did not exist (other countries reclaim spent fuel). They surely anticipate a similar dynamic here.

The Sierra Club boasts that since 2001 it has killed 100 of 150 coal-fired power plants slated for development. Sierra Club attorney Bruce Nilles told *National Journal* that Sierra's litigation strategy is not only to stop new coal-based generation, but to retire "the existing coal fleet." Achieving its strategy will require the active participation of the Obama Administration. "We are gearing up to show very strong support for the administration," Nilles said, applauding Environmental Protection Agency efforts to prevent certain mining practices and make it harder for power companies to obtain operating permits. The greens expect that Obama's "cap-and-trade" rationing scheme - or, given its difficulties in Congress, the EPA's backdoor stab at a similar scheme - will also help accomplish their goals.

The collaboration between the administration and environmental special interest groups takes many forms. Recently, one of my CEI colleagues took part in a conference call during which a Sierra Club representative observed that lawmakers would never let themselves be blamed for the energy shortages that their decisions will create. Sierra's counsel concluded that "turning the lights off" was understood to be a job for the environmental pressure groups.

Of course, that doesn't mean the Sierra Club won't try to make Congress amenable to its agenda. As *E&E News* reported in October 2010, "The Sierra Club today

announced that it would be mobilizing staff members and volunteers to help candidates in 29 competitive congressional races” including the most aggressive cap-and-traders like Sen. Barbara Boxer (D-CA). “While the club has endorsed more than 220 House and Senate candidates this election cycle and contributed to more than 150 contenders, the pared-down list represents the group’s top priorities. All 29 candidates are Democrats and are competing in some of the tightest races this fall.”

Other Campaign Tactics: Direct Action and Capital Investment

Besides litigation and political support, the Sierra Club’s anti-coal campaign sometimes takes the form of direct action. At sixty colleges (e.g. the University of Wyoming in a coal-rich state) Sierra Club activists have tried to shut down university-run coal power plants that provide heat, air conditioning, computing power, and other services to students and faculty. Activists on other campuses (e.g. Santa Clara University in California) have persuaded administrators to divest their endowments of coal company stocks. These are opening shots in an effort to shut down existing coal facilities around the country.

Another tactic is to make some people rich by making coal companies poor. The Sierra Club’s anti-coal campaign can create unusual opportunities. Wealthy investors in “clean energy” have contributed to the Sierra Club and other green groups expecting them to advance their own financial interests. For instance, in late 2009 philanthropist David Gelbaum wrote Sierra Club officials claiming to have made \$47.7 million in anonymous contributions to it from 2005 through 2009. He pointed out that he had invested heavily in alternative energy projects that were faring poorly during the economic downturn. According to the *Wall Street Journal*, “Mr. Gelbaum, a major donor to the Democratic Party, didn’t identify the clean-energy investments, but Quercus Trust, the fund that Mr. Gelbaum runs, was down almost 57% over the 18 months to late November, according to PlacementTracker.”

Gelbaum apparently expected the Sierra

Club’s anti-fossil fuel campaign to benefit his investments in alternative energy. It didn’t. Gelbaum, who also suspended his annual \$20 million gift to the ACLU, said he had made \$380 million in contributions to three groups, the ACLU, Sierra Club and the California Community Foundation, during the previous four years.

The War on the Navajo

Although Sierra’s aggressive campaigns against coal didn’t help Mr. Gelbaum, they are clearly damaging coal producers and users. The Sierra Club says The Desert Rock Energy Company facility in the Four Corners area of New Mexico is the 100th facility that it has blocked using an increasingly familiar script. The Environmental Protection Agency issued an air quality permit to the 1,500-megawatt plant on Navajo land, which led the Sierra Club and others to file a lawsuit to block it. With the arrival of the Obama Administration, EPA changed its mind and decided to rescind the permit. This probably will end of the project, since green group delays and demands have raised the projected costs to bring the plant online to \$4 billion.

Desert Rock was one of three large power plants planned by Sithe Global. All have been blocked by the Sierra Club. The others were the 750-megawatt Toquop plant near Mesquite, Nevada, and the 300-megawatt River Hill waste-coal plant in Clearfield County, Pennsylvania. The latter was intended to clean up piles of coal waste products by putting them to use. According to the *Arizona Republic*, Desert Rock would have been “fueled by coal from a new mine, bringing more jobs and revenue to the Navajos.” Now it won’t.

