A brief review of what's happening with our air, water, land and climate

March 2008



New Report Introduced: Healthy Rivers, Healthy Economy

Martha Roberts and our Rocky Mountain staff are turning around the old "use it or lose it" attitude about water rights. In a new report, Healthy Rivers, Healthy Economy, Martha explains that leaving water in rivers instead of using it for agriculture or cities is far from "losing." (See http://edf.org/coloradowater for an online version of the report.)

Increasing in-stream flows would add \$4.4 million a year to Colorado's economy from recreation like rafting and fishing. The trouble is, the law doesn't make it easy for owners to let their water go downstream without losing their rights. Environmental

Defense Fund (EDF) is supporting three state bills that would give incentives to people who donate or lease their water allocations and allow them to flow.

The current law isn't clear on whether people would forfeit their water rights by leasing extra water to the state so it can flow downstream when they don't need it. To encourage leases, Rep. Randy Fischer (D-Larimer) introduced a bill to clarify that they won't give up their rights. The bill has passed the House and is now moving to the Senate for vote.

Lawmakers in Colorado are also working on bills that would give tax credits to people who let their unused water flow downstream and to give the state water conservation board \$1 million to buy or lease rights to water that it can then allow to flow rather than be diverted. The board is the only body allowed to hold such instream rights, as opposed to water rights in which water is taken out of the river to irrigate crops or support cities. Currently, it doesn't have any money to buy the rights or pay the legal fees for people who want to donate or lease their unused water.

EDF Putting Forth Efforts to Pass the Idaho Ranch, Farm and Forest Protection Act

Environmental Defense Fund has been putting forth efforts to pass the Idaho Ranch, Farm and Forest Protection Act in the 2008 Idaho legislative session which provides tax incentives to willing landowners to keep family farms, ranches and forests working. The legislation will strengthen Idaho's economy, conserve Idaho's natural areas, and protect Idaho taxpayers from the cost of unplanned development.

The Ranch, Farm and Forest Protection Act would:

- 1. Provide state income tax credits to willing landowners who make a qualifying conservation contribution.
- 2. Focus the allocation of tax credits on working lands that provide important benefits to fish and wildlife.
- 3. Create sufficient oversight to ensure effective use of tax credits and safeguard against abuses.
- 4. Provide sufficient incentives while minimizing the impact to the state budget.

EDF funded a study by Boise State economist Sian Mooney that demonstrates the economic contribution of preserving agricultural land and open space in Idaho and the detrimental effects of rapid conversion

of agricultural land to development. For example, the study found that for every 1,000 acres of productive agricultural land lost, Idaho loses three agricultural jobs and \$360,000 in producer revenue. Hearing on the bill occurred last week and a floor vote is set for this week. Stay tuned for more updates in the coming weeks.

EDF Battles Proposed Coal Plants

Throughout the West—in Colorado, Montana, Nevada, New Mexico, Utah and Wyoming—battles are raging over proposed coal plants. Caught up in two big ones is The Blackstone Group, the global asset manager that went public last year. Blackstone owns 80 percent of Sithe Global Power, an independent power producer. Sithe wants to build a 1,500-megawatt plant, known as Desert Rock, on land governed by the Navajo Nation in New Mexico. It also wants to build a 750-megawatt plant called Toquop in southeast Nevada.

Both projects face powerful opponents. Governor Bill Richardson of New Mexico opposes the Desert Rock plant, although there's not a lot he can do to stop it because of the sovereignty granted to the Navajo tribe. In Nevada, U.S. Senator Harry Reid, the Democratic majority leader, vows to do all he can to block Toquop and two other coal plants.

Blackstone will likely face pointed questions about the coal plants from institutional shareholders, who have lobbied other public companies to disclose their climate-related risks. Coal-fired plants are the single biggest source of greenhouse gases that cause global warming. As stated by Vickie Patton, "Every ton of global warming pollution that we release today has measurable, real impacts that will last for decades."



Appeals Court Strikes Down Bush Administration Policy on Mercury Emissions

A federal appeals court recently struck down a Bush administration policy that would have allowed some power plants to exceed legal emission levels of mercury. The government failed to consider the effect of mercury on public health and the environment. More than a dozen states sued to block the regulation, saying it would allow dangerous levels of the toxic metal into the environment. Mercury is known to contaminate seafood that can damage the developing brains of fetuses and young children.

The U.S. Court of Appeals for the District of Columbia Circuit negated a rule known as "cap-and-

trade." That policy allows power plants that fail to meet emission targets to buy credits from plants that did, rather than having to install their own mercury emissions controls.

Cap-and-trade programs have been implemented successfully for other emissions (such as carbon dioxide, a major greenhouse gas) as a way to reduce emissions overall. Companies that reduce pollution below certain targets can sell "credits" to other companies that cannot meet those targets, thereby reaching an industry-wide target overall.

However, because mercury is highly toxic, allowing emissions to continue at some source points rather than be cut jeopardizes populations in ways not comparable to other pollutants—and poses dangers for years after, since the biotoxin stays in the environment (and in the bodies of animals and people) for a long period of time.

Environmental Defense is now Environmental Defense Fund

Did you notice? Environmental Defense Fund (EDF) is back! Throughout this newsletter you may have noticed we have added the Fund back to Environmental Defense. We will soon incorporate a new logo that stronger depicts our strength and leadership in finding practical environmental solutions. Stay tuned!