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## **AG MADIGAN THANKS COALITION THAT WORKED TOGETHER ON CLEAN ENERGY LAW**

### ***New Law Creates Opportunities to Advance Clean Coal and Renewable Energy Resources; Will Increase Jobs and Protect Consumers***

Chicago - Attorney General Lisa Madigan today thanked the coalition of legislators, consumer, environmental, labor, coal and utility interests that worked together to pass Senate Bill 1987, an ambitious clean energy bill that was signed into law today. The legislation 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. Attorney General Madigan's Office drafted and negotiated the bill during 2008.

"We are creating change right here in Illinois and this new clean energy law will have a major impact on how we approach our future energy needs while protecting the environment and stimulating our economy," said Attorney General Madigan. "The new law will create jobs at Illinois clean coal and renewable energy facilities and in the coal industry. This law makes Illinois a national leader in the effort to build the kind of green economy championed by President-elect Obama."

The law authorizes the development of two clean coal projects in Illinois: one that produces electricity and one that produces natural gas. Both would use Illinois coal and both facilities are required to capture and sequester carbon dioxide emissions.

The law is expected to bring thousands of new green jobs to Illinois. The first two 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 law is the result of extensive negotiations led by the Attorney General, with the strong support of a diverse coalition that includes the Illinois 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," said Madigan. "We worked together on behalf of all Illinoisans to reach this victory."

#### **The Facilities**

**Coal to Electricity** - First, the legislation authorizes a process to study and construct an "initial clean coal facility," which is expected to be located in Taylorville, Ill. The law requires that 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 law also requires this initial clean coal facility to use the type of coal mined in Illinois and to sequester 50 percent of its carbon emissions, preventing them 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.

**Coal to Natural Gas** - 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, Ill.

The law 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, which requires 25 percent of electricity to be generated by renewable energy by 2025.
- 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 Illinois Commerce Commission 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 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. Senator Donne Trotter (D-Chicago) and Representative Gary Hannig (D-Gillespie) sponsored the bill.

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