

ClimateWire -- LOBBYING: Duke CEO sends message to Kerry, Boxer and coal industry (10/05/2009)

Christa Marshall, E&E reporter

Duke Energy Corp. CEO Jim Rogers has a mixed message for U.S. senators considering global warming legislation.

In an interview last week, the leader of the nation's third-largest electric utility said that a major climate bill released last week in the U.S. Senate heads in the right direction but needs an overhaul when it comes to nuclear power, natural gas and renewables.

"If they really thought natural gas was the answer, then they would have a provision that would allow for offshore drilling," he said while traveling in a company Toyota Prius near corporate headquarters in Charlotte, N.C. The **legislation** <http://www.eenews.net/features/documents/2009/09/30/document_gw_07.pdf> from Sens. John Kerry (D-Mass.) and Barbara Boxer (D-Calif.) provides some new incentives for natural gas production.

He said "he is not confident" that the bill's authors thought enough about the implications of a push for gas, considering that drilling requires an extensive amount of water.

"In the same way, if they think wind is really the solution, why don't they have eminent domain in the bill?" he said. Eminent domain is a potential issue for wind and solar power, since new renewable farms need hundreds of miles of new electricity transmission lines to ferry power from remote locations to population centers.

Rogers called the nuclear title added by Kerry and Boxer a "half measure." Instead of the current Senate provision, he suggested lawmakers put in language that would hire hundreds of employees at the Nuclear Regulatory Commission to speed up applications for new nuclear power plants.

He declined to comment on other parts of the Kerry-Boxer bill, such as emission targets or how carbon allowances would be divided up or auctioned, since he is still "studying" the document.

Going after the fence sitters

But he is willing to "write in blood" a promise that any money his company receives from a mandatory cap on greenhouse gases gets returned to consumers, he said. In coming months, he said, he will be trying to grab the attention of some 15 Democrats who are fence sitters on the bill, as well as potential swing-vote Republicans like Sen. John McCain (R-Ariz.).

Like him or distrust him, Rogers is a player in the climate debate. In a press conference on Capitol Hill weeks before the bill's release, Rogers was the only CEO at the podium with Kerry and Boxer. The company is one of the original members of the U.S. Climate Action Partnership, which provided much of the blueprint for the global warming bill that passed the House in June.

His utility also has some of the richest lobbying coffers in the nation's capital. It **spent** <<http://www.opensecrets.org/lobby/clientsum.php?lname=Duke+Energy&year=2009>> as much in the first quarter of 2009 -- almost \$3 million -- as it did in all of 2007. Some half-dozen

Washington, D.C., firms help the company get the ears of lawmakers just on energy and climate policy.

Critics say Rogers's "green" comments simply are a tactic to put the company in good stead when and if Congress passes a mandatory cap on greenhouse gas emissions.

"Rogers plays the political wind shifts like a master yachtsman," said Frank O'Donnell, president of Clean Air Watch. O'Donnell called the Duke CEO a "rascal" in one recent newsletter, for trying to get more free financial incentives for coal in a climate bill, despite his frequent clean-energy remarks.

In response, Duke Energy spokesman Dave Scanzoni said, "It's easy for some on the sidelines to question motivations, but one fact speaks for itself: Duke Energy has been out front, initially alone and unpopular among major utilities, pushing hard for progressive, sensible climate legislation from the beginning."

On the coal front, Rogers clarified controversial comments he made in September about envisioning a future without the fossil fuel by 2050 (*E&E Daily* <<http://www.eenews.net/EEDaily/2009/09/17/archive/2>> , Sept. 17). Coal currently fires 50 percent of U.S. electricity.

No coal by midcentury?

Rogers did not back down from the possibility that coal would be put to rest by midcentury, but said his main point with the remarks was to send a message to the industry about doublespeak, rather than to make a prediction.

"You can't do two inconsistent things. You can't babble against carbon regulations and at the same time try to make your product one that can be used in a lower-carbon world," he said about industry efforts to develop equipment that grabs CO₂ from belching power stacks. "They've really got to get their act together."

By 2050, every power plant operating in Duke's fleet in five states will need to be retired and replaced. The development of technology to capture carbon dioxide from coal plants in the next decade or so will determine whether Rogers goes with nuclear, coal or renewables as the power generators of the future, he said. The 2015 to 2020 time frame, when 4,500 megawatts of his power fleet will go out of operation, will be key for him, he said.

In the meantime, he is "confident" enough in the viability of carbon capture and sequestration at coal plants to pour huge amounts of money at the yet-to-be-commercialized technology. The company, for example, is moving forward with plans to construct a 630-megawatt plant in Indiana that gasifies coal before burning it, making it easier to trap its CO₂.

He also says he has no plans to leave the U.S. Chamber of Commerce because of climate change, despite the recent departures of companies like the utility Exelon.

"I feel like the chamber is open to evolving their thinking," he said. He said he thought he could push the chamber "to the center" on the issue by staying on the board. He did repeat that Duke left the American Coalition for Clean Coal Electricity, a pro-coal group, because some of the

group's members "just say no" to the prospect of any congressional action on climate.

Rogers said his biggest concern about the climate issue is that it might get bogged down to 2012 in a partisan squabble.

"If you really believe the science, we need to do something," he said.