



November 25, 2008

MADIGAN CALLS ON GOVERNOR TO SIGN CLEAN ENERGY BILL

Bill Lays Groundwork for first Clean Coal Facilities in the Nation and Increases Illinois Commitment to Renewable Energy Resources; Creates Jobs and Protects Consumers

Chicago — Attorney General Lisa Madigan today called on Governor Rod Blagojevich to sign Senate Bill 1987, an ambitious clean energy bill that will put Illinois coal to work to produce electricity and substitute natural gas, while doubling the State's commitment to renewable energy resources and creating thousands of new jobs. Senator Donne Trotter (D-Chicago) and Representative Gary Hannig (D-Gillespie) sponsored the bill.

The bill, which the Senate passed unanimously on Thursday, November 20, 2008, and the House previously passed by an overwhelming majority, is supported by a broad coalition, including consumer, environmental, labor, coal and utility interests. It now goes to the Governor's desk for his signature.

"This ground breaking legislation will create jobs at Illinois clean coal and renewable energy facilities, as well as in the coal industry," said Attorney General Madigan. "It provides a unique opportunity for Illinois to become a national leader in the effort to build the kind of green economy championed by President-elect Obama."

The bill's passage is the result of extensive negotiations led by the Attorney General and the strong support of a diverse coalition that includes the AFL-CIO, the American Lung Association of Illinois, the Citizens Utility Board, the Clean Air Task Force, Commonwealth Edison Company, the Environmental Law and Policy Center, the Illinois Coal Association, and many labor, craft and trade locals.

"We brought together this remarkable coalition of consumer advocates, labor organizations, the coal industry, environmental groups, utilities and green energy developers and we worked together on behalf of all Illinoisans to produce this important legislation."

This far-reaching legislation is expected to bring thousands of new green jobs to Illinois. The first two initial clean coal facilities would create approximately 4,000 jobs in Illinois, including 3,000 construction jobs, 200 permanent coal mining jobs, and 500 to 1,000 permanent jobs operating the facilities. The renewable energy provisions are expected to create 6,000 construction jobs, 400 operations jobs and many manufacturing jobs associated with the components used in wind and other renewable energy facilities.

The new legislation will enable the development of two clean coal projects in Illinois:

First, the legislation authorizes a process to study and construct an "initial clean coal facility," which is expected to be located in Taylorville, Illinois. This facility, which will be the first of its kind in the nation, must be as clean as a natural gas-fired power plant. The legislation requires the initial clean coal facility to use the type of coal mined in Illinois and to sequester 50 percent of its carbon emissions, preventing it from being released into the atmosphere. The developers of the facility will be required to prepare a detailed engineering and cost study, which the General Assembly must review before the facility can be built. To ensure that consumers are protected, the General Assembly must approve the final cost of the initial clean coal facility, the price that utilities will be required to pay for electricity from the facility and the allowable rate of return for the power plant developer.

Second, the legislation authorizes Illinois natural gas utilities to enter into long term contracts with facilities that convert coal to substitute natural gas, provided the facilities sequester 90 percent of their carbon emissions. To protect consumers, the legislation

caps the prices that these facilities can charge. The first coal-to-gas facility that is likely to be constructed under this provision is expected to be in Jefferson County, Illinois.

The legislation also:

- Doubles the state's commitment to the use of renewable energy by requiring alternative retail electric suppliers (ARES) and utilities that sell outside of their service territories to comply with the state's renewable portfolio standard.
- Requires ComEd and Ameren to reduce peak electricity use, when investing in demand-response costs less than purchasing capacity.
- Ensures that renewable energy will be affordable by requiring the Illinois Power Agency and the ICC to use a benchmark price when evaluating in-state renewable energy bids.
- Promotes the clean up of existing coal plants by amending the Illinois Power Agency Act to allow owners of coal-fired facilities previously owned by Illinois utilities to propose long term cost-based contracts to be included in the ComEd and Ameren procurement plans, provided that these facilities retrofit or re-power to dramatically reduce the amount of carbon emissions.
- Encourages the development of additional clean coal facilities by amending the Illinois Power Agency Act to specify that the first facility that the Illinois Power Agency builds, finances, or operates must be a clean coal facility that uses the type of coal mined in Illinois and sequesters carbon dioxide.

Environment and Energy Counsel Susan Hedman and Public Interest Division Chief Paul Gaynor negotiated this legislation on behalf of Attorney General Madigan's Office.

-30-

[Return to November 2008 Press Releases](#)

