



OFFICE OF THE GOVERNOR

ROD R. BLAGOJEVICH - GOVERNOR

NEWS

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Gov. Blagojevich urges governors of nation's largest coal producing states to continue unified support for FutureGen

In response to rumored USDOE plans to reduce or restructure landmark clean-coal project, Governor enlists support of broad coalition to ensure FutureGen moves forward

SPRINGFIELD – Gov. Rod R. Blagojevich today sent a letter to fellow governors from major coal-producing states who helped Illinois win its bid for the landmark FutureGen project, urging them to continue their unified support for the project. In his letter, Gov. Blagojevich asks the governors of Indiana, Kentucky, Michigan, Ohio, Pennsylvania, Wisconsin, West Virginia and Wyoming to voice their concerns to the Bush administration and the Department of Energy about further delays or potential restructuring of the project. The Governor also reaffirmed Illinois' commitment to ensure FutureGen remains intact and on track to become a reality.

“A reduction in federal support for FutureGen not only jeopardizes this project but threatens the very future of coal as an environmentally responsible domestic energy source,” Gov. Blagojevich stated. “In the face of record oil prices and mounting concern over global warming, coal has a vital role to play not only in our nation's energy mix but as an engine for job creation and economic growth in each of our states. Given the urgency of this matter, I ask that you personally contact members of your congressional delegation, the Bush Administration that launched the FutureGen initiative, and the leadership at USDOE as soon as possible to urge the administration to uphold its commitment to move ahead as promised with FutureGen.”

In the last month since the announcement of Mattoon, Illinois as the future site for FutureGen, the U.S. Department of Energy has raised questions about project costs and has indicated it wants to fundamentally change the scope and design of the project. Gov. Blagojevich, Illinois'

Congressional Delegation and other Illinois elected officials have voiced their opposition to any plans to restructure the project.

FutureGen is designed to be the cleanest fossil fuel-fired power plant in the world. The gasification facility will convert coal into hydrogen and electricity, while pioneering capture and safe storage of the greenhouse gas carbon dioxide (CO₂) deep underground. It will lay the groundwork for developing similar plants around the country and the world. FutureGen's ability to reduce greenhouse gas emissions is critical to ensuring that coal is a viable option for domestic energy production.

The FutureGen Alliance, the coalition of energy companies that is overseeing the project, has also fully supported plans for FutureGen to move forward as originally designed. The Alliance recently proposed a revised cost-sharing arrangement with USDOE in hopes the offer will remove any obstacle to a final site approval for the project.

In addition to placing Illinois at the center of clean coal energy innovation and furthering the revitalization of the Illinois coal industry, FutureGen will have a significant economic impact on the region and state. According to a recent study by Southern Illinois University-Carbondale, the project will have a much larger impact than the 1,300 construction jobs and 150 permanent jobs the USDOE estimates will be created. The study showed that during the four-year construction period, there would be more than \$1 billion in economic impact statewide and 1,225 indirect and induced spin-off jobs created as a result of the economic ripple effect generated by FutureGen. Once the facility is operational, the study noted that FutureGen would generate \$135 million annually in total statewide economic output, with an \$85 million annual increase in Coles County alone. FutureGen will also create an additional 360 indirect and induced full-time jobs statewide, according to the report.

The \$1.5 billion FutureGen project, a public-private partnership, will build a near-zero emission, integrated gasification combined cycle power plant that will capture and store 90 percent of the plant's carbon dioxide (CO₂) output. FutureGen would sequester the CO₂ in geological formations more than one mile underground, avoiding the global climate change impacts of the CO₂. FutureGen will be a first-of-its-kind facility to fully integrate carbon sequestration while also eliminating many of the other emissions associated with coal use in conventional coal-fueled power plants. The deep Mt. Simon formation has performed well as a natural gas storage reservoir in Illinois, and scientists expect the same for performance for CO₂ storage at Mattoon.

Construction of the project is expected to begin in 2010, with full-scale operations beginning in 2013. For more information on FutureGen, please visit www.FutureGenForIllinois.com.

Text of the Governor's letter follows.

January 24, 2008

Dear Governor:

In Illinois' bid to win the FutureGen project, some of the most forceful arguments in favor of FutureGen's importance came from you and the seven other governors of our nation's leading coal producing states. Thank you for that support. The strong, unified front we presented to the

FutureGen Alliance was a major factor in the Alliance's selection of Mattoon, Illinois, to host this project.

However, I am concerned now that the U.S. Department of Energy (USDOE) is reconsidering not only its commitment to FutureGen but also its support of coal development throughout the country. The importance of FutureGen to our nation's energy and environmental security is too great to allow USDOE to withdraw its support.

A restructuring of FutureGen, as USDOE has signaled, would be a disservice to our nation as we strive to face the threat of climate change while ensuring a clean, secure, energy independent future. A reduction in federal support for FutureGen not only jeopardizes this project but also threatens the very future of coal as an environmentally responsible domestic energy source. In the face of record oil prices and mounting concern over global warming, coal has a vital role to play not only in our nation's energy mix but as an engine for job creation and economic growth in each of our states.

Given the urgency of this matter, I ask that you personally contact members of your congressional delegation, the Bush Administration that launched the FutureGen initiative, and the leadership at USDOE as soon as possible to urge the administration to uphold its commitment to move ahead as promised with FutureGen.

To ensure the future of coal as a viable energy source, we must prove that carbon dioxide emissions can be effectively captured and stored from coal gasification plants. That is what FutureGen is designed to demonstrate. Success here will benefit the entire coal industry. To achieve this goal, FutureGen must be built using the current framework for the project, and it must be expedited to avoid further cost escalation.

The FutureGen Alliance recently proposed a revised cost-sharing arrangement with USDOE that will hopefully remove the last obstacle to moving forward. Please urge USDOE to seriously consider this proposal.

Please know that the State of Illinois and the members of our Congressional delegation in Washington will continue to do everything we can to ensure FutureGen moves forward. Our scientists and engineers, along with the good people of Mattoon and East Central Illinois, have done their part. We need your help, on behalf of the future of coal in our country, to see that this critical project can move forward in a bipartisan manner.

I am confident that together, through our continued work, we will achieve our goal. Thank you for all you have done and continue to do for coal and FutureGen.

Sincerely,

*Rod R. Blagojevich
Governor*

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