UNITED STATES DEPARTMENT OF ENERGY

PUBLIC SCOPING MEETING

TAYLORVILLE ENERGY CENTER

ENVIRONMENTAL IMPACT STATEMENT

Meeting held, pursuant to Notice, on the 28th day of October, 2009, at the hour of 7:00 p.m., at Taylorville High School, 815 Springfield Road, Taylorville, Illinois,

TRANSCRIPT OF PROCEEDINGS

MS. COLAMARIA: Well, thank you all for coming. My name is Angie Colamaria. I'm with the Department of Energy's Loan Guarantee Program. I'm joined today by my colleague from the Department of Energy, Lynn Alexander.

And we'd, first of all, like to thank the Taylorville Senior High School and Principal Campbell for hosting this event.

We are here because the DOE is considering giving a loan guarantee to Christian County Generation for the Taylorville Energy Center project. We will describe all of that shortly. But the purpose of this meeting is to discuss the scope of the environmental review we are going to be doing for the Taylorville Energy Project.

All right. This is just an overview. I just want to talk a few minutes about what the Loan Guarantee Program is, what we do, give you a brief overview of the National Environmental Policy Act, which is the statute that requires us to have this meeting, and then just give you some information on how you can provide comments and participate in this process.

The Loan Guarantee Program was authorized and

started by the Energy Policy Act of 2005. Title 17 of that Act identified discrete categories of projects that were eligible for loan guarantees. The categories included projects like renewables and nuclear and advance fossil energy projects. The principal purpose of the LGPO, the Loan Guarantee Program, is to encourage early commercial use of new and innovative technologies in energy projects. We believe this will not only have environmental benefits but will actually help us secure our energy independence.

Now, in order to receive a loan guarantee from the Loan Guarantee Program applicants and projects need to meet certain financial and technical criteria.

The financial criteria help us meet our statutory requirement that the government have a reasonable assurance of repayment. These are not grants. These are loans. We want to make sure that there's a reasonable chance we're going to get repaid as the federal government.

And then there are also criteria that ensure that the technology is viable, that it's actually something that can be commercially produced and that it meets certain requirements that are set out in the

Energy Policy Act. For instance, there are certain emission limits for gasification projects set out in the Act that you have to meet in order to be eligible for a loan.

Section 1703 of the Energy Policy Act authorizes the Department of Energy to make loan guarantees for projects that avoid, reduce, sequester anthropogenic emissions of greenhouse gases or air pollutants and employ new and significantly -- or significantly improved technologies. So as compared to commercial technology that's already on the market in the U.S. And they need to be able to be deployed commercially. And again, we have to have a reasonable assurance of being repaid.

And there are other authorities within the Energy Policy Act that give us authority to give loans to other types of projects, but Section 1703 is what we're concerned about here because that's giving us the authority to potentially give a loan to this Taylorville Energy Center project.

All right. These are just some key dates. The Energy Policy Act was enacted in August 2005 giving us the authority to grant loans. But we can't actually grant the loans until we have money. So

Congress had to -- has to specifically authorize appropriations for specific types of projects.

In summer of 2008 Congress provided $8 billion for coal-based power generation, gasification, and carbon sequestration projects.

We then in October 2008 put out a solicitation inviting applicants who meet the criteria in the Energy Policy Act in our funding allocations to apply for loans. It was a two-part loan application process. And Christian County Generation submitted their final part 2 application in March of this year.

Okay. So what is NEPA? How does it work? NEPA stands for the National Environmental Policy Act. It's a statute enacted by Congress in 1969. The main purpose of the Act was to make sure that the government is making better informed decisions, that we as the government are considering all the environmental impacts in all of the major actions that we take, and then also giving citizens opportunity to get involved in the government decision-making. And this meeting is an example of the public involvement that NEPA requires.

NEPA potentially applies whenever the federal government makes any type of major action. And we'll

talk about what that means in a minute. But loan guarantees through the Loan Guarantee Program are considered a major federal action that triggers NEPA review. So we have to do this environmental review whenever we give a loan guarantee or are considering giving a loan guarantee.

So the purpose and need for this agency action today is to help us comply with our mandate under the Energy Policy Act to select eligible projects that meet the goals of the Act. And we're using the NEPA process to help us decide whether to issue a loan guarantee to Christian County Generation.

Okay. How does NEPA work? First, we need to determine what level of environmental review is required for any given project. There are three levels of review under NEPA.

The first is an Environmental Impact Statement. That's what we're going to be doing for this project. That is a very detailed document that you prepare anytime a federal action is going to have a significant effect on the human environment. If we don't know -- and some projects we just know ahead of time you need to do an EIS for that.

If you don't know if it's going to have a

significant impact, you prepare what's called an Environmental Assessment, an EA. And that is a much more concise document that looks at the basic impacts and helps you decide is it going to have a significant impact. If it is, then you go ahead and then prepare the EIS, the more detailed document. If it's not, you issue a finding of no significant impact, and then the NEPA process ends there.

The third level is a Categorical Exclusion, and those are categories of projects that the DOE has determined through rulemaking that they're just -- they're not going to have a significant impact. Let's not waste resources going through the NEPA process. We know that they're not going to have a significant impact, so we've excluded them through rules. And I'll give you the citation for those in a minute.

I won't go into detail on this, but these are for anyone out there who wants to do the hard research on the statutory and regulatory regime that's directing this process. These are all the regulations, both government-wide and DOE-specific that we're working under that lay out all the responsibilities of the different agencies and what our responsibility is to the public in allowing for

public opportunities for comment and involvement.

All right. So the EIS process -- as we're doing EIS, I'm not going to go through the other processes. We'll just talk about EISes.

We've already -- we've issued a Notice of Intent. That is the first step of an EIS process, and that's just giving the basic need for the action, gives very preliminary information about the project, and what environmental impacts we're thinking of analyzing in our environmental review in this very comprehensive document.

The NOI begins what we call the scoping process. That's a 30-day process where the public can give us comments on what they think the scope of this EIS should be. You know, What are the resource areas we should consider, what are the project components, possible issues that you think might come up. Yeah, just basic environmental impacts that should be analyzed.

The scoping process goes for 30 days. In the middle of the scoping process we will have a scoping meeting, and that's what this meeting is today is for people to give -- to learn about the project but also to give their comments on the types of issues

that they think that we need to be analyzing when we do the environmental review for this project.

We will then -- after the public comment period ends, we will then take those comments that we receive today and throughout the comment period and use them when we are drafting the EIS. We will incorporate them into this document that we are creating.

After we have compiled the EIS and we have a draft ready, we will publish that in the Federal Register, on our Website, and in local newspapers, and let the public know here's the draft, this is what we're thinking for our environmental review. And then we will have 45 days -- the public will have 45 days to comment on that. And we will also have a formal public hearing during that comment period as well, where you can, you know, come to the hearing and submit oral comments on the draft EIS after you've reviewed it or you can also always submit written comments as well.

After we get all the public comments during the draft EIS public comment period, we will take all of those comments and we will consider them when we are finalizing the EIS. And eventually, we will then

submit a final EIS. We'll publish that. There's a 30-day waiting period and then we will issue a Record of Decision, the ROD.

The ROD basically announces our decision, explains why we decided what we decided, and then will also outline any mitigation measures that we're requiring the applicant to make to mitigate potential environmental impacts that we've identified during the review process.

This is just a pictorial diagram of the process I've just explained. It shows the -- we're in the first comment period there during the scoping process.

All right. So now, how does the NEPA process affect the Taylorville Energy Center project? We have already determined we're going to do an EIS for this project. We've issued the Notice of Intent. That was published on October 9th. So the end of the scoping period will be 30 days after that, on November 9th. So we need to hear from you tonight or receive public -- written comments from you before November 9th. That's the end of the scoping period.

We will then consider those comments that you -- that you submit and begin preparing the EIS. The

EIS -- the drafting of the EIS is definitely the longest part of the NEPA process. The NEPA process can take on average anywhere between 12 and 18 months and this is a big chunk of it. We think we -- we're expecting to probably have a draft ready for the public to view in early spring 2010. And it's -- the timeline is very much affected by, you know, how -- how much information and good information we can get in that draft EIS from the very beginning. And so in order to make this the most efficient process, it's really important to get good comments from stakeholders like you during the scoping process so we'll know what to include in the draft EIS so that we have a really good draft first time around. So it's -- you know, definitely this meeting and this comment period we're in right now is a very important part of the process.

After the draft EIS is published, we'll take those -- the comments we receive and then incorporate them into a final EIS. We're thinking probably December 2010 for the final EIS to be published. We're hoping it's going to be a little earlier than that, but I didn't want to put anything in writing that was that early, so . . .

About a month after we publish the final EIS we'll issue the Record of Decision and that will be the end of the NEPA process.

This is just a list of some of the resource areas that we are planning to examine in our EIS. Air quality and greenhouse gas emissions are obviously going to be a big chunk of it. We're going to consider water resources. We'll look to see if there are any wetlands that will be impacted, floodplains, threatened and endangered species, solid waste management from the project. If there's going to be some slag disposal, for instance, that we'll need to look at. And then we'll also look at socioeconomic resources, what are the impacts going to be on the schools, the hospitals, emergency services, et cetera, and any historic structures that will be affected in the planned area.

And then the last one's really important. In addition to the direct impacts that this is project is going to have, we're also going to look at cumulative impacts. And that is looking at not just this project but any reasonably foreseeable projects that are also going to have, if you take them all together, a significant impact on any one resource area. So those

are also things that, you know, we really -- it's really helpful to get comments on, you know, other projects that you know of that may have impacts on air when you compare it to this project or on water or just for an example.

So those are the areas we are considering examining right now.

And then how to provide comments on other areas you think we should be looking at, cumulative impacts, issues -- like I said, issues you think might come up, just things that you think we need to be putting in this draft EIS. They're due November 9th, like I said. You can -- if you've got written comments today, you can hand them to me or to Lynn. You can e-mail them to the Website listed here or you can just snail mail them to me at the DOE as long as they're postmarked by the 9th.

All right. And then this is just some more information. The first one is our LGPO Website if you want to learn more about what we do at the Loan Guarantee Program Office. There's also -- on the left-hand corner there's a NEPA link that talks about NEPA within the loan process.

The second bullet is just the general DOE NEPA

Website. And that has got a lot of information on it. It's got guidance -- it's almost too much information -- regulations. It's got a lot of really helpful information. The Citizen's Guide to NEPA is on there. So if you want to know more about the NEPA process, I'd check there.

And then if you just have questions, just general questions about NEPA, you can give me a call or an e-mail as well.

So that's all I had to say. We now have invited the applicant to come and just spend ten minutes describing the project, where it's going to be, what technology they're planning on using, just to give you a little just brief overview of the project. And then we will open it up for oral comments.

So I would like to invite Greg Kunkel from Tenaska to come on up here and give us a talk.

MR. KUNKEL: Getting the presentation up there.

Well, thank you Angela. And thank you all for coming and participating in this process.

This is a very interesting project for all of us that are working on it. It's -- we're doing some new and innovative things, and it puts a burden on us

to explain ourselves to the public, and so we try to do that. And it has required the engagement of state officials at every level, local officials, and federal officials in advancing the technology. And it's a privilege for me to explain a little bit about what we're doing here in Taylorville.

That's the wrong button.

MS. COLAMARIA: It's the left one. You might hold it up a little.

MR. KUNKEL: Ah, there's a trick to it. Okay.

I'm just going to give a brief project overview, a description of our site, the various interconnects like transmission lines, water supply, things like that that are connected with the project, a brief technical description of the process, what we're doing in the area of carbon capture and sequestration or storage from the project, a list of kind of the design features, the engineering features of the plant and its characteristics that allow you to kind of comprehend how we're addressing various issues.