The greens are also pushing EPA to impose new costs on the Navajo Generating Station near Page, Arizona, which the Navajos say will lead to its closure. Sierra’s spokesman offered reassurances: “If we want to take care of global warming, coal power plants are the low-hanging fruit. We can’t just continue with business as usual if we want to protect the planet.”

Navajo Nation president Joe Shirley Jr.

reminded a reporter that his people suffer from more than 50 percent unemployment and have average annual incomes under \$15,000. He complained that green groups had already victimized the Navajos by forcing a tribal sawmill to close and by helping to shut down the Mohave Generating Station near Laughlin, Nevada. Shirley told the *Arizona Republic*, “They just shut us down, put more people into impoverishment. You want me to accept that?”

Green groups like to claim that they’re doing energy company shareholders a favor by revealing the real long term costs of electricity production. But the Obama Administration’s proposals to replace coal with “renewables” are a false choice. Solar panels and wind farms simply cannot replace coal-fired power. One green website frankly concludes that the administration’s fundamental aim is to impede energy supply: “The EPA, under the Obama Administration, is quite clearly shifting gears,” it says. “These regulatory interpretations and legislative actions are going to make it more difficult for projects like Desert Rock to be permitted, financed and constructed.”

Faced with constant and coordinated regulatory harassment, coal operators are finding it increasingly difficult to tap the capital markets. Everywhere they turn they are confronting a version of the Left’s strategy for social upheaval first formulated by sociologists Richard Cloward and Frances Fox Piven in the 1960s: Create a crisis by overwhelming an existing system with endless demands, then call for government intervention to avert a system failure. If an inescapable energy crisis hits, who can doubt the same political class and its enablers will demand the state step in where private actors have allegedly failed, at such great consequence?

Last year the *Washington Times* reported that a Pittsburgh-based coal company, CONSOL Energy, announced it would lay off nearly 500 of its West Virginia workers because a judge suspended its permits. Company CEO Nicholas J. DeLuliis blamed green activists for driving up his company’s costs by using government agencies and

the courts to block its projects.

DeLullis said, “It is challenging enough to operate our coal and gas assets in the current economic downturn without having to contend with a constant stream of activism in rehashing and reinterpreting permit applications that have already been approved.” He noted that potential customers were shying away from doing business with his company.

The Sierra Club was among the groups behind the challenge to CONSOL’s permits. But stung by criticisms that it was killing coal jobs in a bad economy, Sierra officials said the fault lay with the company, which, they said, was cynically blaming them for its own layoffs.

What’s Next?

Few people realize that the Sierra Club’s continuing success in shutting down coal-fired power plants will eventually lead to power outages, especially at inconvenient times such as heat waves and cold spells. Barring unforeseen breakthrough technologies or a massive reduction in energy use, it’s inevitable that the power will go out.

And the Sierra Club is planning new campaigns. In August 2010 it threatened legal action against the EPA if the Obama Administration fails to agree to set greenhouse gas limits for power plants. In a joint letter to EPA Administrator Lisa Jackson, representatives of the Sierra Club, Natural Resources Defense Council and the Environmental Defense Fund demanded what are called “New Source Performance Standards” for greenhouse gases. This would pose further grave threats to the reliability of our electricity supply.

Litigation that reached the U.S. Supreme Court allowed an interpretation of the “New Source Review” that has been so greatly expanded by government agencies and courts to the point that power plants are postponing even routine maintenance because they fear exposure to new and more costly government regulations.

Companies believe they will have to install expensive upgrades to make their older facilities perform as if they were newly permitted ones, even if a plant is decades old, designed and constructed under different conditions. (Disclosure: I represented Congressman Joe Barton (R-TX) in an amicus brief in that case. We argued unsuccessfully that the Court should consider overwhelming evidence that, as is so often the case, Congress never intended such an outcome allowing agency bureaucrats to expand the plain reading of the Act).

Electric utilities are bound by law to make every effort to provide customers with uninterrupted power. But power plants will have to buy electricity from other sources at higher “spot” prices or make other difficult adjustments if this policy causes them to suspend or shut down their operations. But, ultimately, a shortage of supply means the lights will go out.

Here you begin to see the havoc the Sierra Club is causing. Blocking new coal-fired plants is only the beginning.

