



*“Electricity is a major factor in what we can afford,” Ms. Wood said. She wants Washington to fight climate change, but said, “Don’t hurt the rural farmer and rural America to do it.”*

## **In Areas Fueled by Coal, Climate Bill Sends Chill**

**By Felicity Barringer**

[New York Times](#)

**April 9, 2009**

ST. LOUIS — Chatting with a visitor about energy issues in the back of the Greater Mount Carmel Baptist Church here, a group of women exploded in laughter at the idea that their electric rates were among the lowest in the nation.

“We can barely afford what we have now,” said Renee Daniels-Hanner, 48, an office manager who lives with her husband, a postal employee, and their teenage daughter in a three-bedroom brick home in the city’s Baden neighborhood.

The house, built in 1953, has central air-conditioning to ward off the heat and humidity of Mississippi River summers, a double-door refrigerator, a washer and dryer, six televisions, three computers and an iron (“We iron all the time,” Ms. Daniels-Hanner said). The family’s monthly electric bill averages \$160 in winter and \$250 in summer.

From the wheat fields of the north-central region to Kansas City’s necklace of industrial parks to the brick street fronts of St. Louis, Missouri’s reliance on cheap electricity is deeply ingrained.

But few pay attention to the origin of their little-noticed savings: 21 coal-fired power plants that emit more than 75 million tons of carbon dioxide annually and generate 80 percent of Missouri’s electricity. Even residents who endorse wind and solar energy have grown accustomed to the benefits of state policies that favor coal by putting a premium on low-cost electricity. So the idea of federal climate legislation that could increase electricity bills by putting a price on emissions of heat-trapping gases like carbon dioxide is unsettling.

For Missourians, said Robert Clayton, chairman of the state’s Public Service Commission, “the consequence of using more power hasn’t been great.”

Missouri is hardly alone. Nebraska, Indiana and Iowa are also states where coal turns on most of the lights.

That is why, even before Representatives Henry A. Waxman of California and Edward J. Markey of Massachusetts, both Democrats, proposed legislation that would put a price on carbon-dioxide emissions, Senate and House Democrats from coal-using states began to push back.

They are concerned that the new costs would get passed on to consumers, to Ms. Daniels-Hanner, to farmers from rural Missouri and to employers like the energy-hungry Noranda aluminum plant in New Madrid in the southeast of the state, which has 1,000 workers. And they worry that in an already wounded economy, increased costs could turn one of the relatively few economic blessings into a blight.

Here in Missouri, economic incentives built into the state's laws, history and habits encourage burning as much coal as possible. Peabody Energy started as a local business a century ago and now promotes itself as the world's leading coal merchant. Trainloads of Wyoming coal cross Missouri daily.

The cars arrive at places like Meramec, a 56-year-old, 850-megawatt power plant in south St. Louis County. The cost of building the sprawling plant has long since been paid off by its owner, AmerenUE, an investor-owned utility. Because Meramec generates electricity from cheap fuel, it produces cheap power. And because Meramec's operational costs are low and most equipment-replacement costs have been recouped, AmerenUE often underbids competitors in selling excess electricity out of state. These profits give Missouri consumers an extra discount. From 1987 to 2007, AmerenUE and its predecessor, Union Electric, did not raise electric rates, while power production rose about 65 percent.

Estimates of the effects of the proposed federal climate legislation on electric rates vary. The central thrust of the Waxman-Markey bill is to make carbon-dioxide emissions expensive by capping them and creating allowances that utilities must acquire to function.

In Washington, the measure is seen as a starting point and has little Republican support, which would make the backing of coal-state Democrats like Senator Claire McCaskill of Missouri critical.

Jaime Haro, AmerenUE's director of asset management and trading, said his company paid \$30 to produce a megawatt of electricity. The coal burned emits roughly a ton of carbon dioxide. If federal legislation effectively prices emissions at \$30 a ton — estimates have varied from \$20 to \$115 — "my costs could double," Mr. Haro said.

Those costs probably would be passed on to customers.

For now, Missouri ranks among the lowest five states in retail electricity rates — about 6.3 cents per kilowatt hour, compared with a national average of 8.9 cents.

Ms. Daniels-Hanner and LaVerne McCoy find that surprising. Ms. McCoy, who works for a community-based group, ADE Consulting Services, has spent \$4,000 weatherizing her split-level home in Richmond Heights, just west of St. Louis. Her bills still average \$320 monthly.

About 130 miles to the northwest, Wendi Wood, a teacher, and her husband, Lee Wood, a fourth-generation farmer, live near the small town of Clarence with their three teenagers. Their six-bedroom house is four years old, and they, too, have many appliances, including seven televisions.

Electricity costs them about \$280 in winter, \$360 in summer. After the fall harvest, they dry

grain in a silo; then the bills run \$600 a month.

“Electricity is a major factor in what we can afford,” Ms. Wood said. She wants Washington to fight climate change, but said, “Don’t hurt the rural farmer and rural America to do it.”

The state is taking some steps to reduce its dependence on coal, like legislation pending in the General Assembly to give financial incentives for conservation.

In November, voters approved expanding renewable-energy options. State utilities have varied plans. AmerenUE talks of building a companion to its nuclear power plant. Kansas City Power & Light is buying more wind power to offset emissions from a coal plant under construction. Springfield’s municipal utility is experimenting with underground storage of carbon dioxide. Associated Electrical Cooperative Inc. offers energy-saving light bulbs to its 800,000 rural customers and subsidizes home energy audits.

“Ultimately, there’s going to have to be a re-evaluation of Missouri’s future,” Mr. Clayton said.

Like Ms. Wood, Ms. Daniels-Hanner and Ms. McCoy worry about the effects of climate change.

“We want to help our grandchildren,” Ms. McCoy said. “My problem is that the brunt of the improvement is going to be put on the backs of those who can’t afford it.”

# # #

<http://republicans.resourcescommittee.house.gov>

[Facebook](#) | [YouTube](#) | [Twitter](#)