

Daily Southtown

Power problems can't beat power of ideas

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The pages of this newspaper lately have been filled with stories about chaos in the Middle East, painful prices at the pump, and volatile energy markets. Adding to the bad news is ComEd's impending power auction, expected to jack up electric bills by as much as 40 percent.

Fortunately, the good news is that our power problems are no match for the power of our ideas. As the crisis grows, creative energy solutions that were once banished to a garbage heap called "quaint," are starting to be taken more seriously. One of these good ideas is "coal gasification." It's a little known, but improving, technology that could convert the dirty coal under our feet into relatively clean natural gas that could then be used to heat our homes or generate electricity at affordable rates.

It's one of those rare ideas supported by Illinois' sagging coal industry and environmentalists, not to mention the millions of households seeking protection from high electric and natural gas bills.

The federal government predicts that up to 10 percent of our natural gas will need to come from outside North America within a few years. So once again we're in danger of plunging ourselves even deeper into foreign dependence, buying more gas from ominously unstable sources, such as Russia and Iran, and then expensively converting it into liquid and carting it across the ocean. Have we learned nothing from our experience with oil?

On the other hand, coal gasification gives us the opportunity to tap a homegrown source of energy from the Midwest instead of the Middle East. In this

post-Enron age of deregulation, as Illinois faces an "auction" system that will lead to double-digit increases in power bills, the technology can be a hedge against skyrocketing market prices. Here's how it could work:

The state could provide low-cost financing for any company that agrees to build a coal-gasification plant and then give Illinois consumers first dibs on its power—at affordable rates. Meanwhile, Illinois utilities could agree to have a certain percentage of the power they sell come from gasification plants.

A model for this is already underway in southern Illinois. Under legislation passed by the state, Illinois' first coal gasification plant is expected to break ground next year. The Jefferson County plant would use about 11,000 tons of Illinois coal, produce 1.5 trillion BTUs of natural gas a day and save Illinois consumers \$100 million a year in fuel costs.

Those savings would come from long-term contracts signed by Illinois utilities for the plant's output. The prices would be locked in at a reasonable 55 cents per therm, significantly below today's market prices. Two Illinois utilities, Nicor Inc. and downstate Ameren Corp., already have entered long-term contracts to buy natural gas from the plant, and other electric and gas utilities should do the same.

The beauty of this idea is that it also promises a rebirth for the Land of Lincoln's 200-year-old, billion-dollar coal industry. The state estimates that the coal underlying 37,000 square miles of Illinois contains more energy than the oil reserves of Saudi Arabia and Kuwait. Coal gasification can capitalize on all that potential towards the goal of protecting the environment, holding down energy bills—and reviving the coal industry. It's a great idea that just needs some polishing. Or, to use coal terms, it's a diamond in the rough.