GW

Christopher C. Horner is a senior fellow at the Competitive Enterprise Institute in Washington, DC and the author of three books on energy policy and environmentalism, including Power Grab: How Obama’s Green Policies Will Steal Your Freedom and Bankrupt America (Regnery 2010).

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Many thanks,

**Terrence Scanlon
President**

GreenNotes

The extent to which the enemies of America abroad ape the anti-Western rhetoric of Western elites never ceases to amaze. The latest example features none other than public enemy No. 1 **Osama bin Laden**, who in a recently released Internet recording lamented the massive flooding in Pakistan for which he blames – wait for it – climate change. In the message, a voice believed to be bin Laden's proclaims "The huge climate change is affecting our nation and is causing great catastrophes throughout the Islamic world," which "calls for generous souls and brave men to take serious and prompt action to provide relief for their Muslim brothers in Pakistan." But as **John Collins Rudolf** reminds us on the *New York Times*' green blog: "If verified, the recording would not be the first in which Mr. bin Laden has remarked on global warming. In an audiotape obtained by Al Jazeera in January, the Al Qaeda leader dedicated virtually an entire speech to the subject and laid particular blame on former President George W. Bush for failing to curb greenhouse gas emissions." How much greenhouse gas was emitted during the execution of the September 11 terrorist attacks, Mr. bin Laden does not specify.

Don't you just love liberal tolerance? I know I do. In fact, I make a habit of collecting heart-warming stories of liberals practicing the acceptance and tolerance which they cherish and for which they are widely renowned. The latest example comes to us from the green group the **10:10 Campaign**, which produced a short video titled "No Pressure" designed to "encourage" people to cut their carbon emissions. The video features a scene in which children who are less than enthusiastic about fighting climate change get blown to smithereens.. Violent fantasies portraying the gruesome "punishment" of those who do not hold to left-wing scripture are, of course, not new. The difference here, as **James Taranto** notes, is that: "The "crime" for which the children in the video are 'executed' is one of omission, not commission. They are murdered not even for dissenting against 10:10's political crusade, but merely for being indifferent to it. This is the essence of totalitarianism." Indeed.

The vaunted "climate consensus" continues to crumble. The latest domino to fall is **Harold Lewis**, Emeritus Professor of Physics at the **University of California** in Santa Barbara, who has tendered his resignation from the prestigious **American Physical Society** (APS). Lewis' resignation letter to APS President **Curtis G. Callan, Jr** is a biting indictment of the climate change racket (printed in full at *The Telegraph* blog) and deserves to be quoted at length: "[M]y former pride at being an APS Fellow all these years has been turned into shame, and I am forced, with no pleasure at all, to offer you my resignation from the Society." The reason, Lewis makes clear, is the APS's complicity in, "[T]he global warming scam, with the (literally) trillions of dollars driving it, that has corrupted so many scientists, and has carried APS before it like a rogue wave. It is the greatest and most successful pseudoscientific fraud I have seen in my long life as a physicist. Anyone who has the faintest doubt that this is so should force himself to read the ClimateGate documents, which lay it bare....I don't believe that any real physicist, nay scientist, can read that stuff without revulsion. I would almost make that revulsion a definition of the word scientist." Tell us again, Mr. Gore, about the debate being over.

Conservationists and eco-warriors often claim that species are disappearing at a rate faster than they can evolve. Not surprisingly, greens often pin the blame for this apocalyptic state of affairs squarely on the shoulders of homo sapiens. As the *Guardian* summed up earlier this year: "Conservation experts have already signalled that the world is in the grip of the 'sixth great extinction' of species, driven by the destruction of natural habitats, hunting, the spread of alien predators and disease, and climate change." Perhaps. But species that were once thought to be extinct, like the prehistoric fish the coelacanth, are sometimes found to be alive and well after all. In fact, a recent study finding that up to one third of mammal species thought to extinct eventually turn up again has received widespread media attention, and rightly so, as has the recent discovery in New Guinea of 200, yes, 200 new species of mammals, amphibians, and insects, including some so unique that they may classify as entirely new genera. As **Bryan Walsh** of TIME writes, such discoveries are a welcome reminder that "life on our planet is far more rich, strange and wondrous than we can easily imagine." Or, it may be added, legislate.