I'm probably not going to talk about -- so much about CO2 secondary impacts, which is from an earlier version of this thing. But I am going to talk

about how this plant will operate in the grid system and how it functions within the -- how it will function, how does this thing operate, what's it look like when it's operating, and the schedule that we see going forward.

Let's see. Here it is. This project is a power generation project that will utilize Illinois coal. It has a gross output of some 730 megawatts. At the center of that is a combustion turbine and combined-cycle that receives a coal-derived fuel from a gasification process.

The import of the project to the community when we begin construction will become evident. There will be some 1500 workers involved in construction over a four-year-plus construction cycle. Once we're in operation there'll be 145 employees, full-time employees at the plant. And the entire project represents a very significant economic stimulus from day one of that construction process and throughout its life.

This project, unlike any in existence today anywhere in the world, will capture carbon dioxide not from the flue gas of the power island but by fuel processing. So I'm going to talk a little bit about

how we propose to do that. And the idea is to take the carbon dioxide, instead of releasing it into the atmosphere to contribute to the whole issue of global warming, is to make preferably some useful -- make some use of it through enhanced oil recovery. Which would not be done by us but by an oil producer. And failing that, if that oil producer arrangement does not materialize, which we can't depend on necessarily, then we are examining in detail the prospects for geologic storage of carbon dioxide locally here. So these are -- these are the elements of the project.

The project sponsor is Christian County Generation. Tenaska and affiliates of Tenaska that I work for is the lead developer of the project at this time. MDL Holding Company is a partner of this company in CCG and Tenaska Taylorville is the managing member. So those are the various business entities that are involved in it.

Tenaska Taylorville has exercised its option to purchase the 50 percent membership of MDL at financial close, but that hasn't happened yet.

This is a -- just a map showing the location of our plant site north and east of Taylorville. The total site is some I guess we're saying 713 acres that

we currently own and we're looking at the acquisition of an additional 173 acres, for a total of 886 acres at the site. There's a portion of that, 329 acres is currently zoned industrial I-3 and in the city of Taylorville.

This is just a drawing -- and there's some -- if you want to examine this in more detail, there's a drawing in the back of the room back there that you can look at. This just provides preliminary alignments of major interconnections that the facility would have.

There's a bright green line that would -- is kind of a preliminary alignment of a transmission line that would go to the Kincaid station -- Kincaid substation to the west of the site.

There's kind of a purple line to the north that would interconnect the facility with major natural gas transmission facilities to the north and this would just be along a county road.

And there is a light blue line to the east toward Decatur that would be a water supply line that would go to the Sanitary District of Decatur that would provide effluent, municipal effluent, water for use by the facility as its primary water source.

So those are the primary ones.

There's also construction power that would connect to the north Taylorville substation just about a mile south of the site and so there would be an interconnection there.

If there is a Denbury pipeline and if they take the CO2, they would build a pipeline to the fence and we would deliver CO2 to them at the fence line.

If that doesn't happen, our plan is to utilize areas north of the plant site for development of a geologic sequestration site in the areas immediate north of the plant site, and that could be -- extend for up to seven or eight miles north of the plant site.

The transportation corridors, there's along -- the site is adjacent to a rail line and the NSRR railroad next to the site, and we also are planning to improve -- is it 1700 North? I'm trying to remember -- E 1700 North north of the site and potentially N 1400 East west of the site for transportation to and from the site either from the east or from the west.

This is just, you know, another map of the electric transmission line corridor. It would be a 345 kilovolt line, if that means anything to you. But

that's a fairly high voltage line. And there's a transmission study underway that will take some time to complete that would address that.

And then there's the shorter interconnect that's shown in the blue line south of the plant site that would provide sort of backup power and construction power.

Oops. Now I've gone too far. Now I'm going to have to learn the reverse thing.

MS. COLAMARIA: That little ball on top there.

MR. KUNKEL: Okay. So these are the pipelines that I mentioned earlier. The natural gas and carbon dioxide going directly north from the site and water pipeline going to Decatur. And then there would be potable water, some small amount of potable water used from the city of Taylorville.

This project would basically convert Illinois coal to natural gas, what we call substitute natural gas. It would be basically synthesized through the gasification and gas processing. The characteristics of the plant are such that we'll probably produce more SNG than we'll consume in the power block and it'll be of such quality that it meets the standards for

pipeline quality natural gas.

The implication of that for environmental reasons is that it will essentially have all the sulfur removed. There will be very, very stringent sulfur standards. And so as a consequence, the -- and this is the same fuel that will be burned -- utilized in the power block. So it's a consequence of a very stringent gas processing standard. The emissions from the power island will reflect, you know, very, very low sulfur content of the fuel.

One of the benefits of doing this, the extra step of processing the synthesis gas into methane is that we would always then have a home for the fuel that we're producing. So if the power market varies and so on, we can back off on the power island and produce less power while continuously making this SNG product. That way we can have a very balanced and orderly gasification process that's running at a constant -- under constant conditions while allowing our power capability to adjust to the needs of the market. So we'd have, you know, basically about half of our power island that is operating on a -- you know, a hundred percent of the time or 92 percent of the time availability, whereas another half of it

would be responding to the various needs of the market. So if we end up with a lot of wind generation out there, for example, and the wind isn't blowing one day, we'll be able to ramp up this plant in response to that demand. If the power prices are high, we can produce more power. If the natural gas markets are high, we can produce more gas. And so it allows economic flexibility of the project. So there's value in this extra step. Economic value but also just practical value in the operation of the plant.

The gross amount expected just under our predicted operating conditions that we would export of natural gas or SNG is 2100 Btu per hour, if that means anything to you. But you can think of it as enough to run one of these large heavy-frame combustion turbines that produces 350 megawatts of power. So that's enough gas to produce that much power.

There are also, you know, from these chemical processes -- the level of integration in the plant is that the chemical processing of the fuel actually produces energy in some steps, and we're able to take that energy in the form of steam and make additional electricity with that. So there's that level of -- of energy integration.

This is what I call a cartoon of the plant because it is just a very, very rudimentary schematic of -- of the plant. But it does indicate the steps in the process. And something you'll notice is it just doesn't look like a big boiler at all. The -- for one thing, the -- the place where the coal goes in, this gasifier unit, there's oxygen admitted to that, but the amount of oxygen is very much controlled. There's no emission stack on this thing, you'll notice. And all of that is very high-pressure vessels, high-pressure process, and through the various other pressure vessels in the process you're operating under high pressure. And none of this has a vent stack going to the atmosphere.

And so we're controlling the constituents of coal as it breaks down at these high temperatures. We're able to remove sulfur dioxide, particulate matter, mercury from that synthesis gas that's produced in the gasifier in a whole series of process steps.

And there's a little demonstration video that kind of explains this in a little more detail that we provide here if you have time for that.

We have an engineer here, Steve Brewer, who

for the engineers among you who would like to talk about some of the details of this process who's here tonight and can provide more discussion of that.

But the remarkable thing of this process is that it's really gas processing. It's chemistry processing. This is -- this is not a plant that actually burns coal. We take coal and we convert it into something else through a variety of chemical steps. And then the very end product, which is basically just like natural gas, we use in a power island to make electricity or we sell into the market as though it were natural gas.

Well, so here are the key design features of this thing that are kind of revolutionary for this technology. It's that instead of -- the modern pulverized coal boilers of today have a whole series of large devices at the back end of the boiler that are designed to remove various constituents of the flue gas, sulfur dioxide, oxides of nitrogen, particulate matter, mercury, and the list goes on and on. And the strategy here is that at high pressure where we can have favorable chemical conditions for removal we process the gas before we burn it. And we take the sulfur out, we take the mercury out, we take

the particulate matter out while the fuel is concentrated. And so in theory, that's a much more efficient removal process, and we can get to much higher levels of removal than have ever been achieved before for utilization of coal.

So we can have, you know, high-sulfur Illinois coal, relatively high-sulfur coal, and make a fuel that's almost sulfur free and get very, very high levels. And, you know, sulfur is one of the issues.

But another of the issues is carbon dioxide. So part of this process is that we are able to remove carbon and shift the energy in the fuel into the form of hydrogen and remove carbon dioxide from the fuel process and then make other productive uses of that carbon dioxide. So that's the other thing that this allows us to do.

The power island will have the same technologies as advanced combined-cycle natural gas facilities today. The best available control technology for this facility will be the same as the most modern natural gas combined-cycle facilities. It will have low NOx combusters and selective catalysts, production for -- in the combustion turbines for control of oxides of nitrogen. But all these other

things are basically upstream of that. And so you're basically controlling sulfur and particulate matter and all those things by cleaning up the fuel before it gets consumed.

We will sell electricity and we also will sell natural gas -- substitute natural gas. We'll also be able to sell carbon dioxide, slag. Molten sulfur, instead of a waste product, will be a product that we will sell. And in the failure of any of those commodity sales, then we'll arrange for disposal of each of those things on site as necessary as a backup strategy so that the plant doesn't have to shut down. In the event that we can't transport sulfur for a period of time or we can't transport slag for a period of time, we'll have a backup local strategy for storage or long-term storage or disposal of those things.

I thought I mastered it and now I've gone too far.

I just wanted to touch a little bit on the operation -- how this thing will operate. I mentioned earlier that we want to operate the gasification process, just perfect its operation, de-bottleneck it and have something that we believe can operate 92

percent of the hours of the year, so that's basically 24/7.

Now, part of that from me, the environmentalist in the company, point of view is that the carbon capture capability and all the sulfur removal, the particulate removal, and all that is also 24 hours a day, seven days a week. That function will be all the time, full time. But by having this technique of making a saleable natural gas product, we don't have to operate the power end all the time. We don't have to operate when it's uneconomic to do so. So we can alternately sell some of the gas and there'll always be some operation of the power island. So you have a situation where you've got one of these two combustion turbines we'll have be operating all the time. And all the time that the gasification system is operating that turbine will be operating. Okay? So that's kind of a base-load element.

But we have this other one that can come in and out of service and ramp up and have it ramp down depending on who's turning on their lights and what demands there are for power out there in the system and so we'll be able to respond to that.

And so we've projected, you know, the actual

operation of the facility and we can model this, we need to model this so we understand how this is going to function in the marketplace. And it's an unusual thing. There's never been a power plant that operates like this before.

But the numbers for carbon capture are kind of interesting because the goal in the Illinois legislation that we're responding to here is a minimum of 50 percent carbon capture. But what we'll be achieving is quite a bit better than that. So in our projected operations we would have about 1.26 and one and a quarter million tons of carbon dioxide emissions, but we'd be capturing some three million tons a year of carbon dioxide, which is, you know, far more than a 50 percent capture rate. And that's the projection. Now, even if we were somehow operating the power island at a hundred percent of the time that the gasification facilities are operating, even then we would meet the 50 percent standard by far. But that just kind of puts that into perspective I think. This is a facility that will very substantially meet the Illinois standard for a clean coal facility.

So I think the NEPA schedule was just discussed earlier. We hope that that process

concludes, along with other financing activities, by late next year or, you know, no later than the first quarter of 2011. There is an over four-year construction schedule. And that would put us into, you know, 2015 really for commercial operation of the facility.

I just lost that one. There it is. This is a delicate little rascal.

Okay. Well, anyway, that was the end of my -- my presentation. I hope that helps to understand the thing. This is -- this is not like any power island -- power plant you've ever seen. It's not a -- it doesn't have a boiler. It has all these processing facilities that take coal, raw coal, and make very clean fuels out of it and also make other useful products. So if we can do this, this is a revolution in what can be done with Illinois coal.

And we appreciate your interest in it and we appreciate the DOE's interest in considering us for this loan guarantee.

MS. COLAMARIA: Thanks, Greg.

Would folks rather speak from the podium if you're reading something or do you want to speak from the --

AUDIENCE: Podium.

