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Agreement reached to stop burning coal at Centralia power plant

After years of hard-fought negotiations, Gov. Chris Gregoire and the owners of the state's dirtiest power plant have reached agreement to stop burning coal.

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The belching 470-foot stack at TransAlta's coal-fired power plant in southwestern Washington releases as much pollution as 1.75 million cars.

It is the state's largest emitter of greenhouse gases, accounting for 10 percent of all emissions statewide.

But on Saturday, after years of failed efforts, the state finally reached an agreement to get plant operators to stop burning coal.

Alberta-based TransAlta agreed it will shut down the first of two coal-fired burners at its Centralia plant in 2020. The second will stop burning coal in 2025.

In exchange, the company will be allowed during intervening years to sell coal power in-state under long-term contracts, which is currently prohibited by law. The company says that will provide it the financial flexibility to convert the Centralia site to cleaner-burning natural gas.

Construction costs to replace the plant with gas-fired generators could cost \$1 billion, said

company spokeswoman Angela Mallow. That expense wouldn't be passed directly to consumers because TransAlta is a wholesaler; power rates would be set by the utilities who buy Centralia's power.

The agreement gives Washington a boost in its efforts to reduce the carbon-dioxide emissions that contribute to global warming, and will help it become one of just a few states that are, in essence, coal-free. Portland General Electric already agreed to shut down its coal plant in Boardman, Ore., by 2020, while other states, such as Colorado, are considering similar moves.

"This is a giant step forward in the move to cleaner energy," said state Sen. Phil Rockefeller, D-Bainbridge Island. "I've been wrestling with these issues for quite some time, and this is a big moment."

Saturday's agreement requires legislative approval, and the state Senate on Saturday passed a bill supporting the agreement 36 to 13. A House vote has not yet been scheduled, but a coalition of environmentalists, labor, Democrats and Republicans supports it.

In talks for years

TransAlta has been negotiating for years with Gov. Chris Gregoire over a transition to cleaner fuels. The 1,340-megawatt Centralia coal plant is the second-largest of 77 energy sites the Calgary, Alberta-based company owns in Canada, the U.S. and Australia. Negotiations stalled last year.

Environmentalists had pushed for a speedier shutdown of the plant, as had some state lawmakers. The federal Environmental Protection Agency (EPA) was expected to eventually require that the plant install more extensive and much more costly pollution-control devices. All that pressure, in part, helped bring about a resolution.

"I think it's becoming increasingly apparent to the people who run coal plants that the government is going to be working hard to reduce pollution," said Becky Kelley, with the Washington Environmental Council.

As a first step, in 2013 the company will add less expensive air-pollution control technology to cut back on haze-causing nitrogen-oxide emissions. In return, the state and environmentalists have agreed to support the company in its request that EPA not demand more stringent pollution controls.

Then, when the coal burning finally ends a dozen years later, the plant will likely be demolished and replaced with totally new combustion and generating machinery for natural gas.

Rep. Marko Liias, D-Edmonds, had proposed a phaseout by 2015, but praised the new agreement, including a \$55 million contribution by the company toward economic development in Southwest Washington.

Currently, the plant employs 300 people who earn an average of \$88,000 a year. As a natural-gas facility, it will employ far fewer workers.

But labor groups backed the deal because of the 15-year phaseout and the company's financial contribution.

Gregoire's office said the deal will help the state promote clean power and attract new businesses. TransAlta will be converting some of its site to industrial-zoned property for other uses.

"We already have one of the cleanest electrical systems in the country," said Keith Phillips, one of

Gregoire's top policy aides. "But when the governor goes to Copenhagen or China and starts talking about our accomplishments, they take notice. The governor knows that reducing emissions starts at home."

The bulk of Washington's power comes in the form of hydroelectricity, generated within dams by the force of flowing rivers. Phillips said the state's abundant cheap, clean energy was a major factor in BMW's decision last year to build a new factory in Moses Lake to manufacture parts for its new all-electric car, scheduled for release in 2013.

Emissions still an issue

Even so, the agreement won't by itself be enough for Washington to reduce carbon-dioxide emissions to 1990 levels by 2020, as directed by state law.

It also comes just as companies are proposing to develop major coal shipping terminals in Washington — one in Cowlitz County near the mouth of the Columbia River, the other near Bellingham — to export tens of millions of tons of coal each year mined from the Rocky Mountains, to be burned in Asia.

"The issues aren't linked in the governor's mind," Phillips said. "I do know that some people see it as exporting U.S. coal to China so they can burn it and bake the planet. But other people see it as a source of port jobs."

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