

Hurricane Politics



BY THE LATE SPRING of 2007, James Hansen's appeal for a moratorium on new coal plants seemed less hopeless than just a few months before. The back-to-back defeat of proposed coal plants in Minnesota and Delaware had given a shot of confidence to the anti-coal movement. Other political and economic developments also offered promise, including the new embrace of green generation technologies by large venture capital firms, whose support lent business credibility to the general perception that renewables were crossing the magic economic threshold of "cheaper than a coal plant."

Meanwhile, important parts of the political establishment were taking tentative steps toward ending the Bush era of denial and inaction on global warming. A key marker of that shift was an April 2007 decision by the U.S. Supreme Court stating that the U.S. Environmental Protection Agency had both the authority and the responsibility to regulate carbon dioxide and other greenhouse gases. That decision had not yet worked its way into any specific decisions on new power plants, but sooner or later it was sure to become a factor.

In utility boardrooms, the consensus seemed to be growing that some kind of carbon control legislation was inevitable and that this legislation would force utilities to pay a fee or tax for every ton of carbon dioxide they emitted. In South Dakota, groups opposing the Big Stone II power plant had convinced regulators to take such risks into consideration. Similarly, opponents of the Glades Power Plant in Florida pressed that state's Public Service Commission to incorporate the issue into its deliberations on the project.

While the Bush administration remained a fortress of climate change denial, policy was moving forward at lower levels of government. In the Pacific Northwest, Washington governor Christine Gregoire signed a bill that prohibited new coal-fired power plants whose emissions exceeded 1,100 pounds of carbon dioxide emissions per megawatt-hour of electricity generated—the equivalent of a natural gas-fired plant. Since no coal plant could meet the standard without carbon capture technology, the effect of the new law was to create a de facto moratorium on conventional coal-fired power plants in the state. California had already passed a similar bill during the previous year.

In British Columbia, Premier Gordon Campbell delivered a “throne speech” in which he announced a major initiative against global warming by the provincial government. The initiative included a requirement that “all new and existing electricity produced in B.C. will be required to have net zero greenhouse gas emissions by 2016.” In 2007 New Zealand began a ten-year moratorium on all new state-owned power plants that used coal, oil, or natural gas as fuel. Ontario's government went even further, committing to a full phasing out of all coal generation in the province by 2014. Premier Dalton McGuinty said, “By 2030 there will be about 1,000 more new coal-fired

generating stations built on this planet. There is only one place in the world that is phasing out coal-fired generation and we're doing that right here in Ontario.”

A smattering of U.S. utilities was taking voluntary steps to move past coal. In May 2007 Progress Energy, serving approximately 3.1 million customers in the Southeast, announced a two-year moratorium on the construction of new coal-fired power plants. At other utilities, coal plants simply dropped out of long-term plans without public announcement.

As the tide turned against coal, activists felt emboldened to take a harder line. Matt Leonard of Rainforest Action Network, which was focusing its efforts on pressuring Wall Street banks to stop funding coal projects, had been keeping a list of derailed coal projects, and as the list grew by the month Leonard noticed a “ratcheting” phenomenon. He told me, “Whenever activists fighting a coal project in one place are able to get regulators or banks to commit to a certain set of restrictions or conditions, the campaigns against other projects make those conditions the new baseline that must be met or beat. Successes in blocking coal plants are piggybacking from one to the next.”

The rising militancy at the grassroots seemed to take some seasoned staff members in national environmental groups by surprise, especially when activists leveled criticisms against an agreement reached between two large environmental groups, the Natural Resources Defense Council (NRDC) and the Environmental Defense Fund (EDF), and an investor group led by the private equity firm KKR, which was in the process of buying the Texas utility TXU. Under the terms of the deal, the new owners of TXU would drop eight of eleven planned new coal plants in Texas; in return, the environmental groups would drop their opposition to the remaining three.