MS. COLAMARIA: Okay. Podiums have it. All right. So now it's time to hear public comments.

I just want to reiterate the public action that we are talking about here is whether we should give a loan guarantee to this project. It is not, you know, the broader where should our country be headed as far as energy and what energy sources should our country be using. We'd like the comments to focus specifically on this project and whether or not we should be giving a loan guarantee to this project. Particularly, we'd be interested in hearing your comments on the type of impacts, environmental or otherwise, this project will have, issues you see, any reasonably foreseeable actions that might also cumulatively impact this, alternatives that you think we should be considering as far as this project is concerned. Those are the types of comments that we'd love to hear from you.

We have a long list of people that have signed up to speak previously or tonight, so we need to limit your speeches, initially at least, to five minutes each. If we have time at the end after everyone's spoken -- I think we have 21 people now -- then, you

know, you can sign up again and you can speak for as long as you want. But initially, just to make sure we can hear from everyone, let's try to limit them to five minutes each.

And this is -- also, just to clarify, this is not the discussion portion of this evening. This is your chance to read into the public record your comments. And so because of that, when other people are speaking, you know, try to keep the noise level to a minimum so our court reporter can hear the public comments and accurately get them into the record.

All right. Well, I think maybe what we'll do is I'll tell you who's next and then give you whose on deck so you can start preparing when you're next.

So the first person on the list we have is Rodney Davis, representing U.S. Representative John Shimkus.

MR. DAVIS: Angela, thank you. Thank you, Tenaska. Thank you all for coming out this evening. I am the projects director for Congressman John Shimkus.

And before I get into reading his brief remarks, I want to make a comment that this project is the most significant, yet supported project that I've

ever seen here in Christian County. And I say that because I grew up here. I'm raising my children here. And one day, when I'm as old as Jack Brown, I hope to raise my grandchildren here, too.

Now, I know we're talking about the Loan Guarantee Program, but we're also going to hear a lot about safety of what is planned here by Tenaska.

And, Greg, in spite of your inability to work a mouse, I have faith that you can build a very safe power plant for my kids, my grandchildren, for generations to come, because you have many, many people here in organized labor that are going to actually do that construction. It's not him. All right?

But I do want to say I support this project because I live here. I support it personally and I am convinced that this project cannot only benefit this community but this region for generations to come.

Now, Congressman Shimkus couldn't be here this evening because he's in Washington. And after last week, he told me I better write his comments down because he didn't trust me. So I'm going to read some very short comments that are from him.

Welcome to the 19th Congressional District of

Illinois where potential coal power Btus may be greater than those that could be generated from the oil in Saudi Arabia.

Tonight I would like to voice my support for the Taylorville Energy Center application for loan guarantees from the U.S. Department of Energy. As a member of the Energy and Commerce Committee and one who helped write the Energy Policy Act of 2005, I've been a vocal supporter of creating new sources of base-load power generation that operate in a more environmentally conscious manner, which is exactly what has been proposed by the developer Christian County Generation.

This plant could be the first in the nation to utilize integrated gasification combined-cycle technology to produce electricity from Illinois coal, thus increasing the demands for jobs in the coal mining field. Job creation has been touted as a cornerstone of the Obama administration and in this current crisis affecting America that still has yet to be fully addressed.

Moreover, the benefits of the TEC plan do not stop there. In addition to electricity generation, at least half the carbon dioxide emitted would be

captured and sold for oil recovery usage or sequestered in underground geological formations, similar to what has been done for decades with natural gas. In addition to the carbon capture, any surplus natural gas would be used for commercial purposes.

These processes put together will create one of the cleanest burning coal-fired power plants that will utilize the major portion of their emissions for use to further enhance our energy supplies in this country.

It is imperative that we move forward with policies and financial assistance to projects like the TEC in order to maintain a cheap source of energy for America that will help address the ever-increasing worries of a lack of an adequate power supply. America cannot provide cost-effective electrical generation on wind and solar alone. This project can be part of an ever-increasing portfolio of an all-of-the-above energy approach. Coal, nuclear, wind, solar, hydrogen, and any other new source of energy generation should be considered. We have to have an increase in our supply of energy, and this state-of-the-art clean coal-burning facility that we call TEC is essential to that approach.

My staff and I are available if you have any questions or comments about this request and also hope that you take my support of this loan guarantee application into consideration during the NEPA review. Thank you in advance for your consideration.

MS. COLAMARIA: Thank you.

And I broke my promise. I didn't give you fair warning, but, Mayor Brotherton, if you wouldn't mind speaking next, we'd appreciate it.

And if anyone has any written copies of their oral comments that they want to give to us, you can also hand those over as well. Not necessary, but if you've got them, love to hear it.

MAYOR BROTHERTON: Thank you.

MS. PETERSON: Who's next?

MS. COLAMARIA: Oh, and on deck is John Thompson, the Director of the Coal Transition Project of the Clean Air Task Force.

MAYOR BROTHERTON: Thank you.

Again, my name is Greg Brotherton, and I'm currently lucky enough to serve as mayor of the city of Taylorville. I've lived in this city for over 45 years. I grew up here. I met and married my wife here. I've raised my children here. And last year I

buried my father here. The point I'm trying to make is that this is my home and I'm proud of it. And I want only the best for it and its citizens.

The city of Taylorville wants the Taylorville Energy Center to become a reality. There's not a day that goes by that someone doesn't stop me on the sidewalk or somewhere and asks "How's it looking for the Energy Center? Are we going to get it? It would be a blessing, wouldn't it? Have you heard anything new?"

See, the project means more than just new jobs to our citizens. It represents hope. Hope for the city, the county, and our country. Hope for a new industry and the revival of our economy. Hope for a brighter future for our sons and daughters. We truly believe that the Taylorville Energy Center will be a catalyst for growth, not only within the city but in the surrounding area as well.

A few years ago we had a local author write a book on the history of coal mining in this area. It was called A Divided Kingdom and the author was Carl Oblinger, and he wrote the following:

The coal fields of central Illinois formed the backbone of a strong regional economy for the first

half of the 20th century. These coal mines shaped the identity of the society within the region. The value of those families and communities are still exhibited today in their work ethics and family ideals.

The city of Taylorville owes much of its existence to the coal that is located literally beneath our feet. Coal mining is a tradition in this area and because it has been such a major part of our culture we have an appreciation of it that other people may have trouble grasping. To have an energy asset like coal sitting around unable to be utilized because of the sulfur it contains has been frustrating, to say the least.

Following a decades-long economic downturn that resulted in a large part from the area coal mines shutting down, the idea that new technology may once again allow this relatively abundant resource to be utilized is definitely exciting for us and the country as a whole. We all are aware that our reliance on foreign oil weakens us and I believe that our citizens are eagerly looking forward to those opportunities that will allow us to gain a greater degree of energy self-sufficiency. Clean coal technology can help us reach that goal.

Our federal government has shown that it recognizes the need for the development of clean energy technologies by including loan guarantees in the Energy Policy Act of 2005. These guarantees will help make the implementation of the new technologies possible and, in turn, benefit all of us.

We understand that this -- that under this Act it is DOE's responsibility to oversee the program and to evaluate whether or not a federal loan guarantee should be granted. Part of this evaluation process includes an environmental impact study.

I can assure you that the city of Taylorville fully supports this project. Its citizens and their elected officials will do anything they can to help bring this project to fruition. The Taylorville city council has demonstrated its support for the project for years. We have worked and will continue to work hand in hand with developers to ensure that the Taylorville Energy Center has what it needs from our city. And now we are asking the DOE to give this project the approval it needs to become a reality.

As the DOE proceeds through the National Environmental Policy Act environmental impact study, I hope that it will weigh the needs and the desires of

the local community above those of any outside interests. After all, it is our community, it's our environment being impacted, and our quality of life that will be better.

I'd like to thank you for giving me this opportunity to speak. Thank you.

MS. COLAMARIA: Thank you, Mayor Brotherton.

Mr. Thompson.

And then on deck we've get Becki Clayborn with the Sierra Club.

MR. THOMPSON: Good evening. My name is John Thompson. I direct the Coal Transition Project for a national environmental organization called the Clean Air Task Force. Our mission is to focus on those pollutants that address, contribute to green climate change, and also to reduce atmospheric pollutants that are responsible for premature death and disease. We are headquartered in Boston, Massachusetts. We have offices as far away as Beijing, China, and offices as nearby as Carbondale, Illinois, which is where I come from. We are funded by private foundations. We accept no money from industry. We accept no money from government.

I'd like to make two points tonight that deal with the EIS. But before I do, I need to place them in some context.

First, climate change is underway. It is a real problem. It's simple to measure. CO2 concentrations in the atmosphere have reached over 300 parts per million for the first time in the last 600,000 years. And if we don't change that direction, the planet that we have known, that our grandparents have known won't exist for our children or our grandchildren. CO2 is a critical portion of that.

Coal contributes to 40 percent of the CO2 emission globally that causes climate change. And yet, coal is not going to go away. Over the next several decades it is likely to double worldwide in its use. China in the last five years alone has built enough new coal plants to rival the entire size of the U.S. coal fleet. And that's why it is critically important to get carbon capture and storage developed and implemented on a global scale. Because otherwise we can't avert the worst impacts of the climate change.

This project is central to the development of this technology and its deployment around the world.

1 That's why the Clean Air Task Force supported this
2 project in the air permits initially several years ago
3 when it was an IGCC project and that's why we continue
4 to support it today. It is not only radically lower
5 in sulfur and nitrogen oxide emissions, it produces
6 roughly half the size of the volume of solid waste
7 that a conventional coal plant deals with. And today,
8 it will, as you've heard earlier, capture and store
9 over 50 percent of the CO2 it would emit.
10 The two points I wish to make with respect to
11 the EIS are these:
12 The first point is the October 9th Notice of
13 Intent identified 17 environmental resource areas that
14 begin with air quality and end with environmental
15 justice. We have a brief point to make. We think
16 that's the right list. We don't have any further
17 additions to that.
18 The second point is a little more subtle, and
19 I would like to spend just a moment more on that.
20 Which is, how do you measure the benefits and the
21 drawbacks of the no action alternative? That is, not
22 giving a loan guarantee. Some of these drawbacks are
23 hard to measure. Some of them are easier to measure.
24 For example, if this project doesn't go

through, there's a strong chance that one of the key portion of national CO2 infrastructure won't be built. That's the Denbury pipeline that would carry CO2 from Illinois, Indiana, and Kentucky to Mississippi to Jackson Dome where it will be used for EOR purposes. This project is important in facilitating that national piece of CO2 infrastructure. It's a very concrete item that your EIS needs to address.

But some of the most important benefits of this project are more qualitative. To the extent that this advances new coal technology and it speeds the deployment of CO2 sequestration and capture around the world, that is a critical benefit. And the failure to move this project may delay the advancement of this technology at the time when we need it most. We simply are running out of time. And I would urge you to take into careful consideration the full range of these qualitative but global and hard-to-measure benefits of the project.

Thank you for your time. I appreciate your patience tonight.

MS. COLAMARIA: Thank you, Mr. Thompson.

Ms. Clayborn.

And then on deck we've got Monte Cherry,

Executive Director of the Sanitary District of Decatur.

MS. CLAYBORN: I have a lot of things to talk about, so I'll probably go longer than five minutes unless you stop me. Okay? So please let me know when the five minutes are up.

MS. COLAMARIA: All right. We'll stop you at five minutes and then you can continue at the end.

MS. CLAYBORN: That sounds great.

My name is Becki Clayborn. I'm a Regional Representative with the Sierra Club's Beyond Coal Campaign.

The Sierra Club's Beyond Coal Campaign identifies coal as an issue not only in terms of global warming but also in terms of water quality issues, in terms of mining and how that affects our land use and our water quality, and then also how the disposal of coal after it's been combusted or gasified how that affects our water quality and our land quality. So we are looking at the entire life cycle of coal and how it affects our environment.

