

Durbin supports Tenaska project

Proposed plant may use FutureGen 2.0 to store carbon, senator says

By **BRUCE RUSHTON**

STAFF WRITER

bruce.rushton@sj-r.com

Brushing aside cost concerns, U.S. Sen. Richard Durbin on Thursday endorsed a controversial power plant proposed for Taylorville and suggested that the low-emissions plant could get rid of carbon via a government-funded sequestration project known as FutureGen 2.0.

Durbin, D-Ill., said he has asked officials of Tenaska, which hopes to develop the Taylorville Energy Center, whether they had considered secreting carbon deep beneath the earth's surface via FutureGen, a federally funded project now slated to pipe carbon dioxide generated by a Meredosia power plant underground.

"They are taking that into their calculations now," Durbin said during a news conference at the University of Illinois Springfield.

Carbon from coal-fired plants throughout the state could one day be deposited in ground beneath central Illinois, Durbin said.

The Taylorville plant would convert coal into cleaner-burning natural gas to produce electricity.



Sen. Dick Durbin: "All of this coal in the state has great energy potential, and if we can find an environmentally safe way to use it, we should do it."

*State Journal - Register
Front Page, Above the Fold
September 3, 2010*

Tenaska interested

Bart Ford, Tenaska vice president, confirmed that the company is interested in getting rid of carbon via FutureGen.

"We think there may be opportunities that may be good for us and good for FutureGen," Ford said.

The proposed Taylorville plant still must be approved by the Illinois General Assembly.

Critics say electricity from the project, which has a projected construction cost of between \$3 billion and \$4.2 billion, would cost substantially more than power from traditional coal-fired plants.

Kevin Wright, head of the Illinois Competitive Energy Association, which opposes the Tenaska plant, said his group would study the proposal to link up

See **DURBIN** on page 5

DURBIN

■ From page 1

with FutureGen 2.0, but he isn't optimistic that tapping into the government-funded carbon sequestration project will change opponents' minds.

"Our feeling about it is like lipstick on a pig. It doesn't make it look any prettier," Wright said.

The Tenaska plant is to be financed with \$2.5 billion in federal loan guarantees and \$417 million in federal tax credits. Wright said the prospect of using FutureGen to get rid of carbon could represent an additional government subsidy.

Ford said tapping into FutureGen could save the company as much as \$80 million in capital costs and additional savings in operating expenses.

David Lundy, a Tenaska spokesman, said the company had been considering either sending carbon south to Gulf states via a pipeline or sequestering it in Illinois at a facility built by the company.

"We're absolutely not wed to that," Lundy said. "We're 100 percent open to working with the senator and working on the FutureGen 2.0 idea."

Ratepayer risks

Subsidies aren't Wright's only concern.

"I think the other thing is, what risks are Tenaska and its shareholders taking?" Wright said. "Everything is on the shoulders of ratepayers."

In a report issued Wednesday, the Illinois Commerce Commission warned that the proposed plant "features high costs to ratepayers with uncertain future benefits, and uncertainties that potentially add to already-significant costs."

Under state law, ratepayers would see hikes no higher than 2.015 percent to pay for Tenaska, but there are no such caps for large business and indus-

trial users. Durbin on Thursday said that he's not concerned about costs.

"When's the last time you drove away from a gas station because the price of a gallon of gas went up two percent?" Durbin asked. "Never. Listen, I don't want to see it go up. But if we're going to reach a point in the future where electricity is generated in an environmentally sensitive way and the premium cost for that six years from now is two percent, it isn't a situation that's going to break the bank."

26 towns bidding to be carbon site

Durbin told reporters that 26 communities have submitted applications to become the disposal area for FutureGen, which would pipe carbon dioxide from Meredosia and seal it deep beneath the earth. The geology in a 100-mile radius around Mattoon would accommodate the project, he said.

Tenaska, Durbin suggested, could be one of many. "We envision that we have the capacity to sequester the CO2 emissions at the site in or around Mattoon, or central Illinois, for 50 power plants in Illinois for 50 years — that's the capacity," Durbin said. "We're the first state in the nation to do it. I think this makes sense."

Durbin said he believes the government will eventually put a price on carbon, and when that happens, traditional coal-fired plants will consider sequestration to stay in business.

"If I can pipe away my problem and stick it in the ground at X cost that is lower than it would cost to retrofit my plant, you bet. I'm going to consider it," Durbin said. "All of this coal in the state has great energy potential, and if we can find an environmentally safe way to use it, we should do it."

Bruce Rushton can be reached at 788-1542.