

Don't Get Burned!

Building new coal plants is a risky investment

Investments in coal-fired power plants are risky because:

- Future global warming regulations will drive up the cost of burning coal
- Laws restricting emissions of pollutants such as soot, smog and mercury
- Skyrocketing price of construction materials
- Increasing price of coal

In recent years, plans for 63 coal plants were cancelled due to the risks of investing in new coal plants in the face of rising costs and pending global warming regulations.

Future Global Warming Regulations:

The future of coal, the leading source of global warming pollution, is linked directly to future of global warming regulations.

It is not a matter of if, but when global warming regulations will take effect. All of the presidential candidates have a plan to regulate global warming emissions that will make coal the most expensive fuel to burn.

Coal is a risky investment for Wisconsin's economy and Environment

Who else is concerned about the risk of building new coal plants?

Citigroup Inc.
JP Morgan Chase
Morgan Stanley
Bank of America
US Dept of Agriculture

Laws Restricting Other Pollutants:

Governor Doyle has promised to implement mercury regulations that will require a 90% reduction of mercury pollution from coal-fired power plants.

The federal Clean Air Interstate Rule and new standards for smog and soot will make it difficult to continue to burn coal in old-technology coal plants like the one Alliant has proposed for Cassville.

Wisconsin continues to see more frequent air health advisories and many counties are struggling to improve their air quality to meet EPA's health standards for smog and soot. Coal-fired power plants are the largest sources of smog and soot. The Clean Air Act requires Wisconsin to continue tightening its regulations until all of our counties meet EPA's health standards.

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Rising Construction Costs:

Worldwide competition for construction materials increased the capital costs of building coal plants by more than 50 percent in recent years.

The price of Alliant's proposed coal plant in Cassville has already increased over \$250 million, rising from \$700 to \$950 million.

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Increasing Cost of Coal:

The cost of coal has doubled in recent years and Merrill Lynch has projected the cost of coal to triple in 2008.

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Questions to ask Alliant Energy:

- With global warming regulations being developed at the state, regional and federal levels, why would you build a coal plant with higher rates of global warming emissions than any other technology available?
- Alliant is projecting a 40% increase in global warming emissions. Is this a wise move in the face of future global warming regulations?
- Governor Doyle is pushing Wisconsin to reduce its global warming footprint and has created a Global Warming Task Force to address the problem. Doesn't building new coal plants fly in the face of the work being done by the Global Warming Task Force?
- Wisconsin's energy demand dropped in 2006, due in part to investments in energy efficiency. As we implement policies to combat global warming, energy demand will continue to fall. Do Alliant's energy forecasts take increased energy efficiency and decreased demand into account?
- Instead of investing close to a billion dollars in risky technology like coal, wouldn't it be smarter to invest in home-grown energy efficient technologies and renewable sources of energy?
- The projected cost of the Cassville plant has increased about 40% since it was proposed, rising from \$750 million to almost a billion dollars. How much will the projected cost rise before the plant is actually built?