We're very excited about the fact that the Department of Energy is doing an environmental impact study on this project because we do feel that the way

things are set up in state permitting processes right now it's very piecemealed where there's the land permits, the air permits, the water permits, and they never talk to each other. And we've always appreciated the more holistic approach to these projects.

And actually, one of the things that I am curious about -- and I actually don't know if I can ask you questions tonight, but I am curious how this process works alongside the permitting processes of the state for water, air, and land issues. Can you answer that tonight or are you guys just going to --

MS. COLAMARIA: We can address that afterwards.

MS. CLAYBORN: Okay. Because we would like to see there to be some cooperation between all of those pieces.

MS. COLAMARIA: The short answer is yes, there's cooperation. It's a concurrent process.

MS. CLAYBORN: Okay. Great. Thank you. And I'll talk more with you later.

We're also very concerned -- we actually sent in a FOIA request, a Freedom of Information Act request, to the Department of Energy for the

application from Taylorville Energy Center for their loan guarantee, and we have received a letter in early September -- September 8th we received a letter saying okay, we're going to look for those documents for you. We've never gotten anything. And we are interested in being a part of this process and we feel that we're a stakeholder in this process, so we'd like you to look into that, too, to see how we can get those documents.

And specifically, we are interested -- there are several things about this power plant that we have concerns about. CO2 is one of them. Mining is one of them. But I'm actually going to hold off on those because I think I really want to point out about the financial aspect of this power plant since this is about a loan guarantee.

We've seen a lot of state money go into this permit -- or, into this project. Now they're up to $23 million of state funds that have gone towards this project. The ratepayers are going to be affected by this project. With the Illinois Clean Coal Portfolio Standard, utilities are going to be required to purchase power from this power plant, every utility in Illinois, including the alternative -- the alternative retail energy service providers, the ARES providers,

that was set up to provide renewable energy for large companies. They're going to be required to purchase gasification power that comes from coal, which is exactly the opposite of what they wanted to do in the first place. They wanted to buy renewable energy to offer to companies. We think that the price of that energy is going to be higher and, therefore, it's going to affect the ratepayers.

We also know that the Illinois Finance Authority has issued $500 million in bonds to this power plant, and with all of that state funding plus this 2.5 billion in loan guarantees -- which I find it interesting that I didn't hear that number at all tonight, how much of a loan guarantee we're talking about. $2.5 billion. The whole plant costs $3 billion, I believe. That's the projections. This is a significant loan guarantee to this company, and I'm interested specifically in how taxpayers from the federal loan guarantee and taxpayers on the state level with of all the grant money that has gone to it, how this all affects the -- how we're all going to be affected by this project. We believe it's -- there's a lot of problems with it in terms of financial issues.

Carbon capture and sequestration is expensive. We don't have -- I'll get into the CO2 stuff later, but there's no program in place right now. We don't know how much it's going to cost for them to monitor this, how much it's going to cost for CO2 sequestration to occur, and it seems to be a huge risk to the taxpayers, to the ratepayers. And there's also the concerns of liability and what happens if something goes wrong with the CO2 once it's sequestered.

And I'd like to point out, too, that the loan guarantees -- there seems to be a history with DOE loan guarantees where there's -- I don't know what the success rate is, but it seems like there are a lot of loan guarantees in which the companies actually default on these loans. And I'm concerned that this is such a huge amount of money that's going towards a risky, new, experimental technology that I want to make sure that that's not going to happen.

We do have concerns about where the coal is coming from. To this point we understand that the company is going to be doing a competitive bidding process, which means we don't know where the coal is coming from, which means we don't know what the

environmental impacts from that coal mine are going to be.

We do know that we have a lot of longwall mine permits that are being proposed in the central Illinois region in prime flat farmland that is then being destroyed, basically, to where there isn't -- the production of the crops is not as good as it used to be. We're concerned about how that is going to be affected if there's going to be an increase in longwall mining due to this project.

We're also concerned that many of our mine processing plants, the preparation plants have these mine waste impoundments which are large water-based coal waste impoundments that we know some of them in the state, one in particular, the Monterey impoundment has been leaking for years now. And we want to make sure that those issues are taken into consideration when talking about where their coal is coming from and making sure that we don't have these leaky impoundments.

MS. COLAMARIA: You're at your five minutes, but if you just hold that thought, as soon as we get through everyone on this list --

MS. CLAYBORN: Great.

MS. COLAMARIA: -- you're welcome to come back up.

MS. CLAYBORN: Thank you.

MS. COLAMARIA: Thank you.

All right. Mr. Cherry.

And on deck we have Mary Renner from the Christian County Economic Development.

MR. CHERRY: The Sanitary District of Decatur became involved in this project approximately five years ago when really the project was in its conceptual stage. One of things we recognized early on was the importance of water resources and water resources in our area.

When you think about water, you have to think of water regionally. You can't think of it as mine, yours. It's actually ours. And the wastewater utilities have come a long way in coming to the point where we are environmental protectionists. And we produce a very high quality product and that product can be used to the benefit of the environment and to man.

Reclaimed water's been utilized across the nation in many, many areas where water is in short supply. People wouldn't think central Illinois is one

of those areas, but in fact central Illinois does have water as a limited resource.

When I think about this project, I think about the value that it will add to our region. And you'll hear about -- I mean you've already heard about values added from different perspectives and you'll hear about a lot of values added from other perspectives. But from the water environment perspective this project has helped us figure out how to approach water resources from a sustainable approach.

Now, sustainable water planning is going on all over the country nowadays and in central Illinois we are undertaking a significant effort in sustainable water planning, and this project fits perfectly into that sustainable plan because it uses the right resource in the right place for the right purpose.

This project doesn't deplete the potable water resources. Instead, it uses a reclaimed water product and that is certainly something that is environmentally sound. So from an environmental impact statement I think certainly that should weigh in.

The effects of using this water in this manner will also provide a very good demonstration of how

reclaimed water can be used in areas that aren't viewed as limited resource areas. So from a demonstration standpoint this project has great potential to provide better things for others to take away.

The Sanitary District of Decatur believes this project will provide a solid foundation to advance not only the clean coal technology but the sustainable water technology. It will use Illinois coal in an environmentally sound manner and it'll also use one of Illinois's valuable water resources in an environmentally sound manner. So, we wholeheartedly support this project and we hope that you take into account all of the positive aspects that this project will have on water resources, water quality, and the water environment in central Illinois.

Thank you.

MS. COLAMARIA: Thank you.

Ms. Renner.

And on deck we've got Mr. Gary Spurling.

MS. RENNER: Good evening. Thank you, first of all, to the Department of Energy and Tenaska and the citizens of Taylorville and everyone here in the audience for the opportunity to address you all

tonight with regard to this important project.

My name is Mary Renner. I'm the Director of Economic Development for the Christian County Economic Development Corporation, which is the primary body who oversees economic development within Christian County.

Let me start off by emphasizing -- and I cannot do so strongly enough -- that there's nothing that CCEDC wants more than to see the Taylorville Energy Center built in Christian County. We've been involved in this project for many, many years. I personally have been involved for about six years, and prior to that time I was involved in economic development all over the state of Illinois for around 25 years.

During my period working for the state, I had the opportunity and the privilege to oversee many large scale, high-impact projects, and have observed firsthand the transforming, positive effect these projects had on the local and regional economy, not immediately but for years to come.

This project will not only put Taylorville and central Illinois on the map in terms of environmentally responsible electric generation, but it opens the door to cleaner uses of Illinois coal,

something that's important to all of us in Illinois, and serves as a model for future clean coal projects fueled by Illinois coal.

As you heard earlier, the project will provide approximately 15 jobs at peak construction and more than a hundred during operation, and maybe most importantly or certainly equally as importantly, will revive hundreds of coal mining jobs, providing an opportunity for a considerable number of a very trained and skilled work force, who are not currently working because they don't have the opportunity to do so, to be utilized once again to their optimum.

In addition, with the potential for supplier chain development, future investment and job creation is likely to occur and benefit the Taylorville Business and Industrial Park, a new development located in close proximity to the Taylorville Energy Center.

With an emissions profile similar to a natural gas plant, we have full confidence that the facility will not have a significant environmental impact on our community or on the surrounding area. As a cutting-edge clean technology project, we understand that the developers of the Taylorville Energy Center

are going out on a limb to bring us cleaner energy technology and we are most appreciative. We feel fortunate that Taylorville and Christian County have been chosen as the site for this important project.

We've had the opportunity to see the Taylorville Energy Center project evolve over many changes and experience many changes over the past several years. And CCEDC has never failed in their continued support every step of the way with the project. We will continue to do so and offer any support we can and continue to have a strong belief that Tenaska will develop the project in an environmentally responsible manner.

For these reasons we appreciate the federal Loan Guarantee Program which is designed to make projects like these a reality. Please take into very serious consideration the number of jobs, the local spending, the significant economic impact this project will bring to our area, especially during a time of national recession. Please make it a strong consideration in your impact study for consideration for the federal loan guarantee.

Thank you.

MS. COLAMARIA: Thank you.

Mr. Spurling.

On deck we've got Mr. Duane Chappell.

And also I just wanted to remind folks, if you did not sign in -- even if you're not speaking, if you didn't sign in when you came in, if you could please sign in just so we can get an accurate record of however many people were here.

Sorry.

MR. SPURLING: Thank you.

Although it is not my current occupation, my education is in industrial design and about 20 years of my working life have been spent in product design and steel fabrication.

Undoubtedly, the most confounding and aggravating thing I learned in that time is there is a necessary and mandatory evolutionary process in design. I used to wonder why can't we do the final design first. The answer is real simple. We didn't have the knowledge gained through successive improvements in design and each new version of a design stands on the building blocks of prior versions.

I've heard it said that this plant should not be built because it is not a hundred percent solution

to the problems of using fossil fuels. But the important factor here is that the design of this plant represents a major step forward in solving those problems. And more importantly, this plant will become a necessary building block to support the innovations of future solutions. The current design will certainly not be state of the art in 50 years, but the future state of the art will be based on and derived from the innovations of the plant we see here today.

We believe this plant will create a social and economic environment that provides for the possibility that our children can prosper here if they so choose. In the current environment we raise our children expecting that as adults they will ultimately locate elsewhere because economic and social opportunity has always been limited in Taylorville. We're excited at the prospect of this plant as a major building block of economic growth over the next several decades, replacing the persistent perception of shrinking opportunity with a vision of social and economic expansion. Economically we see an influx of peripheral businesses of maintenance, consulting engineering, and supply.

Socially this endeavor will bring an influx of talent, intellect, and educational opportunity which can only be uplifting to our community.

This plant will raise our standing in the world and our awareness of the world through the involvement both of the people who are building it as well as those who will come to see it and build on its success. The innovations of this plant will bring visitors from all over the world.

In considering the social and economic environmental impact we ask that you weigh heavily the viewpoint of those who live here and are totally invested in this community. We are the ones who will feel the greatest impact of your decision. This plant will radically improve Taylorville's economic profile, setting the stage for continued growth into the foreseeable future.

The pursuit of this plant has been a well-thought-out process that began in 2001. It has been vigorously pursued for almost a decade. This is not an impulsive grab for jobs to solve some recent and temporary employment problem. Tenaska and Taylorville have cultivated a relationship of trust based on years of open, honest communication.

Those of us who live here are at the point of impact of this plant and we believe it to be a very positive development and we want it to be built. As local residents, we will literally have this plant in our backyard. And that's precisely where we want it.

Thank you for your consideration.

MS. COLAMARIA: Thank you.

I think we're going to skip Mr. Chappell. That's correct?

So then if we can hear from Joyce Blumenshine from the Sierra Club.

And then on deck we'll have Verena Owen.

