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What the ICC Report on Tenaska-Taylorville Said

The Illinois Commerce Commission has delivered "Analysis of the Taylorville Energy Center (TEC) Facility Cost Report" to the General Assembly. This report was requested by the General Assembly to help decide whether to finance Tenaska's Taylorville project. The report dismantles every significant rationale Tenaska has offered for this extraordinarily expensive power project.

The bottom line conclusion of the ICC review of the Taylorville Facility Cost Report ("FCR") is clear:

"After careful review of the FCR, the Commission concludes that the TEC facility features high costs to ratepayers with uncertain future benefits, and uncertainties that potentially add to already-significant costs." – Page 2, ICC Report

Other Key Findings of the ICC report:

- ✓ **"The cost associated with electricity generated by the TEC is substantially higher than that which is associated with other types of generation facilities." – Page 2, ICC Report**

The cost of wholesale electricity from TEC is 400-700% higher than current market prices: 21.3¢/kWh (for TEC) versus 3-5¢/kWh (market).

- ✓ **"The rate impacts on residential and small business customers will likely approach or meet the full 2.015% rate impact cap." – Page 2, ICC Report**

The ICC calculated that TEC requires an annual average of \$286 million in over-market subsidies from electricity customers. Residential and small-business customers would pay up to \$142 million more annually. The remaining costs of the Tenaska project, no matter how great the overruns, would be paid by Illinois business, government and non-profit electricity consumers. TEC requires a 30-year total of \$8.6 billion in extra consumer electricity rates.

- ✓ **"...above market costs of energy produced from the TEC and potential cost overruns could stifle the competitive market and create significant economic impacts." – Page 3, ICC Report**
- ✓ **"the true cost of the clean-coal portion of the plant is masked by the fact that approximately 46% of the electrical capacity is actually from natural gas' and the clean-coal portion of the Taylorville facility is 'approximately \$10,641 per kilowatt'" Page 18, ICC Report citing ICC consultants Boston Pacific/MPR**

The ICC report identifies serious "open issues" that should be addressed before the project proceeds.

These include...

- ✓ A disproportionate risk borne by consumers for cost overruns.
- ✓ Lack of technical clarity and cost estimates for carbon sequestration.
- ✓ Constantly changing plant design and configuration.
- ✓ The plant's true "clean coal" electricity generating capacity.
- ✓ The insignificant role of the TEC in meeting electricity demand.
- ✓ A variety of gaps in the Clean Coal Act.
- ✓ The terms of the power purchase contracts.