

State Senator Robert Mayer The Mayer Memo

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Missouri Actively Working to Address Energy Issues

Missouri's energy future is the focus of a new legislative committee on which I am serving. The committee conducted its organizational meeting on Sept. 16 and will soon begin drafting a long-term energy strategy for our state — one that ensures Missourians will benefit from an abundant and clean source of electricity at affordable rates.

As you know, our nation's energy future is making headlines across the country as Congress considers the proposed cap-and-trade legislation that would cap carbon dioxide emissions and create a system for buying and trading emission allowances. Many view the energy-related proposal as a hidden national energy tax that would deal a crushing blow to business and consumers and result in higher prices and fewer jobs. The U.S. House of Representatives narrowly passed the proposed cap-and-trade legislation — the Waxman-Markey Bill (House Resolution 2454) — in June. The U.S. Senate is still considering the bill.

Meanwhile, a recent study conducted by Missouri's utilities points to the potential negative impact of cap-and-trade on our state, suggesting Missouri residents could expect their electric bills to jump somewhere between 12 and 50 percent by 2010 if the U.S. Senate passes the proposed legislation. The Missouri Public Utilities Alliance and City Utilities of Springfield organized the cost analysis, and among those participating were Missouri's three investor-owned utilities — Empire District Electric Co., Ameren Corp. and Kansas City Power & Light Co — and the Association of Missouri Electric Cooperatives. The study appears to be the only one of its kind in the country.

The study concludes that Missouri utilities would likely need to buy around 40 percent of their allowances to offset their carbon emissions for 2012 based on an allocation formula contained within the proposed federal legislation. It also deduced that by 2020, average electric rates in our state could soar from 25 percent to 77 percent if a cap-and-trade system requires utilities to switch to natural gas from coal. More than 80 percent of Missouri's electricity is generated from coal.

You will be pleased to know that Missouri is taking an active role in assessing the feasibility of carbon capture-and-storage technology — or clean coal technology — at Missouri power plant sites. With funding from the Department of Energy, researchers from the Missouri University of Science and Technology, in cooperative with several other state agencies, are working with City Utilities of Springfield on a unique shallow carbon sequestration demonstration project. The project is being conducted at about 2,000 feet to determine the sustainability of carbon dioxide storage (CO₂) in geologic formations available here in Missouri. Most carbon sequestration projects are conducted at extremely deep formations of

around 14,000 feet or more.

If Missouri is successful in its efforts to reduce CO2 emissions through this capture-and-storage technology, it will provide Missouri power plants with a possible alternative to constructing a network of pipelines and compression stations to transfer CO2 to other states for sequestration. Missouri could also share this technology with other power plants located in similar geographical regions.

Missouri University of Science and Technology researchers and some utilities have also been involved in another CO2 emissions study that involves creating biodiesel from algae through carbon dioxide sequestration from power plants.

Our state's evaluation of alternative forms of renewable energy is also actively underway, with wind and solar options among those being explored. Just recently, a representative from the National Renewable Energy Laboratory told electric power conference participants in Jefferson City that potentially 20 percent of our state's energy needs could be met with wind power, but will depend on transmission availability and the development of the smart grid.

The challenge of meeting our state's energy needs must involve finding ways to provide reliable, affordable and environmentally responsible electricity to our citizens. I look forward to serving on this energy committee and will keep you posted on our progress.

As always, if you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by phone at 1-877-291-5584.

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