

September 13, 2018

Mr. Mario Bohorquez
Planning and Procurement Bureau Chief
160 North LaSalle Street
Chicago, IL 60601

RE: Comments of Coles Together on the Illinois Power Agency Draft 2019 Electricity Procurement Plan

Dear Mr. Bohorquez:

As president of Coles Together, the economic development organization for Coles County, Illinois, I appreciate the opportunity to comment on the Draft 2019 Electricity Procurement Plan for the period June 2019 through May 2024 “draft plan.”

I have been working with Mattoon Power Enterprises, LLC, (formerly known as Sargas, Inc.) since 2012 to develop an 80 MW clean coal facility at the former FutureGen site in Mattoon, Illinois. The technologically advanced facility is designed to use Illinois coal, creating hundreds of well-paying jobs—of the variety that Governor Bruce Rauner, the Illinois General Assembly, and our organization consider critical to the long-term economic well-being of our state and region.

In addition, Mattoon Power Enterprises, LLC (MPE) will deliver on a key component of the abandoned FutureGen project by providing electricity with ultra-low emissions, including the capture of more than 90% of the plant’s CO2 emissions.

That achievement in today’s carbon-conscious world presents an opportunity we should not ignore. It would make MPE by far the cleanest fossil fuel-powered generation source anywhere in the nation. It is the kind of innovation we hear Governor Rauner talk about constantly.

The Illinois General Assembly intended for power in Illinois to be produced by many sources, including clean coal facilities. This vision remains in focus. Solar developers are slowed by land use and power storage issues. Nuclear energy is a no-growth, albeit low-carbon option. As a result, U.S. generation soon will find itself more heavily dependent on natural gas for its power plant fuel, which is not the best outcome from a carbon footprint standpoint. But with our state’s robust coal reserves and advanced transmission resources, MPE provides Illinois with a hedge in an “all of the above” national energy strategy.

The Illinois Power Agency “IPA” Act establishes as its goal procuring 25% of the state’s power load from clean coal power generation by January 1, 2025. As the deadline creeps nearer, MTE is the only known clean coal power facility under development. Additional advantage accrues to the State of Illinois in that the MPE project will use only Illinois coal as its feedstock at the Mattoon facility.

The IPA has authority to conduct competitive clean coal procurement for projects stemming from the broad and permissive language of the clean coal portfolio standard as manifest in Section 1-75(d)(1) of the IPA Act. Furthermore, the clean coal portfolio standard contains a rate cap limiting the average net increase to ratepayers to a maximum 2.015% for sourcing agreements with clean coal facilities. Given the low cost structure of the planned clean coal facility under development by MPE, and the fact that there are no clean coal sourcing agreements currently issued under the rate cap, the rate impact will be significantly below the threshold allowed.

Please be advised neither the project developers nor local community supporters desire special legislative treatment or project-specific subsidies to support coal or the MTE facility. Rather, the purpose of these comments is to encourage the IPA to solicit bids for clean coal power under a competitively bid procurement solicitation in the 2019 Electricity Procurement Plan as envisioned by the Illinois General Assembly when it passed the Illinois Clean Coal Portfolio Standard Act. The Act provides broad authority to procure clean coal power yet not one competitively sourced contract has been solicited or issued. This despite efforts spanning many years to recruit private developers with substantial private capital who are willing to enter Illinois and abide by the framework established, but policymakers continue to deny entry and thereby suppress innovation, job creation, and long-term stability in Illinois' energy market and downstate Illinois communities.

Finally, as directed by Governor Bruce Rauner in the attached white paper (Exhibit A) received from him on August 23, Coles Together submits these comments with his full support, endorsement, and commitment to moving the project forward.

See also a news report (Exhibit B) in which Governor Rauner is quoted in support of the project. The report may also be viewed at this link https://jg-tc.com/news/local/mattoon-coal-plant-advocates-question-rauner-on-support-for-facility/article_615112d7-ddc5-5e0e-936c-f8177183f850.html

