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OPPOSE TAYLORVILLE ENERGY CENTER: DIRTY, EXPENSIVE COAL GASIFICATION ELECTRICITY

The Taylorville Energy Center (TEC) is a coal gasification plant proposal to create electricity and Synthetic Natural Gas (SNG), in Taylorville, IL.

This plant proposal will add global warming pollution to our atmosphere, increase the cost of electricity for Illinoisans, and prevent cleaner energy sources from being developed in Illinois.

During the 2011 Fall Veto Session, legislators will have a chance to prevent this risky, expensive project from moving forward by opposing the Taylorville Energy Center bill. Taylorville Energy Center (TEC) is requesting that all electric utilities be required to purchase the entire output of their electricity from this plant for 30 years. Taylorville Energy Center is hoping that the General Assembly won't look at them like the private market has - like overpriced, risky experiments not worth the gamble.

This means higher electricity rates for all Illinoisans, especially large commercial electricity users.

Taylorville Energy Center:

- is lacking a valid permit.
- has no binding regulation on its CO₂ reduction commitment.
- will add significant global warming emissions to the atmosphere.
- will harm water and farmland due to increased mining in Illinois.
- will increase electricity costs in Illinois, especially for large commercial electricity users.
- will kill between 15,000 - 35,000 jobs statewide as a result of higher electricity rates that impose hundreds of millions of added costs on Illinois employers.
- prevents investment in clean renewable energy developments and jobs in Illinois.
- will hit local governments with millions in annual electricity cost increases.

The Taylorville Energy Center is an expensive, dirty, and unnecessary project that is being propped up by \$3 billion in state, federal, and ratepayer subsidies. The money being put into this project would be better spent on clean energy projects that create good jobs for Illinoisans while protecting our environment.

Vote No on Taylorville Energy Center.

Global Warming Impacts

Taylorville Energy Center will add to Global Warming

The Taylorville Energy Center draft permit states that they will emit annually over 5 million tons of carbon dioxide (CO₂), a major global warming pollutant, during the on-site processing of their product. When their product, Synthetic Natural Gas (SNG) is sold, and then burned, an additional one million tons of CO₂ will be emitted into our atmosphere.

Where will Taylorville Energy Center's CO₂ really go?

- Into the atmosphere when making Synthetic Natural gas from coal (over 2.5 million tons)
- Into the Atmosphere after burning SNG for electricity (2.5 million tons)
- Into the atmosphere after SNG is sold to the natural gas market and burned by the end user (1 million tons)

Total = over 6 million tons of CO₂ going into the atmosphere.

This is like adding close to ONE MILLION cars to our roads.

Mining Impacts

The unfortunate reality of using coal is that it creates pollution at every step of its lifecycle. From the mining, to the burning to the disposal, coal affects our air, water and land. Taylorville Energy Center will be using coal, which is currently being mined with irresponsible longwall and strip mining. Longwall mining is literally sinking our prime farmland, which should be considered a national resource. Strip mining is destroying farmland and vital headwater stream systems throughout Illinois.

As part of the mining process, coal may be washed onsite which leads to large slurry ponds containing a toxic stew of the heavy metals and contaminants from coal, including arsenic, mercury, cadmium, and

selenium. Coal waste impoundments are located on top of headwater streams, which are completely lost, in prime agriculture land which is never returned to agricultural use. **Thousands of acres of farmland are being lost—toxic waste sites are left behind.**



Central Illinois prime farmland sunken and flooded due to longwall mining.

In contrast, wind projects have minimal impacts on farmland and have generated more than \$10 million annually for local landowners and \$22 million in property taxes for local governments, according to an Illinois State University study.

Financial Impacts

ALL RATEPAYERS WILL BE IMPACTED

If SB1653 is passed, every electricity consumer in Illinois will pay higher rates for electricity, with large commercial buyers being most affected.

According to the Illinois Commerce Commission:

“The TEC facility features high costs to ratepayers with uncertain future benefits, and uncertainties that potentially add to already-significant costs.”

TEC “could cost Illinois electricity customers an average of \$286 million more per year over power from other resources.”

“The cost associated with electricity generated by the TEC is substantially higher than that which is associated with other types of generation facilities.”