Spokespeople for NRDC and EDF announced the deal to the press as a major success. Many grassroots environmentalists, however, were skeptical. They maintained that TXU would not have bargained away the eight plants if it had believed it would be able to build them; the net effect of the deal was to give up the chance to fight the last three plants. Climate scientists were calling for a full halt on new coal, not a slowdown, they said. If this was the environmental movement's batting average on a good day, it wasn't good enough. A correspondent to *Texas Monthly* wrote: "I feel like I'm in some colonial third world outpost watching helplessly as my fate is being decided by a bunch of rich white guys with Marks-a-Lots in a map room thousands of miles away."

To many grassroots activists, Big Green groups had not grasped how much the growing movement against coal had changed the basic political calculus, mandating a tougher stance toward new coal plants. Before the deal, a wide coalition had marshaled an impressive array of opposition to the plants, culminating with a large rally at the state capitol in Austin and the introduction of bills in the state legislature calling for a statewide moratorium. Now, in the wake of the deal, the push for the moratorium quickly dissipated, though local opposition continued against the three plants that had been allowed to continue.

But whether the TXU deal was shrewd or foolish, one thing it clearly lacked was anything that might inspire and build a mass movement against climate change. In contrast, grassroots activists were beginning to come to the realization that taking a hard-core "no new coal plants" stand was not only a clearer message for rallying support, but also a fully defensible one from the standpoint of cost comparisons.

Debates over when to compromise and when to take a hard line would continue for some time around the country throughout the remainder of 2007. But in one state, Florida, such debates were about to be settled decisively, with the hard-liners winning the argument. The activists who brought the matter to a close were two grassroots environmentalists, Bob and Jan Krasowski. The two had taken advantage of a regulatory provision allowing ordinary citizens to intervene directly in Florida Public Service Commission (PSC) hearings on power plants. In the permitting process for the proposed Glades coal-fired power plant, located on the northwest shore of Lake Okeechobee at the edge of the Florida Everglades, mainstream environmental groups had adopted a complex position. In a memo to the PSC, lawyers for those groups wrote that “[although] there is no need for ... any type of coal plant by FPL [Florida Power and Light], an IGCC plant in Florida can provide electricity at a lower cost than the proposed ... coal plant.”

Meanwhile, a similar coalition of Big Green groups, including NRDC, Audubon of Florida, the Florida Wildlife Federation, and the Clean Air Task Force, lobbied on behalf of legislation that would subsidize IGCC coal plants through accelerated recovery of construction costs from utility ratepayers.

To the Krasowskis, the “no ... but” position was a mixed message that mistook the rapidly changing attitudes of Floridians—threatened by both hurricanes and rising sea levels—toward global warming. Convinced that regulators would be receptive to unequivocal assertions by anti-coal forces, the Krasowskis simply demanded that Glades be canceled and replaced with conservation programs like those already implemented in other states.

For support of their position, the Krasowskis sought help from

Alan Muller and Carol Overland. Again, the No New Coal Plants list proved its value as a research service. In the end, it was the Krasowskis' grassroots perspective that prevailed with the Florida PSC in a 4–0 vote that caught most observers off guard.

“We weren’t surprised,” said Bob Krasowski. “We knew that the commissioners are politically attuned; they have their ear to the ground. And we knew how Florida was leaning. Being in the schools, Jan hears what kids are saying, and that’s a pretty good indicator of where their parents are at. As for myself, I constantly hear people in the construction trades talking about how global warming is going to raise insurance rates.”

Indeed, awareness among Floridians about global warming was years, if not decades, ahead of the rest of the United States. The reason could be summed up in a single word: hurricanes. Only the oldest people in the state could remember the 1928 Okeechobee Hurricane, which had killed over four thousand people, or the Labor Day Hurricane of 1935, the strongest recorded hurricane ever to strike the United States. But in the decade beginning in 2000, the pace of hurricanes and tropical storms had quickened, and climate change was being blamed. In August 2004 Hurricane Charley made landfall on Cayo Costa with winds of 150 miles per hour before moving onto the mainland. Although modern warning systems meant that the death toll from the storm was far less than that from storms like the Okeechobee or Labor Day hurricanes, property damage was immense, topping \$13 billion. Less than a month later, Hurricane Frances arrived, causing another \$8 billion in damage, followed immediately by Hurricane Jeanne, which hit the same areas and resulted in billions more in losses. The next year, Hurricane Wilma produced a blackout affecting 98 percent of south Florida, and left in its wake over \$20 billion in losses.

