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## Illinois Commerce Commission slams Tenaska 'clean coal' plant

By: [Steve Daniels](#) September 01, 2010

(Crain's) — State utility regulators Wednesday panned plans for a \$3.5-billion Downstate Illinois “clean coal” plant that has been backed by House Speaker Michael Madigan and his daughter Illinois Attorney General Lisa Madigan, raising questions about the proposed facility's future.

In a report that will be fodder for debate when state lawmakers decide in November whether to give the Taylorville project, developed by Tenaska Inc., the green light, the Illinois Commerce Commission concluded that the plant's uncertain benefits don't justify its high costs, which would be borne by utility ratepayers and businesses statewide.

“The commission concludes that the . . . facility features high costs to ratepayers with uncertain future benefits, and uncertainties that potentially add to already significant costs,” according to the report, which pegged the cost of power the new-breed coal plant would produce at twice what it costs to generate electricity at a nuclear plant.

Opponents of the plant immediately seized on the negative review from the ICC.

“How could anyone, after reading this, give it the green light?” said Philip O'Connor, former ICC chairman and spokesman for the Stop Coalition, a consortium of business interest groups and power suppliers to businesses.

Omaha, Neb.-based Tenaska said in a statement that much of the ICC report confirmed its own cost estimates and added that the plant was never envisioned as a low-cost power provider, but rather a facility that could use abundant Illinois “dirty coal” avoided by most generators because of its high sulfur content.

“The clean-coal law challenged us to show that we could deliver a clean-coal plant with maximum economic development and environmental benefits and minimal impact on electric rates,” Tenaska Vice-president Bart Ford said in the statement. “With (our) extensive analysis . . . and the core findings of the ICC consultant's report, there is now abundant evidence that we are meeting that challenge.”

The company does not directly address the ICC's conclusions, other than to say that the agency seems to be at odds with policy choices already made by legislators.

The plant, for which the General Assembly authorized funding two years ago to perform a detailed cost study, would produce more than 500 megawatts of power using Illinois coal and featuring a plan to separate and capture carbon emissions and bury them underground. The facility would meet about 2.5% of the state's power needs.

A state law requires that the state procure 5% of its electricity from so-called clean coal plants. The law caps the impact of the plant's costs on residential and small business electric rates at 2%, but it provides no such price protection for bigger businesses, which buy their power from competitive suppliers.

That effectively puts those larger business customers on the hook for cost overruns, a particular sore point with the coalition formed to stop the plant.

Indeed, the ICC in its report expressed concerns about the impact of the plant on Illinois' competitive power market and suggested that lawmakers provide similar price protection for industrial and commercial users if they decide to allow the project to move ahead.

Other opponents of the project include Chicago-based Exelon Corp., parent of Commonwealth Edison Co. and owner of six nuclear power plants in Illinois.

Supporters include a number of environmental groups and Illinois coal producers.

The Citizens Utility Board, the primary consumer watchdog group on utility issues, says it supports the clean-coal law because of its residential and small-business rate protections.

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