

TXU Emissions Reductions

Whereas:

Coal-burning power plants are responsible for 80% of the carbon dioxide (CO₂) emissions from all U.S. power plants and are significant sources of mercury pollution. Texas power plants emit more mercury, a neurotoxin that accumulates in the food chain, and more CO₂, a greenhouse gas linked to climate change, than power plants in any other state. TXU plans to build 11 of the 16 new pulverized coal plants proposed in Texas.

TXU is the tenth-largest emitter of CO₂ among U.S. power generators and three TXU plants rank in the top 10 nationwide for total mercury emissions. TXU's new coal-burning plants, each with a 50-year life expectancy, will double generating capacity and may increase TXU's yearly CO₂ emissions from 55 million tons in 2004 to 133 million tons in 2011. (WSJ-A1 7/21/06)
http://online.wsj.com/article_print/SB115344549183413209.html

CO₂ levels in the atmosphere are now higher than anytime in the past 400,000 years. Atmospheric levels of CO₂, which persists in the atmosphere for over 100 years, will continue to rise as long as emissions from human activities continue. In order to avoid the most damaging effects of climate change, scientists urge that global CO₂ emissions be kept at 2004 levels for the next 50 years. http://fire.pppl.gov/energy_socolow_081304.pdf

While CO₂ is not now regulated federally or in Texas, the in-coming chair of the Senate environmental committee has indicated that California's new law requiring a 25% reduction in CO₂ by 2020 will be a model for federal legislation. (AP 11/9/06)
<http://www.newspress.com/Top/Article/printArticle.jsp?ID=564837664831308159&Section=LOCA&Subsection=>

TXU recently stated it will invest in CO₂ capture and storage technology and design eight of the new plants for retrofitting. However, pre-combustion CO₂ capture, the most efficient option, can only be used with coal gasification, such as Integrated Gasification Combined Cycle (IGCC) technology. <http://www.issues.org/22.1/stephens.html>.

Despite U.S. EPA findings that new IGCC technology "has a potential advantage in capturing and sequestering CO₂ at lower costs," <http://www.epa.gov/airmarkets/articles/IGCCfactsheet.html>, TXU has rejected IGCC.

Eight of TXU's new plants will burn sub-bituminous coal; the other three will burn lignite. Mercury concentrations are three times higher in lignite coal than in sub-bituminous and harder to remove. TXU has acknowledged that it cannot determine the impact on its operations or financial position of the 2005 EPA regulations requiring a 70% reduction in mercury emissions by 2018.

TXU has pledged to reduce mercury and regulated pollutants by 20%. However in August, two administrative law judges recommended that TXU's permit application for one of the new lignite-fired plants be rejected because, *inter alia*, the company failed to prove that its mercury control technology "is technically feasible."

Resolved:

Shareholders request that the Board of Directors adopt quantitative goals for existing and proposed plants, based on current and emerging technologies, to reduce (a) mercury emissions to levels achievable by the best available control technology, and (b) total CO₂ emissions below 2004 levels; and that the company report to shareholders by September 30, 2007, on its plans to achieve these goals. Such report shall omit proprietary information and be prepared at reasonable cost.