



FutureGen Fact Check January 31, 2008

On January 30, the Department of Energy proposed a major restructuring of the FutureGen project. This document corrects inaccuracies in the DOE's press release and statements made by DOE officials during a conference call with reporters on January 30, 2008.

DOE: Project costs have nearly doubled.

FACT: Project costs have increased, but DOE's share has not doubled—not even close. When President Bush first announced FutureGen, the DOE share was \$800M. DOE's current estimated share is \$1.1B with the increase due to inflation. A White House Official agreed and was quoted in *The New York Times* on December 17, 2007, ".....the market for steel, concrete and power plant components has 'just gone through the roof globally'." DOE's contribution will be reduced by contributions from foreign countries. Additionally, the Alliance has offered to provide DOE with partial-to-full repayment to ease the final cost to the taxpayer. The costs are manageable.

DOE: Financing part of FutureGen is inappropriate.

FACT: DOE clean coal projects routinely involve financing. It is common practice for commercial plants to be majority financed and under DOE's alternative plan, it is a near certainty that industrial partners will finance a major part of the project.

Alliance member contributions, thus far, have been cash donations. The Alliance has told DOE that it still expects a majority of its contributions will come from cash donations. Proposed financing is a small relative to traditional projects. The Alliance includes some of the world's largest companies; DOE's notion that they might default is nonsense. The Alliance has fulfilled all its responsibilities thus far.

DOE: Wants iron-clad funding guarantees from industry.

FACT: DOE is providing no guarantees for its own funding, which will be available on a year-to-year basis depending upon available appropriations.

DOE: FutureGen, as configured, is "smaller-than-commercial-scale".

FACT: FutureGen is commercial scale. The facility will be built around a commercial-scale gasifier and commercial-scale frame 7 turbine.

DOE: DOE's alternative plan will sequester twice as much CO₂ as the current project's one million ton goal.

FACT: The Mattoon site and FutureGen, as currently configured, can sequester approximately two million tons per year. The environmental impact statement considered as much as 2.5 million tons.

DOE: Cites the MIT study, "The Future of Coal" as part of the justification for the new approach

FACT: Dr. Ernie Moniz, lead author of "The Future of Coal" and former DOE Under Secretary was quoted in the *New York Times* after the announcement of the Mattoon, IL site that "FutureGen makes complete sense." Also, the Alliance has used the ideas in "The Future of Coal" and other sources to refine the original effort over the past year.

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The FutureGen Alliance, a non-profit organization, represents some of the world's largest coal companies and electric utilities including: American Electric Power, Anglo American, BHP Billiton, the China Huaneng Group, CONSOL Energy Inc., E.ON U.S., Foundation Coal, Luminant, PPL Corporation, Rio Tinto Energy America, Peabody Energy, Southern Company, and Xstrata Coal.. These companies provide energy to tens of millions of residential, business, and industrial customers in North America, Asia, Australia, Europe, Africa and South America. The Alliance is partnering with the U.S. Department of Energy to design and build the facility. Learn more about FutureGen and the Alliance at www.FutureGenAlliance.org.