Respectfully,

Angela Griffin
President

- I support clean coal and the Mattoon Clean Power Project.
- This session there was legislation pending before the Illinois General Assembly sponsored by State Rep. Reggie Phillips, but the special interest energy groups and the Chicago Democrats blocked the bill. I believe the best way to ensure the long term viability in the project is to attain statutory approval.
- Since I last visited Coles County, I had my team work with the ICC to figure out a way to get the project started. Unfortunately we've run into some complications. There's a dispute as to whether the ICC has statutory authority under the existing Clean Energy law to green light the project. And in the energy world, there are some powerful interest groups that work hard to protect the status quo.
- At the present time, there is nothing before the Illinois Commerce Commission requiring action related to clean-coal procurements.
- However, the Illinois Power Agency's (IPA) Clean Coal Portfolio Standard sets a goal that clean coal resources will account for 25 percent of the electricity used in Illinois by January 2025.
- As a part of the effort to help them reach that goal, the IPA must prepare an annual electricity procurement plan - which is approved by the ICC- that includes electricity generated from clean coal facilities. (To date, no project has been completed and produced electricity pursuant to the Clean Coal Portfolio Standard).
- On August 15, 2018, the IPA made its 2019 plan available for public review and comment. A 30-day public comment period is scheduled to conclude on Sept. 14, 2018. The IPA then has 14 days to file a revised plan with the Commission for their review and approval.
- I would encourage the Mattoon clean coal project to act quickly during this public comment period. Now is the time to make the case for inclusion in the 2019 plan.
- Please contact Michelle Kelm, Director of Governmental Affairs at ICC - (217) 785-2449, michelle.kelm@illinois.gov - as soon as possible and fight for the project's inclusion in the IPA's clean energy plan

https://jg-tc.com/news/local/mattoon-coal-plant-advocates-question-rauner-on-support-for-facility/article_615112d7-ddc5-5e0e-936c-f8177183f850.html

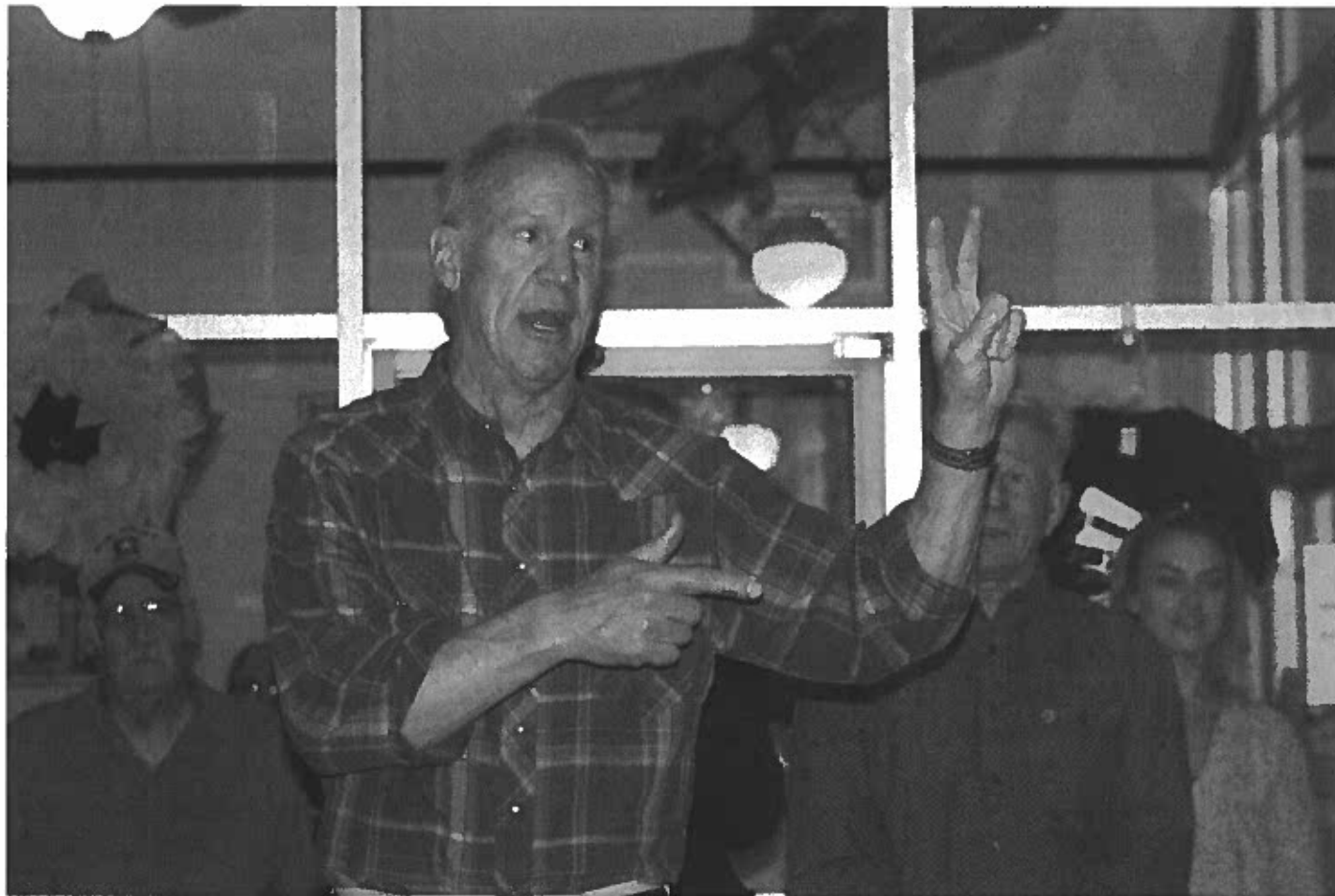
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RAUNER VISIT

