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Tenaska plant to get another look from legislators

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An Illinois Senate committee Tuesday revived a plan to bring a \$3.5 billion clean coal technology plant to Taylorville. The Senate Executive Committee approved Senate Bill 678, which would require electric distribution companies like Commonwealth Edison and Ameren to buy power from the Taylorville plant for 30 years. It is a key provision needed for developers of the plan to proceed with the project.

"You're not going to have investors come in and start building a plant without a long-term commitment for someone to buy the power," said Bart Ford, vice-president of Tenaska, the company that would build the Taylorville Energy Center.

The bill goes to the full Senate, which rejected the idea before.

However, Senate President John Cullerton, D-Chicago, said the bill has been revamped and now contains a cap on rate increases that could be passed on to non-residential customers. The bill already had a cap on residential rate increases.

Many large industrial users opposed the bill because they feared they could face unlimited power cost increases stemming from the more expensive electricity to be produced by the plan.

"Consumers will pay additional money to pay for this," Cullerton acknowledged. However, he said the amount is far less than the rate increases that could result from Commonwealth Edison's plan to upgrade its power distribution system, a proposal also pending in the General Assembly.

Cullerton said the plant would create 2,500 construction jobs, 155 full-time jobs to operate the plant, 300 mining jobs and thousands of indirect jobs. Overall, he said, the plant would inject \$8 billion into the state's economy.

Michael Carrigan, president of the AFL-CIO in Illinois, endorsed the project.

"It's a tremendous economic shot in the arm," Carrigan said. "We need jobs."

Despite assurances from Cullerton that the new version of the bill contains protections for large users, business groups aren't convinced.

"You've got companies all over the state opposed to this," said Mark Denzler of the Illinois Manufacturers' Association. "This is an electric rate hike on consumers of the state."

Kevin Wright of the Competitive Energy Association, which opposes the plant, said there are many loopholes in the industrial rate cap.

"This measure is so heavily weighted in Tenaska's favor against the consumer in cost recovery, it's nearly an abomination," Wright said.

Sen. Dale Righter, R-Mattoon, said the bill would force utility companies to buy power from the plant even if they could buy it more cheaply elsewhere. The measure guarantees Tenaska a 7 to 11 percent rate of return, he said.

"That's a pretty good deal for the people who put the plant together," he said.

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