Next came Hurricane Katrina, in 2005. Although the storm itself delivered only a glancing blow to the Florida panhandle, the televised images of suffering in Louisiana affected Floridians deeply. A *St. Petersburg Times* poll released in May 2007 reported that 54 percent of state residents believed that global warming had contributed to an increase in the number and severity of hurricanes; 71 percent of those polled said they supported immediate legislative action to cut greenhouse gas emissions.

In July, shortly after the rejection of the Glades Plant, Governor Charlie Crist followed up with a series of executive orders. One order committed Florida to reduce greenhouse gas emissions 10 percent by 2012, 25 percent by 2017, and 40 percent by 2025. It also mandated higher energy efficiency in government buildings and fuel efficiency in state vehicles. A second order established a maximum allowable emission level of greenhouse gases for electric utilities. The standard mandated a reduction of emissions to 2000 levels by 2017, to 1990 levels by 2025, and to 80 percent below 1990 levels by 2050. A final order directed the Florida Public Service Commission to adopt by 2020 a 20 percent Renewable Portfolio Standard that emphasized solar and wind energy.

Crist's dramatic moves showed how fast policy could change when the public reached what Al Gore had described as a "tipping point":

Sometimes, the political system is like the climate system, in that it's nonlinear. It can seem to change at a snail's pace and then suddenly cross a tipping point beyond which it shifts into a shockingly fast gear. All of a sudden, change that everybody thought was impossible becomes matter of fact. In 1941, it was absurd to think the U.S. could build a thousand airplanes a month to fight the Second World War. By 1943 that was a real small number.

General policy wasn't all that Crist intended to change—he also wanted utilities to start canceling power plants. Shortly after his inauguration in January 2007, Crist dispatched one of his closest aides, former Florida attorney general Chris Kise, to conduct one-on-one talks with utility officials. In meeting after meeting, Kise hammered home the message that the governor wanted no further coal plants to be built in the state. Either utilities could adjust their plans voluntarily or they could wait to see those plans shot down, as the Glades Plant had been, by a Public Service Commission whose members had all been appointed by Crist. At the time, four plants were under consideration.

The first utility to surrender to the governor's demand was the Florida Municipal Power Agency, which in July withdrew its state permit application for the 800-megawatt Taylor Energy Center shortly after the Florida Public Service Commission's rejection of the Glades Power Plant.

Next in the permitting queue was Seminole Electric Power Cooperative, which was seeking to build the 750-megawatt Seminole 3 Generating Station. In August, a month after the cancellation of the Taylor Energy Center, Florida's Department of Environmental Protection denied a state air permit to the Seminole Station on the grounds that the plant would not minimize environmental and public health impacts and would not serve the public interest.

The third utility, Tampa Electric, suspended the 630-megawatt expansion of its Polk Power Station in October, citing Governor Crist's push to reduce carbon dioxide as the main factor in the decision.

Meanwhile, the sponsors of the fourth project, Orlando Utilities Commission and the Southern Company, had gone

ahead and broken ground on the 285-megawatt Stanton Energy Center. But in November, citing concerns about future carbon controls in Florida, company officials announced that they were canceling the project. For a utility to cancel a power project after pouring concrete was highly unusual, an indication of how dramatically the status quo had shifted in Florida.

In May 2008, a year after the *St. Petersburg Times* poll, investigators from Yale University and the University of Miami conducted a new poll. This poll found that 80 percent of the public felt that global warming would cause worse hurricanes during the next fifty years, and 69 percent felt it was somewhat or very likely that rising sea levels would force the abandonment of parts of the Florida coast over the same period. As for which politicians Floridians would trust to tell them the truth about global warming, only Charlie Crist scored a majority (54 percent), while Senators Barack Obama and John McCain, as well as President George Bush, all scored less than 50 percent. Clearly, Crist's aggressive action had boosted his popularity. In fact, 62 percent of those questioned by the pollsters felt the governor should do even more to address global warming. Hurricane politics had changed Florida. But the questions remained: Were the climate politics of Florida a political anomaly that would not be repeated elsewhere? Or was the state merely the first to feel the heat and respond accordingly?