MS. BLUMENSHINE: Thank you. I'm Joyce Blumenshine. I'm a volunteer with Illinois Sierra Club and Conservation Committee Chair.

I'd like to thank the Environmental Protection Agency staff for a very professionally run and very helpful hearing and also to compliment the Taylorville Energy Center staff for their helpful answers to questions and the availability. It's been a very good evening. I have a few questions and then just a brief comment.

I did want to ask in the scoping part of this, I am sure that people are looking to the north where

carbon might be sequestered, but I do believe there's old mine works towards Stonington, and I personally don't know if the impacts of what is being proposed would have any effect on that or previous blasting that was done might have affected the ground in that area.

My concerns also go for the neighbors in this area, which are perhaps even as important or more important a legacy than coal mining to Illinois, and that is the agricultural community of the heartland which we all live in. I am of a farm family and I'm proud of that. And I haven't heard mentioned tonight I think in enough significance as far as this scoping hearing, which is designed to ensure that all significant issues are fully addressed, is the socioeconomic value of the heartland here of Illinois farmland and the importance of the continuation and support for the farm community.

And I know it was alluded to before by another speaker of the impact of longwall mining in Illinois. Longwall mining is the predominant method of mining. As most people know, it subsides the surface of the land from four to six feet on zero to four percent slope prime ag land. That means there is a pool, a

dip in the middle of the longwall panels. On both sides of the panels are pillar -- room and pillar mine shafts for air and people and machines, and in the middle the ground sags. So what were once acres upon acres of flat farmland that our dedicated farm families have worked for years to make efficient, to cultivate ever more bushels of crops that we all depend on for our food source will be facing the impacts of longwall mining.

Moving north from southern Illinois and now in Montgomery County, just south of here, there is a new mine where 7,000 acres approximately of prime farmland will be longwall mined, dropping an average across that of 5.7 feet.

In Macoupin County, next door here, Exxon mined, longwall mined for the Monterey 1 mine. I would like to present as some of my exhibits tonight concerns for the impacts of longwall mining, which include the highest and best technologies of our Illinois agencies to reclaim that land, and I have pictures of ditches and bigger ditches that are used to drain the excess water from longwall mining. To my knowledge no agency at this point is monitoring the erosion impacts, the water runoff impacts, the loss of

crop productivity on these longwall mined acres.

I am also submitting tonight a study in part that was done by the Department of Agronomy at University of Illinois in 1993 by Professors Darmody and Vance and it is on the agricultural impacts of longwall mining. These are very significant scoping issues I think for this consideration. And just to read briefly, I -- just a comment, it says:

Longwall mining in Illinois has a deleterious effect on crop yields. Subsidence subsequent to mining forms depressions that may cause ponding on agricultural fields.

It goes on about some reclamation can be done, but in this study individual sites within the area identified as having severe subsidence effects had an average loss of 95 percent crops. So some areas of farmland, including potentially 30,000 acres of bottomland farmland in Montgomery County alone, could be lost to agricultural production from longwall mining.

This is a huge issue not only for this part of central Illinois or this state or for the agricultural community and our dedicated farmers, this is a huge issue for this nation. And somehow our agencies and

our government officials will have to weigh and balance what is going to happen to the future of these potential new technologies that require coal.

I appreciate your time tonight. I will turn these in as some exhibits.

I did want in closing to mention that the impacts of mining, the impacts of these power plants affect, of course, the local people. We've heard support for that. But I can mention to you in Macoupin County we are seeing longwall mining impacts that are depopulating the rural areas. As if there's not already enough stress on our farm families to compete with pricing and competition, the mines that buy out property in Macoupin and now in Montgomery County purchase farmsteads, destroy the houses, either bury the buildings or if they're damaged by subsidence, that's the ground shifting, the homes are gone. The families are gone; the children are gone; part of the tax base is gone. I believe that is a very important part of this scoping process.

Thank you.

MS. COLAMARIA: Thank you.

All right. Ms. Owen.

And then on deck we've got John Taylor from

the Local 146 electrical workers.

MS. OWEN: Thank you. Good evening, my name is Verena Owen. I'm a volunteer for Sierra Club Beyond Coal Campaign. I want to thank DOE for holding this meeting. I am a strong proponent of public participation.

And I would like to start with some housekeeping questions. And to the extent that you can answer, I would prefer if you would tonight because I think we need to understand a little more of the process.

I see we have a court reporter. How do I get transcripts from tonight and when?

MS. COLAMARIA: I think they'll be available when the draft EIS is available as part of the administrative record.

MS. OWEN: Okay. Will that include a copy of Tenaska's PowerPoint presentation?

MS. COLAMARIA: The administrative record would include that.

MS. OWEN: Okay. So I expect that when the EIS comes out as well.

I notice that my friend Joyce Blumenshine has submitted written comments already. First of all, I

would ask that there be someone tagged as exhibits maybe tonight.

And second of all, will we have to submit written comments again later on in the process? If we submit something tonight, will we have to do it again at the next opportunity to comment on the EIS?

MS. COLAMARIA: I'll answer this now because it's a process question.

MS. OWEN: Right.

MS. COLAMARIA: If you submit written comments now on the scope of the EIS, yes, we would also like you to submit comments once we actually put out the draft EIS and give us your comments on that actual document.

MS. OWEN: So do it twice.

MS. COLAMARIA: Yes.

MS. OWEN: Okay. Thanks. I just want to make sure that we don't miss an opportunity.

I listened very carefully to your presentation because this process is new to me and I -- the first slide said that the purpose of the loan guarantee is to avoid, reduce, or sequester CO2. I don't see the first two in this proposal. Where's the avoid and reduce?

Sequestration does not reduce carbon emissions overall. And we know that science tells us that we have to do that 80 percent by 2050 to prevent the planet from melting. However, with sequestration, and let's assume it works, this plant will add to CO2. So the avoid, reduce is not part of this Loan Guarantee Program as far as I can tell.

Which brings me to the next question is, if we're not avoiding or reducing anything, we're adding something. Why? Where's the need for this?

Do we need more electricity? I know that Illinois for years has been a prime exporter of electricity. We have enough generation to share.

Do we need more natural gas? Well, last I heard that we have a glut of it, domestic natural gas, and that it is at -- the natural gas price is at an astonishing low.

So I don't see the need for this, especially since it does not avoid or reduce anything.

I notice that Tenaska claims that this plant would replace old coal plants, and I ask that you look into that. Because every time I ask them, they don't tell me which one it is, they don't know when, they don't know how. Those empty claims don't really bring

us forward.

I have a question of this is an experimental thing. Who will pay for failure of CCS?

When you go through your list of accumulative impacts, I added a few things that I thought was missing. First of all it is, who pays for failure? Who is on the hook for any kind of liability?

Look at the ratepayer impact. As was pointed out already that Tenaska plans to sell this to the power authority and ultimately to the users in Illinois. There's a taxpayer impact on the federal and the state level.

And let's talk about -- we already heard about mining, thank you -- pipeline. A pipeline from here to Mississippi. What does that do to people's backyards? What does that do to their quality of life? What does it do to their safety? How do we deal with eminent domain all the way from here to Mississippi? And I don't know how long that is, but I would think several hundred miles. This is certainly a major issue. And it doesn't end at the Illinois border.

One minor thing. Just because I've gone through a so-called beautification process and the

slag it produced once before, and it was very unclear what the ultimate product would look like, I think that is another issue. What is the waste? How safe is it? If there is an aftermarket, is there a material data safety sheet? What can they and can they not do? Has there been studies done? The slag I was involved in they claimed they could use as an abrasive material, thank you very much, all the stuff that was in it would be back out into the air. Please look into that. I think that is a critical issue.

And last, I do appreciate the presentation from the gentleman from the Sanitary District. I appreciate the fact that people here are conscientious about their groundwater, and my question is, how much water does this plant use? And granted, it's gray water, but that gray water would normally go into some body of water. And what would it mean for that body of water and the fish and wildlife and the people around it if that water is now going into a power plant?

And I thank you again for your time and patience.

MS. COLAMARIA: Thank you.

Mr. Taylor.

On deck we have Jim Brubaker.

MR. TAYLOR: Good evening, ladies and gentlemen, esteemed guests from the Department of Energy, and esteemed guests from the Tenaska people. I welcome you to central Illinois.

There's been a lot of technical talk here this evening. Some of it has been completely above my head. I'm an old construction electrician. So what I'd like to do is I'd like to put it down to terminology where I think you can all understand me. Because that's just the way that I speak.

My name is John Taylor. I'm the Assistant Business Manager for the International Brotherhood of Electrical Workers.

On behalf of the 700 members of our local that covers this area, we are here to support your work to bring clean coal energy technology back to the United States and bring some security back to America. What you see here in central Illinois is not what I used to see when I came here 25 years ago. We have -- jobs are gone. There are fewer trains that come through this area. Our companies are gone. Local businesses have had to close their doors.

The Taylorville area needs the Taylorville

Energy Center. The proposed project I believe if constructed would bring an influx of capital and many well-paying construction jobs into our community, creating an increase in tax revenues. Local businesses would benefit dramatically. When employment is booming, everyone benefits.

These jobs will stimulate and energize this community and all of central Illinois. Further employment projects will continue as supportive infrastructure will follow. This community will be revitalized. Educational facilities in this area will expand, teaching new state-of-the-art technology.

Now, I understand tonight from sitting here that I've heard some naysayers, and I think this is America and we all have a right to our opinion. But I was there at the start of the Clinton nuclear power plant. There was the same outcry. There was similar negative feelings. However, at the end of the day, 20 some years later, the Clinton nuclear power plant is up and running. No accidents, no major problems, just quietly doing its job supplying power to the grid.

Every new technology has its critics. All you have to do is reflect back in history. Steam engines, automobiles, airplanes, space travel. We must as a

people embrace this technology. You've heard a lot of comments on that tonight. I think it's critical. We need to move forward. We need to move the Taylorville community forward.

There have been many hours of work by our elected officials, by the Chamber of Commerce, by labor organizations, and by citizens of the area. We have all worked tirelessly toward this goal to bring this project to fruition.

Many of you sitting out there would say that I have a self-interest in this project. I stand guilty as charged. I'm also guilty of living my entire life, 62 years of it, in central Illinois. I am also guilty of being what you would call a concerned citizen. And I am further guilty of maybe opening my mouth and talking a lot of times when I shouldn't. But I feel that that is my right. And I appreciate the opportunity to do that.

We need to do here tonight -- we need to write or call our federal and state elected officers. We need to tell them thanks for what past support they have given us to get us this far on this project. But this job is not complete yet. Let's make this happen. Let's secure the future. It is within our reach.

The Clean Air Act of 1990 had imposed new emission standards that made Illinois's coal, one of our nation's most precious energy resources, unattractive to energy companies. The Department of Energy has an opportunity to bring some of this opportunity back into this region in your work to support the development of this clean coal technology and this clean energy project.

When you consider -- and please, when you consider the environmental impact of this project, I would appreciate it if you would consider what it will do to my environment with economic opportunity and the ability to provide for my and our members' families for years to come. And please weigh this heavily. It is the livelihood for literally thousands of workers in the state of Illinois.

I appreciate the opportunity to stand before you tonight and make these comments and for you to so diligently listen to me. Because I am capable of rambling on. But I'm going to close now, and I will tell you this, let's bring the job opportunities back to Illinois by bringing this project to Christian County and Taylorville. And thank you all.

MS. COLAMARIA: Thank you.

Mr. Brubaker.

On deck we've got Mr. Dick Adams.

MR. BRUBAKER: I am Jim Brubaker, Executive Director at Lincoln Land Community College at Taylorville. And we want to thank the DOE for this opportunity to be heard and to voice our beliefs as far as this project is concerned.

