

A Hearing in the Finance Subcommittee on Energy

Coal: A Clean Future

Opening Statement of Senator Jeff Bingaman (D-NM), Subcommittee Chairman

Good afternoon.

In today's hearing in the new Finance Subcommittee on Energy, Natural Resources, and Infrastructure, we look forward to hearing testimony on advanced coal technologies. As we discuss energy policy and how to best use coal, a natural resource that we have in abundance, to enhance our energy security, it is important that we learn more about the feasibility of various advanced clean coal technologies that feature clean emissions and allow carbon sequestration and storage.

In our current tax code, we have several tax incentives for these technologies, including investment tax credits for investments in advanced coal technologies and accelerated depreciation to address the capital costs involved in these technologies.

We hope during this hearing to collect testimony regarding the response of the market in general, and of coal producers and utilities in particular, to these incentives. We are also interested in hearing your views on new incentives that might be more effective in helping us achieve our energy policy goals.

In particular, we sought testimony from experts on:

- Clean coal and gasification projects, including the newly announced Wyoming Coal Gasification Project, a private-public partnership formed to develop an integrated gasification combined cycle (IGCC) power plant.
- Coal to liquids, the process of making liquid fuels from coal
- Refined coal production tax credits
- The costs of establishing new facilities as well as retrofitting existing coal-fired power plants.

We also look forward to hearing these experts' views on the feasibility and future of carbon capture and sequestration as well

as the market for sequestered carbon. Sequestered carbon can be used in many useful technologies, including enhanced oil recovery.

A primary focus of energy policy discussions is the abundance of coal in the U.S. This hearing represents our first examination of the possibilities of that endowment.