Mattoon coal plant advocates question Rauner on support for facility

JARAD JARMON jarad.jarmon@lee.net Aug 23, 2018

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Gov. Bruce Rauner talks about focuses for his next term should he win re-election at a campaign stop Thursday at the Coles County Memorial Airport in Mattoon.

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JARAD JARMON, JOURNAL GAZETTE & TIMES-COURIER

MATTOON -- Gov. Rauner made a campaign stop Thursday to the Coles County Airport and a couple of advocates for the development of a Mattoon coal plant questioned him on his support of the stalled project.

Mattoon Mayor Tim Gover and Angela Griffin, president of the Coles Together economic development corporation for Coles County, both implored him to help assist them in getting this project through.

Currently, the project is at a standstill. Griffin said they are wanting the Illinois Commerce Commission to solicit for bids for clean coal power to allow the company, Mattoon Power Enterprises, to offer out a bid.

However, they have yet to do so each time the procurement cycle rolls around in the fall. Griffin said advocates have been pushing for the state agency to open up the bidding process for clean coal for years with no success.

She indicated this is the latest hurdle that they have yet to move on and yet to see support from the governor on.

Griffin indicated the governor has voiced his support for the project every time advocates bring it up. However, movement has not been made on the project, and according to Jerry Groniger, another advocate involved in the project who was in attendance, the governor is in a prime position to get things done.

"He has appointed the three members of the Illinois Commerce Commission," Groniger said. "This doesn't require a legislative act."

To their questions for support Thursday, Rauner said: "we will figure out how to get it done."

Both Griffin and Gover said they were optimistic this time around that they will see movement on this front before the election.

However, this promise has been made even before he was elected, Griffin indicated.

"His support has to translate into a call for bids," she said.

Groniger was frustrated by the response.

"He says, 'Yeah, I am for it,' and then he doesn't do anything," Groniger said.

No further comment from Rauner was provided to the JG-TC on the matter.

Should the commission open up for clean coal bids, Griffin said they will still need to accept it so that the project can move forward, but it is a step.

"Just give us the chance to bid," Griffin said.

The plant's development is becoming more critical for Illinois benchmarks as time pass also, Griffin noted.

Current law states a goal that Illinois generate 25 percent of its energy from "clean coal" facilities by 2025. As previously reported in the JG-TC, the goal has never been met with no "clean coal" facilities currently in existence in the state.

Gover stressed the importance of the project for the city.

"This would spur some development in Mattoon," Gover said.

A press release from advocates reported that, according to Griffin, the new power plant could create an estimated 400 temporary construction jobs and 40-60 full-time jobs, with average salaries of \$80,000 per year.

The intent is to build a small 77-megawatt net "clean coal" generation plant at the site of the old FutureGen clean coal power plant facility.

Most recently it was reported in the JG-TC that the House Agriculture and Conservation Committee has approved legislation to allow for the construction of a small scale "clean coal" power plant west of Mattoon. The legislation has since stalled. The legislation was last sent to the Rules committee in April.

At the campaign stop, Rauner spoke about several topics, including jobs, taxes and State Speaker Michael Madigan.

"This election, everything is on the line," Rauner said. "(J. B. Pritzker, Democratic candidate for governor) and Madigan -- they are running on a massive tax hike. They want to raise your taxes. That is the last thing the state of Illinois needs... We got way too many taxes as it is."

Rauner pointed to income and property taxes as a focal point for him. He said he wants to get those down.

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