First, let me go on record and say that I am an avid proponent for the Taylorville Energy Center because of the enormous opportunity that comes with a project of this magnitude and significance. There are very few times in life, especially in rural geography like ours, where one has the potential to do something that can do so much good for so many people. And certainly, this project carries with it substantial socioeconomic possibilities that would greatly impact the constituents we serve in Christian County and the surrounding area. That's a given. We know that already.

Secondly, I think it's important for you to know that our college stands ready to support any collaborative initiative necessary to assure that an appropriately trained work force is available to meet the needs of our partners in this project. We have a

history that documents the importance we place on community. Whether it's training for new employees, retraining for experienced workers, annual certification renewals, whatever, we're here to provide assistance and make sure businesses have an education link with which they can contract to sustain a viable, productive work force.

And last, but certainly not least, I want you to know that we, too, certainly are advocates for safeguards for our environment.

Recently, I was consulting with a gentleman for whom I have a lot of respect about some training plans for coal mine workers. As we talked, I told him about the Taylorville Energy Center project and the prospects of having a new mine in Christian County. Butch left here about 40 years ago. He's originally from Taylorville. And he said to me, and I quote, "Jim, I'll believe it when I see it."

As I thought about his comment, it reminded me that the pathway to utilization of high-sulfur coal has been a long and arduous task. To be able to capitalize on the natural resource which we have in abundance here in the heartland of our nation is critical. And Tenaska coming to Illinois with a

vision and determination to develop the technology necessary to use high-sulfur coal in a power generation process has been extremely gratifying.

Tenaska's approach, if I can play on those words, is I see it; therefore, I believe it. What others saw as a problem, they saw as an opportunity. They discovered positive capacities for the project. They dreamed of what could be and then they put the challenge to their engineers to design a system that would be, in their words, the most environmentally friendly coal fuel facility in the world. It became their destiny. And we of Christian County are now hopeful you will put it on track to become our reality.

They have confirmed time and time again that they will work within all the parameters necessary to bring to fruition a process that meets acceptable standards for using our abundant coal resources while assuring that their production facility sustains safeguards and safeguards our ecosystem.

Therefore, we at the college at Lincoln Land as partners in economic development with Christian County and the greater Taylorville community request your consideration and approval for this federal loan

guarantee.

Thank you.

MS. COLAMARIA: Thank you.

Mr. Adams.

On deck we have Ken Hart.

MR. ADAMS: Good evening. My name's Dick Adams and I'm 57 years old. I've been married for 34 years. My wife, Cindy, is an art teacher in the Taylorville school system and we have two sons, Jordan and Clark, and they're hopefully going to finish college in the next couple of years. I'm certainly keeping my fingers crossed. I don't know.

I'm the community bank president of the First National Bank on Spresser in Taylorville. I've had the opportunity to live in Taylorville a total of about 51 of those 57 years. And I've been involved with Christian County and Taylorville's economic development program for about 25 years. I've been blessed to serve two separate terms as mayor of the city of Taylorville, and from those experiences I can tell you that Taylorville is indeed a great place to live, to work, and to raise a family.

Taylorville's a community that has its heart and soul deeply embedded in agriculture and

manufacturing. We're richly blessed with excellent educational opportunities, health care resources, and a very adequate supply of skilled workers who still believe and live by the values of hard work, honesty, integrity, and showing up on time.

During the past 25 to 30 years, like other communities our size, Taylorville has suffered through the loss of major employers, specifically Peabody Coal Mine, Georgia Pacific, Ingersoll-Rand, and at least three major grain bin manufacturing companies. Those companies all provided excellent wages, health insurance, and retirement benefits. Thanks in large part to the long-term and sustained efforts of our economic development group, some of those lost jobs have been replaced. However, the majority of new employers that we've been able to recruit to this area generally pay less in wages and offer reduced health insurance and retirement benefits. So actually, in the retention of quality jobs from that perspective, we've actually lost ground in the last 25 or 30 years in this area.

I am in support of this project for primarily two reasons. Number one, the project will help us replace some of those lost jobs that I've just

described. It's just that simple. The economic impact on our city, our county, and our state will be very significant and very substantial. Number two, the project in my view is an environmentally responsible project.

I was recently reading a New York Times editorial that was given to me by a gentleman I really like and it was dated October 11th, 2009. It was co-authored by Senator John Kerry and Senator Lindsey Graham, and the article said -- and I'm kind of paraphrasing and quoting here, but it said, if as a nation our goals are to, A, reduce our dependence on foreign oil and, B, to encourage reductions in the emissions of carbon gases that cause climate change, then we need to provide new financial incentives for companies that develop carbon capture and sequestration technology. End of quote.

Now, I can't imagine that Senator Kerry and Senator Graham can agree on very much of anything, knowing their histories and their politics, but they do appear to share very similar views on this particular issue.

In summation, the Taylorville Energy Center is positioned to be among the first commercial power

plants built in the United States to capture at least 50 percent of its carbon dioxide CO2 emissions. The Taylorville Energy Center project will create new jobs for the people of Taylorville and Christian County. The Taylorville Energy Center project will use 1.5 million tons of Illinois coal annually from Illinois mines, a natural resource that we have in abundance in this area. And the Taylorville Energy Center project will empower Illinois to become more self-sufficient and environmentally responsible in regard to energy production.

So it's those reason -- for those reasons that I support this project, and we are very hopeful that you will grant the loan guarantee to the Taylorville Energy Center project.

Thank you very much for coming to Taylorville, Illinois, tonight. We appreciate it. We thank you for your kind attention.

MS. COLAMARIA: Thank you.

Mr. Hart.

Up next we have Mr. Alan Rider.

MR. HART: I'll be brief. My name is Kenneth Hart. I am president of the Taylorville Development Association, Taylorville Industrial

Development Corporation, founding president of Christian County YMCA, former trustee of Lincoln Land Community College, and current community president of People's Bank and Trust here in Taylorville.

I think this comes down to one thing, dependency on foreign oil. We've been talking about this for several years. And if you'll go back with last summer, $4 gasoline virtually destroyed our economy. We're creeping back up there if you filled up your gas tank in the last two or three days. We need alternative fuels. We need this power plant as a part of it. We need the loan guarantee that would support that. Because we cannot continue to be dependent upon foreign oils and watch our children become unemployed, our spouse become laid off early in their lifetime, and our economy wrecked once again.

Again, thank you very much for your concern here tonight and we would ask that you approve the loan guarantee application.

MS. COLAMARIA: Thank you.

Mr. Rider.

Up next we have Mike Murphy from the Illinois DCEO.

MR. RIDER: My name is Alan Rider. I also

thank the Department of Energy for their attendance. I would also like to thank some of the earlier speakers for giving some information that I had not heard before.

My name is again Alan Rider. I'm a concerned citizen. I live in the Mount Auburn area.

Nationally, many of you, I'm sure, have been following the national energy debate and climate change debate. It focuses mainly, not exclusively, but mainly on CO2. The Taylorville Energy Center fact sheet doesn't say anything about CO2. It does allude to it a little bit but doesn't say anything about it in those particular words.

When we talk about CO2 sequestration, there's a couple things that I would like to at least point out to the audience and the Department of Energy.

We live in an area that has the New Madrid fault which occasionally causes some minor earthquakes. I don't know if that's an issue to be concerned about, but I raise it.

Sequence injecting the CO2 in the ground, how much does the area hold? Who regulates it? How do we know if it leaks? How do we monitor for leakage? If we find a leak, do we shut down the power plant that

we have been talking about spending $3 billion on? I don't know.

Tonight is the first time I've heard about a use for CO2 other than polluting the environment. I read multiple sources. Yes, some pro environmental sources, but also some neutral sources. Not one, not one of those sources has ever mentioned using CO2 in some productive way. I intend to find out more about that. But I must tell this audience and the Department of Energy, Alan Rider as a private citizen has not seen the first word up until tonight about using CO2 in some productive way.

The Taylorville energy project -- Taylorville Energy Center, excuse me, agrees that greenhouse gases and CO2 are important to reduce and/or eliminate. Now, I applaud the Taylorville Energy Center for attempting to address that issue. This proposal reduces it but does not eliminate it.

Worldwide, worldwide, scientists tell us we need to reduce CO2. The Taylorville Energy Center does not eliminate it. We have economically valuable, positive energy alternatives to use that does not produce CO2. Why not use them?

Thank you.

MS. COLAMARIA: Thank you.

Mr. Murphy.

And up next we have John Curtin from Christian County.

MR. MURPHY: Good evening. I'll try to skip anything that's already been said here.

First of all, it's not been that long, but it's been nostalgic to have the Department of Energy, Potomac Hudson, their consultants, and a lot of the same folks who were involved with us with the FutureGen project back here in central Illinois. I can assure you these are very professional people, who are very, very demanding. And I say that in a good way.

I'm here tonight representing the Illinois Office of Coal Development, which is part of the Department of Commerce and Economic Opportunity of the State of Illinois. We are the statewide economic development agency and I am part of the bureau that focuses on trying to revitalize the coal resources of Illinois, primarily, and nowadays almost entirely, by finding cleaner, more environmentally sound ways for that coal to be used.

At the top of the list of projects that

accomplishes the goals I just described is Christian County Generating, the Taylorville Energy Center, the project being brought to you by Tenaska.

It's been five years or more since we first started dealing with this firm and/or variations of it. It's been extremely professional. It's been extremely satisfying. The will that Tenaska has shown to do what at the outset many of us wondered was possible. They have been diligent in proving their case. They have been strong in terms of building a support base. And today they present a project of the exact or almost exact type from which we've heard support from President Obama, Secretary of Energy Chu, Governor Quinn, the senators and delegates to Congress from state of Illinois of both political persuasions.

Others tonight have or will explain why this project outpaces all others in terms of clean coal initiatives being developed anywhere in the United States. It was designed with leading-edge technology when first permitted for construction. The project brought to you today far exceeds those parameters in terms of its environmental controls. This is beyond what the law requires. But it is -- it is a project that's being designed and implemented with an eye

toward our future and what the coal industry and coal-using plants will look like not just the day after tomorrow but for many years to come.

To make -- to make it clear what the state has done to support this project to date -- and it is along the lines of what we have done for other potential coal projects and we hope we can continue to do -- our office invested two and a half million dollars in front-end development studies for this project to help, not to pay the bill but to help Tenaska and its other partners decide whether this project could be built. That amount was matched by two and a half million dollars from the Illinois Clean Coal Review Board, which is managed by Southern Illinois University Carbondale, but it's a public-private partnership that spends essentially foundation-like funds to bring new coal technologies to the state of Illinois.

In addition, just last month our office was the agency or the part of the agency that awarded an $18 million coal development bond grant to this project for the preparation of a facility cost report, which is in my mind not terribly helpful to the project but is -- was ordered up by the Illinois

legislature to protect the consumers who will be the ultimate purchasers of the power here. This study that will produce this cost report is well under way. We have begun to pay the funds and will continue to do so on a schedule throughout the rest of this year.

In closing, this project, along with the FutureGen project in Mattoon, is fulfilling what the public and its elected leadership demands, that we utilize coal in a fashion that makes economic and environmental sense. And as DOE assesses any possible environmental impacts to the Taylorville Energy Center, and we stand more than ready and able and somewhat experienced to help them in this pursuit, we are in full consideration of the tremendous economic and other benefits of this project to the folks in Christian County, in east central Illinois, throughout the state of Illinois, and in fact, to people throughout the country and the world.

Thank you.

MS. COLAMARIA: Thank you.

Mr. Curtin, John Curtin.

Up next we have Michael T. Carrigan.

MR. CURTIN: Thank you, Angela and other members of the DOE.

I'm John Curtin. I'm chairman of the Christian County Board, which is the governing body of Christian County. I would -- as Mayor Brotherton mentioned earlier, I, too, was born in Christian County a long time ago. Right, Jack?

