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Rod R. Blagojevich – Governor

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BLAGOJEVICH ADMINISTRATION WELCOMES BACK U.S. DEPARTMENT OF ENERGY OFFICIALS TO MATTOON AND TUSCOLA; CONTINUES COORDINATED EFFORT TO BRING FUTUREGEN TO ILLINOIS

New Economic Impact Study Highlights Significant Benefits of Bringing the World's Cleanest Coal Plant to Illinois

MATTOON – Gov. Rod R. Blagojevich released a new study today by Southern Illinois University Carbondale (SIUC) showing the state-of-the-art FutureGen project will have a significant statewide and local economic impact, in addition to demonstrating breakthroughs in clean coal technology. The study found that FutureGen would have a much larger economic impact than the 1,300 construction jobs and 150 permanent jobs the U.S. Department of Energy (USDOE) estimates would be created. During the four-year construction period, there would also be more than \$1 billion in economic impact statewide and 1,225 indirect and induced spin-off jobs will be created as a result of the ripple effect generated by FutureGen. Once FutureGen is operational, the study shows it will generate \$135 million annually in total statewide economic output, with an \$85 million annual increase in Coles and Douglas counties if either Mattoon or Tuscola is selected. It will also create an additional 360 indirect and induced full-time jobs statewide, according to the report.

The release of the economic impact estimates came as the Blagojevich administration, along with local and community leaders, today welcomed back USDOE officials to Mattoon and Tuscola for public hearings it is conducting on the project's draft environmental impact statement (DEIS). The hearings are another critical step in the selection process to determine the location of the \$1.4 billion FutureGen coal-to-energy facility.

“The geology, infrastructure and commitment to clean coal technology that exist in Illinois make us the logical location for FutureGen, and we will continue to demonstrate why this project that will change the way we look at energy production belongs here. With science on our side and all of our strategic assets, we are confident that the world's cleanest coal plant will be built in our state. Not only is this the right decision for our country, but this new study clearly demonstrates the enormous economic boost and the new Illinois jobs it would create,” Gov. Blagojevich said.

The FutureGen Industrial Alliance, which is developing the facility for the USDOE, announced last summer that Mattoon and Tuscola are two of only four remaining sites for FutureGen. The Governor, the Illinois Congressional delegation, and state and local partners across Illinois have been working for more than four years to bring FutureGen to Illinois. The Alliance is expected to announce its final selection from the four remaining sites this fall.

(more)

The release of DEIS last month represented a major milestone in the site evaluation process. Based on the environmental review, FutureGen officials said all four remaining sites are still viable locations to host the facility. The state was represented at the public hearing by DCEO Director Jack Lavin; DCEO Office of Coal Development Bureau Chief Bill Hoback; Angela Griffin, President of Coles Together; and other state and local leaders, project proponents and members of the general public to discuss Mattoon's site proposal. USDOE officials will be in Tuscola for a similar public hearing this Thursday, June 28th. Public hearings were held last week for the other two remaining sites, Odessa, Texas and near Jewett, Texas.

FutureGen will be designed to be the cleanest fossil fuel-fired power plant in the world. The facility will convert coal into hydrogen and electricity with near-zero emissions, while capturing and storing the carbon dioxide deep underground. This effort will lay the groundwork for developing similar power plants around the country and the world, providing a framework for new energy projects that capture, rather than release greenhouse gases. The facility will produce 275 megawatts of electric power, which is enough electricity to power 150,000 homes, as well as hydrogen for fuel cell technology that will serve as the next generation "battery" to operate everything from a computer to a car.

The Governor has previously committed a \$17 million direct grant that tops off what is believed to be the nation's most aggressive investment package to bring FutureGen to Illinois. The grant can be used for a wide range of project costs. The Governor also unveiled last October the FutureGen for Illinois Task Force, a bipartisan group of respected leaders from across the state to serve as advocates to help bring this unprecedented facility to Illinois. Task force members include leaders from government, energy, the environment, business, labor and higher education. The Governor also provided support to help gather environmental and other technical information for both cities throughout the DEIS process.

Local sponsors are providing additional assistance to the Alliance that ranges from property tax abatements to site donations and/or land options for the facility and potential FutureGen-related businesses. Additional state support includes a sales tax exemption on building materials and selected equipment through local Enterprise Zones or the High Impact Business program. There is also \$50 million set aside by the Illinois Finance Authority for below-market-rate loans to the Alliance.

Members of the FutureGen Alliance represent the largest energy companies in the United States, plus major energy companies in China and Europe, as well as India and South Korea.

Since the two states share the same coal basin, Gov. Blagojevich and Indiana Gov. Mitch Daniels signed a Memorandum of Understanding in December 2005 stating that Illinois' strong financial support for coal development, as well as its appealing geologic features, make the state the ideal host for the federally supported project. Kentucky is also supporting Illinois' bid to attract FutureGen.

"Welcoming the USDOE back to Illinois is another important day for our coal industry. We are sitting on a vast natural resource that can produce more energy than the oil reserves of Saudi Arabia. But to take full advantage of this resource, we must focus on the development of clean coal technology, particularly coal gasification, which is exactly what we are doing here in Illinois and why landing FutureGen is so critical to our efforts," DCEO Director Jack Lavin said.

For more information on FutureGen, the complete SIUC economic impact report or the task force, please visit www.FutureGenForIllinois.com

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