

## Taylorville coal gasification project bill advances, but requires more approval

SNL – November 30, 2011

by [M a t t h e w](#) [B a n d y k](#)

The Illinois Senate's Nov. 29 passage of a bill has resurrected the prospect of Tenaska Inc. moving forward with its Taylorville Energy Center, but the legislation approving the project will not have a chance to be passed by the state's House until 2012.

S.B. 678, a bill that would require utilities to purchase energy from the planned 716-MW integrated gasification combined-cycle plant passed the Senate by a vote of 30 to 28.

Although the Illinois House passed a similar bill in support of Taylorville in late 2010, the other chamber would need to start over with its own version of S.B. 678 if the bill can advance to the governor's desk. This need for House consideration puts off any further action until 2012. According to its schedule, the House has no more legislative days left this year. The first voting session of 2012 begins Jan. 31.

"We look forward to the House considering this legislation in the new year," Tenaska Vice President of Development Bart Ford said in an email statement Nov. 30.

The bill's Senate passage follows numerous failed attempts. With multiple opposition groups arguing that the construction of Taylorville was unnecessary for generation and would leave state ratepayers on the hook for costs that could surpass the plant's price tag, previously estimated at \$3.5 billion, the Senate rejected the bill in January. After the legislation failed to move forward in the summer, Tenaska seemed to be pinning its hopes on the fall legislative session. But the bill was again rejected by the Senate in October.

According to a leader of one of the opposition groups, the Stop Tenaska's Overpriced Power, or STOP, Coalition, the difference this time came from the efforts of Illinois Senate President John Cullerton to build support for the bill among legislators. "When you have the influence and power of the Senate president's office, rarely does the president lose when he wants something passed," former Illinois Commerce Commissioner Kevin Wright said Nov. 30. Wright is also president of the Illinois Competitive Energy Association. But despite the increased political support, "The bill is as bad as ever," Wright said. In a Nov. 29 statement, the STOP Coalition described the bill as a "massive rate hike" that would cost \$286 million a year for the next 30 years.

But Tenaska has defended the project as necessary generation in the context of declining coal capacity in the Midwest. "Legislators are recognizing a growing need for new generation due to the closing or retrofitting of older, less efficient coal plants," Ford said.

Even if the House ends up passing its version of the bill, the debate over Taylorville and efforts to stop its construction are likely to continue. According to Wright, the STOP Coalition is "certainly looking at legal options" to stop Taylorville. Meanwhile, "we are not conceding defeat in the General Assembly," he said.

MDL Holding Co. LLC co-owns the Taylorville project with Tenaska.