

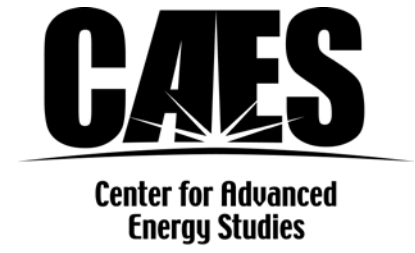


Carbon Management Activities in Idaho?

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Idaho is Particularly Vulnerable to a Carbon Constrained Economy

Idaho Imports more than 80% of our energy

- Therefore most of Idaho's carbon mitigation activities will be conducted by our neighboring energy exporting states (e.g. Wyoming, Montana, Utah, etc.)

The cost of these mitigation activities will be passed on to Idaho energy consumers in the form of increased cost for electricity, liquid fuels, natural gas..

- This will make it difficult for Idaho to compete with other states for economic growth

What does Idaho do?

Short of drastic cuts in energy consumption, which will have a detrimental impact on Idaho's economy, there is little the Idaho can do to mitigate these costs

Idaho's energy consumption drives its economy.

- water pumping and liquid fuel consumption for agriculture, civilian and industrial transportation, fertilizer production, etc.

This also puts Idaho at a distinct disadvantage when come to funding K-12 and higher education.

Retention of Idaho's young people will also be limited.

Ignoring the problem won't make it go away

So where is Idaho now?

- In 2003 Idaho chartered the Governor's Carbon Sequestration Advisory Board under Governor Kempthorn.
 - Terrestrial carbon credit based
 - INL has had a leadership position since inception
 - 2005 the Committee added its first Geologic Sequestration member. Little progress has been made in this area.
- In 2007 Governor Otter established the □ Idaho Office of Energy Resources (Paul Kjellander).
 - Motivated by Governor Otter's concern over high energy prices

Idaho Strategic Energy Alliance (ISEA)

- Governor Otter established the Idaho Strategic Energy Alliance to help develop effective and long-lasting responses to these challenges.
- Governor Otter believes that developing options and solutions for our energy future should be a joint effort between local, tribal, state, and federal governments, as well as the profit and non-profit private sectors, fostering coordinated approaches to energy development.
- The Alliance is Idaho's primary mechanism to engage in seeking options for and enabling advanced energy production, energy efficiency, and energy business in the State of Idaho.

ISEA Continued

- Purpose: To enable the development of a sound energy portfolio for Idaho that:
 - includes diverse energy resources and production methods
 - provides the highest value to the citizens of Idaho
 - ensures quality stewardship of environmental resources
 - functions as an effective, secure, and stable system
- The Alliance is governed by a Board of Directors comprised of representatives from Idaho stakeholders and industry experts
 - The Alliance consists of about a dozen volunteer task forces working in areas such as wind, biofuels, geothermal and hydropower, energy conservation and geologic sequestration

Conclusion

- State legislation is not forth coming
 - In many respects the legislature is actively avoiding any activity in this area
 - 74% of Idahoans believe that climate change is real
- ISEA will provide the impetus for future legislation
- Regulatory matrix will give Idaho legislators a leg up.
- Complex geology will require unique approach
- State DEQ is actively engaged in the process
 - Although no immediate sequestration plans are on the table
- Western States Energy and Environment Symposium