



FOR IMMEDIATE RELEASE
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Illinois electricity consumers would face billions in higher rates to subsidize Tenaska's proposed Taylorville Power Plant

SPRINGFIELD, IL – MARCH 2, 2010 - Tenaska, a privately held power generation developer from Nebraska, filed a report with Illinois authorities today that will result in billions of dollars in subsidies and higher electric rates from Illinois electric consumers. The report, filed with the Illinois General Assembly and the Illinois Commerce Commission (ICC), provides Tenaska's estimates on the costs of construction and operation of its proposed experimental "clean coal" plant in Taylorville, Illinois. Given the potential negative impacts on Illinois residents and businesses associated with this plant's construction, the Illinois Competitive Energy Association (ICEA), a coalition of retail electric suppliers, urges the General Assembly and the ICC to subject Tenaska's report to rigorous scrutiny.

"Tenaska is asking the Illinois General Assembly to raise electricity rates on Illinois homeowners, renters, businesses, governments, schools and hospitals in order to be guaranteed a 30-year revenue stream of \$13-14 billion and a profit subsidy equivalent to \$150 million annually," said Kevin Wright, president of ICEA and a former chairman of the ICC.

Based on preliminary information contained in public records reviewed prior to today's filing, ICEA believes that Illinois consumers will pay over \$400 million for each of the next 30-years to buy power from Tenaska or \$13-14 billion in total. That's a \$150 million per year in excess rates compared to new conventional or wind generation. Moreover, Tenaska is also seeking a guaranteed profit level – return on equity – from Illinois customers of 11.5%.

Wright also said that the purported job creation benefits of building the power plant must be examined with a critical eye by the General Assembly. The analysis must not only reflect job gains as a result of the plant, but job losses in other parts of the state associated with higher electricity rates attributable to the plant.

Further, Wright pointed out that the environmental benefit of the proposed Taylorville plant should be thoroughly examined and sufficiently understood by all stakeholders. The technology that Tenaska is proposing is largely untested and labeling any project as a "green" project is a subjective exercise.



Finally, Wright said, if the plant's construction is ultimately approved, alternate retail electric suppliers will be forced to enter into contracts to purchase the plants power output whether they want to or not. These contracts would represent an unsustainable, non-market driven (and possibly unconstitutional) cost for suppliers to bear. As a result, retail electric suppliers could exit the Illinois marketplace to the detriment of Illinois consumers who would be left with fewer choices and opportunities to lower their electric costs.

“We should not sacrifice the successful competitive retail electricity market that currently provides over half of the electricity consumed in the State in order to have Illinois residents and businesses subsidize for the next thirty years a clean energy experiment for the 16th largest privately owned company in the US,” Wright said.

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The Illinois Competitive Energy Association is an Illinois-based trade association of competitive energy suppliers dedicated to preserving and enhancing customer choice and the competitive electric and natural gas industries.