Electricity from Taylorville Energy Center will be more expensive than any other energy

| Energy Source | Cost (\$/MWh) |
|---------------------------|------------------|
| Taylorville Energy Center | \$212.73 |
| Natural Gas | \$154.05—160.78 |
| Coal | \$141.08—153.03 |
| Nuclear | \$101.45—128.03 |
| Wind | \$88.80—\$121.97 |

COAL GASIFICATION FINANCIAL DISASTER

The 90% complete Edwardsport coal gasification plant being built by Duke Energy in Edwardsport, Indiana is the most expensive coal plant ever built. The plant was originally going to cost \$1.9 billion dollars to build, which included the cost of carbon capture and sequestration. However, cost overruns have gradually increased that pricetag to \$3 billion dollars, which no longer includes the costs of carbon capture and sequestration. These cost overruns have been passed on to ratepayers, and could increase rates 19%.

In SB1653, ratepayers will not only pay a higher rate initially, but will be responsible for over 1/3rd of cost overruns. Based on the only example available, Edwardsport Gasification Plant, ratepayers in Illinois will be on the hook for the likely cost overruns at the Taylorville Energy Center.

Taxpayers and Ratepayers are taking all of the risk—not the company!

The Illinois Coal Revival Grant Fund will potentially sink \$50 million into Taylorville Energy Center by the end of the project. Millions of taxpayer dollars might be spent on a coal gasification plant that’s not needed when the state currently has a \$13 billion dollar budget deficit.

The Illinois Finance Authority has tentatively approved \$500 million in state and federal bonds for this power plant. \$150 million of which are moral obligation bonds which often results in the state using taxpayer money to pay back the bonds if the company fails.



The US Department of Energy has also tentatively awarded \$2.6 billion in loan guarantees, backed by federal taxpayer money, to the Taylorville Energy Center.

All of this taxpayer money—state and federal—would be better spent on energy efficiency programs, renewable energy projects and green manufacturing jobs development programs for the state. Especially when we know that clean energy technologies work and can start producing clean energy NOW.

There is no need for this Electricity

The lights will not go out in Illinois.

There are claims that the Taylorville project is needed to assure adequate electricity supplies for the future. This is a myth. Illinois is situated between two large electricity grid systems—one to the east and one to the northwest—that has a pool of 294,000MW of electricity. Taylorville Energy Center's 544MW is unnecessary.

Grid operators are well on their way to managing our transformation to a clean energy economy that maintains reliability and stability in the grid using clean sources of electricity like wind, solar and demand side reductions.

- Illinois and the Midwest are already fulfilling energy needs without building new coal fired or coal gasification plants.
- In 2010, Illinois energy efficiency projects saved the electricity equivalent of 60,000 homes, saving Illinoisans \$300 million.



| | |
|---|------------|
| Taylorville Energy Center | 600MW |
| Wind already online in Illinois | 2,286 MW |
| Wind in queue for Illinois | 16,284 MW |
| Wind potential in Illinois | 249,882 MW |
| Energy Efficiency used as a source of energy in the Midwest in 2011 | 14,000 MW |

Illinois is moving to clean energy

Illinois is already transitioning away from the polluting coal power of the past and investing in clean energy technologies that will boost the economy, create jobs, and help the climate recover. Continuing our dependence on coal chains us to dirty energy and prevents us from making the changes we need to bring about a clean, secure energy future for our state.

Developing a wind farm the size of Taylorville Energy Center (600MW) would create over 13,000 jobs in installation and manufacturing*

* Source: National Wind

Through the recession, Illinois created more than 13,000 jobs in the wind industry, and the American Council on Energy Efficiency Economy projects that over 6,000 energy efficiency jobs will be created in Illinois by 2020. By being a leader in energy efficiency and clean energy production, Illinois will create jobs that will not compromise our environment.

We should be investing our limited resources in clean energy projects like wind, solar, and geothermal – NOT adding to the global warming problem with coal gasification. By building the energy system of the 21st century around a flexible and reliable mix of wind, energy efficiency, demand response, smart grid, solar, and natural gas, Illinois can truly move beyond coal to a cleaner energy future. Coal gasification, on the other hand, is financially risky, dirty, and unnecessary.

VOTE NO ON TAYLORVILLE ENERGY CENTER



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