Jack's probably the one person in this room that's as old as I am.

I've been involved in county government over 37 years. I raised -- as I said, I was born here and raised six children in this county, who in turn raised 25 grandchildren for me and my wife, and in turn have already raised or in process of raising, needless to say, four great-grandchildren. So I have a lot of roots in this county and I have a lot of reason to be optimistic about the economic opportunities that this generation plant could bring. But I'm pleased to be able to make a few comments tonight in support of the loan guarantee to support the funding for the Taylorville Energy Center, which is being developed by Christian County Generation.

Projects of this magnitude take a lot of time. I know firsthand because I've been working on this project since 2001. The first meeting that then Mayor Montgomery and I had with Mr. McGinnis and

Mr. Schwartz from the Aurora Group, who started this project, along with Todd Ely, who is their consultant, took place back in 2001. I remember being so impressed with those individuals, their sincerity and their knowledge of what they were proposing at that time. And I know that they made a lasting impression on me. And when we left that meeting, I felt confident that some day this would really be a reality.

I know we appreciated their interest in our area and we expressed to them at that time. They in turn left the meeting feeling that they were welcome in Christian County and we were all anxious to work together on this project.

I won't elaborate on what has taken place in those years leading up to the present time. But needless to say, many things have changed over that period of time. But my optimism and our willingness to work together has not changed.

Now that Tenaska has taken the lead on this project with the Aurora Group and with the latest new technology to use our Illinois coal, I believe this is a win-win situation for all involved, as well as the county.

Christian County has long been known for its rich agricultural heritage, as was mentioned earlier, and it has always been this county's number one industry. But coal mining has always been the number two industry in Christian County and we would like to bring that back. We have in this county abundant reserves of fossil fuels below the surface. It only makes sense that we should be using it to put our people back to work. In turn, we can produce electricity and pipeline quality substitute natural gas, commonly called methane gas.

Wind and solar energy are the big talk now. But with the latest technologies available to us today, fossil fuel can be used in a very competitive manner. Again, putting our people back to work and getting this economy back on track.

As Mr. Brubaker spoke to you earlier, we have two very good junior college districts in this county. They're ready and willing to do whatever is needed to train our people for the jobs associated with the Taylorville Energy Center.

I would certainly be remiss if I did not mention what it would mean to have this facility and what it will do for the tax base of our county so that

we --

MS. COLAMARIA: Sir, you've got about 30 seconds.

MR. CURTIN: -- so that we can continue to provide services from the county as well as provide financial stability to schools and other taxing bodies in Christian County. This is a cooperative effort for the city of Taylorville, Christian County, and the Christian County Development Corporation to assist in this project any way we can.

Thank you.

MS. COLAMARIA: Thank you. Sorry about that.

Mr. Carrigan.

And then up next Mr. John Gardner.

MR. CARRIGAN: Well, good evening and thank you for the opportunity to let me speak. I'm Michael Carrigan and I'm president of the Illinois AFL-CIO.

Just a little bit of fact. The Illinois state fed is the third largest state fed in this nation. We represent approximately one million working women and men of organized labor. But as everybody in this room, you wear different hats.

I live in Decatur, Illinois. I served 14 years as a city councilman in a community of about 80 some thousand. My last short year but my last eleven months as a city councilman I actually served as mayor.

I've been involved in presentations with the Illinois Municipal League and, you know, no matter where I go in this great state, it's all about projects and jobs and trying to get the state of Illinois's economy going.

As the president of the state fed, we've been involved in a lot of legislation, things that involve ethanol and biodiesel plants, wind farms. Down in Washington County there's a project Lively Grove that deals with a large mouth of mine generation plant. We've been involved with Tuscola, the FutureGen. We've been involved with Boeing, who's headquartered in Chicago, on refueling tankers, would rather see them built in the states rather than going overseas.

There's been discussion of this CO2 pipeline. We're already engaged in that and lobbying DCEO in support of that.

We've been involved in the Chicago 2016 Olympics. Didn't happen but we're proud that we were

part of that.

And we were involved in a 30-some billion dollar capital bill which passed the General Assembly earlier this year, a capital bill that we haven't had in this state for over ten years. You know, with proper bonding it's going to go a long way to help the infrastructure of this state. Our roads and our bridges, as we all know, are in disrepair.

So the state fed has been involved with many, many communities and economic development corporations up and down this state, and we're glad to do our part. Do we have ulterior motives? Absolutely. We want those jobs.

We've worked with Tenaska from the day they started. In fact, the gentleman that just spoke a little bit ago mentioned Aurora. We were there when it was Aurora and now it's Tenaska.

And we're here tonight talking about a loan program, a Loan Guarantee Program. Well, I don't care if you're getting a loan for your college tuition for your children, your mortgage, your house, somewhere on that loan application you want references. Usually on the last page somewhere near the bottom. But I say tonight that the Illinois AFL-CIO would gladly sign on

that loan application. We've dealt with Tenaska, the representatives, they've been nothing short of professional. We've been in meetings, committees. We've been in visits to Illinois senators, Illinois reps. We've been there with them. They've conducted themselves as professionally as anybody possibly can.

As a guy who deals with the Illinois General Assembly, let me give you Lobbying 101. It's easier to kill a bill than it is to pass a bill. The General Assembly is a difficult place to move legislation. Tenaska has done that.

You know, it was said earlier that, yeah, there's taxpayer money. And that's true. There is $23 million worth of state money in this for the studies and the grants that you've already heard. It's zero interest loans. 18 of that, though -- and I want to say that again -- 18 million will be repaid when this thing goes to final financing. $5 million is well worth it for the taxpayers of Illinois.

You know, it was also said that the Illinois Finance Authority has issued $500 million worth of bonds. That's not true. The Illinois Finance Authority has done an inducement resolution. As most people know, a resolution, it's just an intent. It's

a preliminary step. Just like we're doing here tonight, another step in this process. There is no $500 million of Illinois Finance Authority bonds that have been issued. And we deal -- the state fed deals with the IFA practically every week involved with some of the projects like I've already mentioned.

You know, a lot -- I'm a bit off script here, but we're talking about jobs, we're talking about central Illinois and stimulating our economy, and that list that I've talked about, you know, I submit respectfully to the DOE if you can jump-start a few large state economies like a California and a New York and an Illinois, then you're going to get this nation's economy up and running again, which we all desperately want to see.

You know, this plant --

MS. COLAMARIA: Sir, you've got 30 seconds.

MR. CARRIGAN: 30 seconds, thank you.

This plant is in Illinois, is in Taylorville because of some things that are going right for Taylorville and congratulations. The community wants it. The electrical grid is here. You have water; you have coal; they have a business plan. And we're here

to support them fully and hope you will give them a favorable determination on the loan application.

Thank you very much.

MS. COLAMARIA: Thank you.

Mr. Gardner.

And up next we have Alan Lauher from Central Illinois Old Trades.

MR. GARDNER: Good evening. My name is John Gardner. I'm the Chairman of the Board of the Greater Taylorville Chamber of Commerce. And I'm speaking in support of the Taylorville Energy Center on behalf of the membership of over 300 local businesses.

The Chamber's mission is simply to make Taylorville a better place to live, shop, work, and visit. And Taylorville is a great place. But with local unemployment rates approaching ten percent and regional sales tax and economic activity declining, we could use some help. The billions of dollars of commerce to be generated by the Taylorville Energy Center would have a tremendous positive economic impact on Taylorville and all of central Illinois.

A national goal is environmentally sensitive energy independence. As you know, we can use some

help there as well. The commercial application of state-of-the-art clean coal technology to be employed in the Taylorville Energy Center could lead the way towards accomplishing this goal. We believe the Taylorville Energy Center is the correct solution for both our local economic challenges and our national energy challenges.

Please include the following factors in evaluating the environmental impact in the impact analysis phase of granting the federal loan guarantee to the Taylorville Energy Center:

First, the impact on local and regional unemployment rates; the impact on regional economic activity, secondly; and third, the potential progress in achieving environmentally sensitive energy independence and leadership in that area. And please act favorably on the federal loan guarantee for the Taylorville Energy Center.

Thank you for holding this hearing.

MS. COLAMARIA: Thank you.

Mr. Lauher.

And then on deck is Phil -- Gonet? Gonet?

MR. GONET: Gonet.

MS. COLAMARIA: And then he is the last on

this list up here unless we have any additions, and then we can recycle back and let Ms. Clayborn finish her speech. And then if there's anyone else who got cut off who wants to take more than five minutes, you can do that then as well. Just let us know.

MR. LAUHER: Alan Lauher, Central Illinois Building and Construction Trades Council.

In the interest of time here this evening and the quality of testimony that has been given, I will get right to the point. We would ask the Department of Energy to recommend the approval of these loan guarantees so that this project may go forward, this new technology may be advanced, and the economy of central Illinois will be improved.

Thank you.

MS. COLAMARIA: Thank you.

MR. GONET: Good evening. My name is Phil Gonet. I'm the President of the Illinois Coal Association and I represent all coal producers in the state of Illinois. Thank you for the opportunity to make a presentation here tonight and welcome to Illinois.

On behalf of the Illinois coal companies, we really appreciate the support the DOE is giving to

local businesses supporting clean coal energy projects that use coal. I want to make a couple of statements about coal. You haven't heard much -- you've heard a little bit about coal tonight, but I want to make sure you leave Illinois with some facts.

Illinois has a great abundance of coal. According to the Illinois State Geological Survey, we have in fact over 200 billion tons of coal beneath the borders of the state of Illinois, and about that half of that is determined to be economically or technologically feasible recoverable -- to be recovered.

To put that in perspective, this country used 1.1 billion tons of coal last year. So in Illinois alone we have over a hundred year's supply of this nation's supply of energy through coal. It's a tremendous source.

But we've had some problems with coal. As you may have known, the nation although has been suffering through a recession recently, the coal industry has been suffering through a recession in Illinois since the 1990s. The Clean Air Act, the amendments of 1990, the sulfur dioxide emissions limits that were put in, unfortunately for Illinois, most of the power plants

switched fuel to the sub-bituminous coal from the western part of the United States instead of burning Illinois coal, putting on scrubbers.

Things are changing, though. And this clean coal technology that we have heard the presentation here tonight holds a great future for us and for the use of Illinois coal.

The production, we went from producing 62 million tons of coal in 1990 to reaching rock bottom in 2003 of 31 million tons. Production went in half -- was cut in half. And more -- and worse, employment went from about 10,000 workers to about 3,000 workers.

So we know the economic devastation that policies have had on Illinois coal. We need your help to help site clean coal technology projects in Illinois to bring that production up, to bring those jobs back to Illinois to even exceed where we were in the 1990s. Therefore, DOT -- DOE's loan guarantee for this project will be a stimulus package for our area, and we welcome you as you prepare your final report for the analysis.

Obviously, we support any type of initiative that brings another coal consumer to Illinois. We have the opportunity here in central Illinois to be

the clean coal technology center of the world. In fact, with FutureGen underway in Mattoon and hopefully being sited and construction beginning next year, the Secure Energy Project in Decatur, it's an exciting time for clean coal technology here in Illinois, and we would encourage you to look into those issues.

As you look for items to include in your environmental impact statement -- excuse me, environmental impact study, please include the opportunities that this project creates for the opening of new markets for Illinois coal, especially markets that can lead the way for the use of fat coal in a cleaner and more environmentally responsible way throughout the nation, not only here in central Illinois.

We heard some comments earlier about the impact of longwall mining and I want to encourage you to look at the experience of longwall mining in the state of Illinois. We have a 40-year history of successfully reclaiming property and bringing productivity standards of farming up to pre-mining conditions. And please review that as part of your environmental impact study.

