MARK DENZLER

Things that make you go hmmm . . .

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It's an annual event. Much like the swallows returning to San Juan Capistrano, every year our state lawmakers return to the Capitol brimming with ideas on how best to govern Illinois. Thousands of legislative initiatives are introduced and debated on every topic imaginable. Some ideas are new and fresh while others are simply reintroduced year after year, on behalf of a constituent or lobbying group, with little chance of passage. After months of moving through the long and arduous legislative process, after hours of debate and discussion, there are usually several hundred bills that end up on the Governor's desk. Every once in a great while, however, a bill passes where you sit back, scratch your head, and ask why lawmakers would feel compelled to support a particular piece of legislation.

This happened recently when lawmakers approved a new law creating a windfall for a private, out-of-state company by guaranteeing them a minimum 11 percent rate of return on their investment. Oh, and by the way, this windfall for the company is made possible because the new state law mandates that competitive electric retail suppliers and electric utilities buy a certain percentage of their product! For the Nebraska-based Tenaska, the 16th largest privately-owned company in the United States, it's a bonanza. But for Illinois consumers and businesses, it's a costly $400 million annual nightmare.

When Illinois lawmakers passed the misnamed Clean Coal Portfolio Standard in 2008, our elected officials decided to invest in an unproven concept known as "carbon sequestration" which is only now being tested in the U.S. and around the world in countries including Algeria, Canada, and Norway. Carbon sequestration involves capturing the carbon emissions from burning coal (in this case) and then either shipping it away in pipelines or burying it deep underground. Serious environmental health concerns exist because the escape of large amounts of CO_2 is deadly. Two decades ago, a large buildup of CO_2 escaped from underneath Lake Nyos in Cameroon killing 1,700 people and 3,500 livestock in a twenty-five mile radius of the lake. Imagine the possible carnage if a large amount of gas escaped from an underground mine around Taylorville, a downstate city of 11,000 people where the Tenaska project is to be located.

Instead of waiting to see if this technology is economically viable or even safe, Illinois legislators pushed ahead mandating that Illinois electric suppliers begin buying power from the Tenaska project in 2015. Independent studies and the $18 million study financed by the state of Illinois show that this new technology is extremely costly, as it will add an additional $386 million to the current energy bills of Illinois residents and businesses. However, because lawmakers have to face voters at the polls, they conveniently imposed a cap on increased costs for residents but did not do the same for commercial and industrial customers. This means that manufacturing companies and other employers will be paying a higher cost, subsidizing both Illinois residents and Tenaska. But the cost could likely be even worse. If the Tenaska project is unable to deliver its captured CO_2 through the yet-to-be-built and troubled Denbury pipeline project, the costs would increase by $137 million per year bringing the total cost to more than one-half billion dollars annually.

Unfortunately, this is Illinois politics at its worst. But, there is one final and critically important step that must be taken. The Illinois General Assembly will take one more vote to determine whether Tenaska, the private Nebraska company, will get a guaranteed 30-year revenue stream and profit subsidy that is not promised to any other private business in Illinois. This will cost consumers billions of dollars in new energy costs. The Illinois Commerce Commission is in the final stages of reviewing the study required by the 2008 law and will soon make its final recommendations to the General Assembly before they vote to establish a rate increase for Illinois residents and businesses.

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The Illinois Manufacturers' Association strongly opposed the 2008 law and is now helping lead the Stop Tenaska's Overpriced Power (STOP) Coalition. As IMA President Greg Baise said previously and still holds true today, "Illinois businesses have been hit hard by the recession and this is not the time to consider unnecessary increases in electric rates to make a private venture viable. The 4,000 businesses across this state that I represent will have little patience for any legislation that raises energy costs needlessly."

Illinois and the United States need to look at alternative forms of energy which one day could include carbon sequestration. However, we cannot afford risky and unproven projects created politically that imperil today's employers with skyrocketing energy costs. The Tenaska project will force the ratepayers of the state's investor-owned utilities and customers of competitive electric suppliers to bear the majority of risks and costs. Commercial and industrial customers will bear a highly disproportionate cost (no rate cap, unlimited exposure) to subsidize this unproven project. Call your lawmakers today and ask them to ***vote no*** on the Tenaska project and higher energy prices. ■

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