Also please note the projections of your

agency's EIA, Information Agency -- Energy Information Agency that projects that the need for increased energy in this -- or, the demand for increased energy in this country will increase 30 percent by the year 2030. And as you realize that 50 percent of our nation's energy today comes from coal, coal has to be part of that energy future. Please take that into consideration in your study too.

We want to note that coal is in abundance here, and as you've heard tonight, too, we have a very skilled work force. So please include those as items to review in your study.

We support the loan guarantee for this project and hope to have it under construction shortly thereafter your report.

Thank you.

MS. COLAMARIA: Thank you.

I just want to make sure before we open this back up to the rest of the speakers that there isn't anyone here who didn't sign up who's not on this list who wanted to speak in the first instance.

All right. So -- oh, we do have one. Okay.

And while he's coming up here, I just want to remind everyone, even if you didn't speak tonight and

you want to give written comments, oral and written comments are weighed exactly equal in this process, so if you want to submit written comments, they will be given equal weight when we're reviewing the comments.

If you could clearly speak your name, because we don't have you on our list, that would be great.

MR. REYNOLDS: Thank you. My name is Will Reynolds. Wasn't planning to speak, but I felt inspired.

First, I want to say that I've noticed all the public dollars and public time and public employees that have spent -- been spent lobbying and pushing this project already. And as a taxpayer, I'm very disappointed by that, that all of this public taxpayer money was invested in this project on behalf of a private company before the public was ever asked whether we support this project.

And I believe that when you look at the true cost of this power plant, you have to consider all the taxpayer money that even already up to this point has gone into it just from employees from DCEO, LLCC --

MS. COLAMARIA: Can we have people keep their voices down, please?

Thank you.

Sorry.

MS. RENNER: Sure. And other agencies that have acted on behalf of the company. I think if Tenaska needs more lobbyists to get this plant, then they ought to hire it -- hire them themselves.

So the -- I've seen it stated that the alternative that's being looked at is doing nothing, and I would like to have it considered that there are -- excuse me, that there's a limited amount of loan guarantees or a limited amount of dollars -- public dollars that can be invested in this. And given that, what are the alternatives that could be funded with the money that's being used for this. You know, are there alternatives that are cleaner that will also create jobs that use proven technology that will be as reliable, if not more reliable? You know, if this money were spent promoting wind, solar efficiency projects, would there be a better environmental impact while still creating jobs for the community? I'd like that to be considered as part of this study.

Finally, I just want to point out that the Department of Labor Website states that nationwide the amount of coal being extracted over the last 20 years or so has gone up consistently nationwide and the

number of coal mining jobs has gone down dramatically. And that's because far more coal can be mined with far fewer miners with newer methods. So I think it's fairly cynical to suggest there's a bright economical future in coal mining given that fact and the Department of Labor Website says so when it says that coal mining jobs are not a growth industry.

That's all. Thank you.

MS. COLAMARIA: Thank you.

All right, Becki, do you want to come on up?

Thanks for being patient.

MS. CLAYBORN: No problem. Must be quitting time. The audience left.

There are a couple of things that I want to go back to. And one of them is, I'm not sure if this process with the environmental impact statement with this loan guarantee process has to -- in the process if -- when in the process the actual project needs to be shovel ready. We keep hearing this terminology in DOE funding projects that they're only funding things that are shovel ready. And I would be interested to hear in your guys' comments what that means exactly. If it means it has all of its permits, if it means, you know, it's got its contractor signed up already,

that kind of thing. That's just a little minor thing.

We've heard a lot about this clean coal idea, and I understand the economic development arguments. My grandfather was a coal miner. I come from a coal mining family. I understand that it's the lifeblood of some areas. But I think we're really at a transition point here and we really need to transition beyond coal into energy efficiency, renewable energy, and that those can create jobs just as well. Maybe slightly different jobs. Maybe training could be financed by the Department of Energy so that those jobs can actually be created in the area. $2.5 billion in loan guarantees could do a lot towards cleaner energy sources and job development through those cleaner energy sources.

In terms of the CO2 concerns the Sierra Club has, I have a friend who has a joke that says nature has a version of sequestration, it's called coal. There's not a reason to release the CO2 if we can reduce our energy needs, and if we can tap into renewable energy, wind power, solar power, geothermal. Scientists are showing that we need to reduce the amount of CO2 in our atmosphere by 80 percent by 2050, and more urgently, by 2030 we need to reduce it at

least by 30 percent. That's the next 20 years. We need to reduce how much CO2 is in the atmosphere in the next 20 years. That does not mean kind of cut back. We have to reduce 30 percent by 2030.

This plant's going to be adding a million plus tons a year. Which I'm excited to actually know a number now. That was good.

But my concern is that there are alternatives out there that can create exactly the same product with less of a CO2 impact. For example, synthetic natural gas -- making synthetic natural gas out of coal through the gasification process is extremely energy intensive. It requires a lot of energy just to create the synthetic natural gas. Then you add on top of that the energy needed to capture and sequester the CO2 that's coming out of this plant. And if you look at the life cycle -- and I'm actually going to be sending you this report -- if you look at the life cycle of a synthetic natural gas plant, it has twice the carbon footprint of a natural gas plant before sequestration. So, yes, there -- you know, this idea that it's going to have the same emissions as a natural gas plant is true only if you can sequester the carbon. If the carbon's not sequestered, it's

twice the amount of CO2 as a natural gas plant. It's actually 30 percent more CO2 than a regular old pulverized coal plant.

This is not moving us in the right direction. This is trying to figure out a way to make something out of coal that's useful that we don't even need. As far as I understand, natural gas is not something that we're in shortage of right now. Electricity we're exporting 30 percent out of Illinois. We don't need this right now.

And I think the most frustrating part for the Sierra Club is that, you know, Tenaska wants to do the right thing. Taylorville Energy Center agrees with us that there is a global warming problem and that we need to do something about it. Unfortunately, We can't just take their word for it. There's no regulations in place right now that are going to bind them to their promise of 50 percent sequestration. If there's no law in place that says you will be punished if you don't do this 50 percent sequestration, we have no guarantee that three million tons is going to be put underground of CO2.

The only injection permits that the government has right now regarding CO2 injection into the ground

is to protect drinking water. We don't even have a permitting program that actually talks about how to prevent CO2 from re-releasing into the atmosphere.

I'm not saying it's not possible. But let's get some regulations in place so that they're bound to do this, they are legally bound to do what they said they're going to do.

Up until this point I haven't actually seen a carbon capture and sequestration plan. There's -- every time that carbon comes up, it's, oh, we think we're going to do this much sequestration, we're probably going to tap into this Denbury CO2 pipeline if that happens, or we might put it here locally if that works.

We need a plan. If there's not a plan, I don't understand how the environmental impact can be considered for this project. The carbon capture and sequestration plan should show how it's going to stay underground. It should not just consider whether or not it's going in a pipeline somewhere else for enhanced oil recovery. Enhanced oil recovery does not mean the CO2 is going to stay underground.

I was asking tonight how much of it stays underground if you do enhanced oil recovery. The

range was, ah, 30 to 70 percent of it stays underground. That's not an effective carbon capture and sequestration plan.

The cumulative impacts of allowing this power plant to be built and actually encouraging this power plant to be built without binding CO2 regulation could be huge. For the last four years Illinois has been touting this idea of a CO2 pipeline and they want five power plants to be built along this pipeline in order to put CO2 into the pipeline to be sent down to Mississippi. Again, for enhanced oil recovery, which does not necessarily mean the CO2 stays underground. If one of these power plants gets built, it gives more momentum to this pipeline being built.

If five power plants get built for this pipeline and none of them are bound to put their CO2 underground permanently, we've just added five power plants worth of CO2 potentially to our atmosphere. That's not appropriate. We need to be reducing our CO2 emissions.

Some earlier speaker talked about how this is going to affect the community in Taylorville, which I completely respect. People need jobs and want thriving communities. I would like for us to consider

how global warming effects are going to affect communities outside of Taylorville if we do add CO2.

As far as I'm concerned, since there's no binding law that makes the CO2 commitment -- that makes Taylorville Energy Center committed to their CO2 reduction, as far as I'm concerned, the amount of CO2 that they could potentially put in the air is going to end up in the air, because there's nothing telling them that they have to put it underground. So for me, this power plant will be emitting more than four million tons of CO2 into the atmosphere.

I have a report here that I'll give to you from the Union of Concerned Scientists talking specifically about how Illinois's going to be affected by global warming impacts. Farming problems with either extreme flooding or extreme droughts in areas. Health impacts if there are, you know, mosquito-borne vectors that become a problem in the area. I'd like these things to be considered when considering the impact of the CO2.

And I'd like the CO2 number to be the full CO2 number, because I don't think we can commit. They're committed. We have no way of making sure that they're going to keep that amount underground.

One of the things that I noticed was again -- Verena Owen brought this up -- about how this money or this loan guarantee is to encourage people to avoid, reduce, or sequester the CO2. I didn't -- I don't see how this is a way to avoid. It just went straight to the sequester.

And I'm wondering if any alternatives are considered in this EIS. Because again, I saw that the two options are give them money for the project as it is or don't give any money to the project. Is there any way that the DOE can look at this and say we need to make sure that the CO2 footprint is going to be as small as possible? And we want to put that standard on this project so that there is an alternative.

One of the alternatives could be improve the existing project proposal. Alternatives such as wind, solar, geothermal, other technologies in gasification. Or how about just using real natural gas to make electricity?

There's no need for us -- other than to make coal companies money, there is no need for us to gasify coal to make synthetic natural gas. It's energy intensive and it's a huge carbon footprint.

And I am concerned also -- I think Verena

brought this up -- about the vitreous slag that's the waste from these power plants. I know that some of like the coal ash and vitreous slag seem to have this idea -- there's an idea out there that there's a beneficial re-use of this material. And I can't find much information about what exactly the -- what exactly is in this slag and how could it affect water or land, and I'd really be interested to hear more about that.

And then just one last thing on the green jobs -- well, I guess kind of two things. I'm also going to give you this report the Blue Green Alliance did about how to revitalize America's middle class with the clean energy economy. It's about jobs development. And it talks about how jobs could be created in the clean energy economy as opposed to our current system. And the most interesting part --and if people want this, I have more copies. The most interesting part is this chart at the end and it shows that in Illinois if they were to -- if we were to develop the wind farms, the solar potential, the geothermal potential, and the biomass potential, we would create up to 56,000 new jobs in Illinois. So the economic development can be done beyond coal. It

can be done with green energy.

And one -- one last thing, it's -- this is just in response to a comment earlier about how the projected energy use or the energy needs in our country as studied by the Energy Information Administration that it shows that we're going to have an increase in our energy needs. And I wonder how -- I don't know the answer to this and so I'm asking you guys to look into it. But I wonder how the stimulus money that all went towards all of the energy efficiency projects, the renewable energy projects, and how in general people's -- unfortunately, the economy has affected how much energy people use, how that has affected our predictions of how much energy is going to be needed in this country. Because I -- I would think that it's going down as we become more savvy about energy use and global warming in general.

And I really do thank you for your time. And I'm excited that this is a process that's going to be happening around this power plant, and I hope that means that we can figure out a way to get the most stringent environmental protections around a power plant.

Thank you.

MS. COLAMARIA: Thank you.

Is there anyone else who got cut off earlier who wants to finish or anyone who has not had a chance to speak?

Okay. Well, I just want to remind everyone to -- if you want to submit public comments to get those to us by November 9th.

And thank you very much for coming and thank you for your comments.

(The hearing concluded at 9:35 p.m.)

STATE OF ILLINOIS)
) ss
COUNTY OF SANGAMON)

I, DOROTHY J. HART, a Certified Shorthand Reporter, Registered Professional Reporter and Notary Public within and for the State of Illinois, do hereby certify that the foregoing proceedings were taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties of this proceeding, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

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Notary Public in and for
The State of Illinois

My commission expires June 24, 2011