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CITIZENS GROUPS LAUNCH NEW WEBSITE TO TRACK TROUBLED \$5 BILLION PRAIRIE STATE COAL PLANT 52 Indiana Cities “on the hook” for project

Citizens Action Coalition joined a network of consumer and environmental organizations from the Midwest today and launched a new website to track developments at the controversial and problem plagued Prairie State Energy Campus (PSEC) coal-fired power plant, currently under construction in southern Illinois.

The website is located at www.prairiestatecoalplant.org.

The 1600 megawatt plant is the largest coal-fired power plant under construction in the United States, at a time when over 150 new coal plants have been cancelled. Peabody Energy Company developed the plant in the early 2000's promising a low-risk, steady source of electric power at below market rates to municipal ratepayers in hundreds of Midwest communities, 52 of those communities in Indiana. In addition, Peabody has transferred 95% of the financial risk of building the plant onto the captive ratepayers of those communities.

“Information about the delays and costs of the plant has been difficult for citizens and municipal officials to obtain, yet they are carrying virtually all of the financial risk for this plant,” explained Sandy Buchanan, Executive Director of Ohio Citizen Action. “We are launching this website to provide local officials, community residents, and the media with copies of important documents and news coverage.”

The Indiana Municipal Power Agency (IMPA) owns 12.64% of the now \$4.9 billion project.

In 2004, the Indiana Utility Regulatory Commission (IURC) gave their approval to IMPA to issue \$850 million in debt to finance the Prairie State project, as well as 3 other projects. Due to massive cost overruns at the Prairie State project, IMPA came back to the IURC in late 2009 asking for an additional \$122 million to help complete the troubled coal-fired power plant. The IURC approved the request in July of 2010 which puts IMPA's total stake in the project at a staggering \$740 million for 200 MW of power. .

“Not only is coal wreaking havoc on our health and our environment, investments in coal-

fired power plants are a high-cost, high-risk gamble that is made possible only when all of those costs and all of those risks are transferred to ratepayers and taxpayers,” stated Kerwin Olson, Executive Director of Citizens Action Coalition.

The plant is now more than \$2B over budget and far behind schedule with projected in-service dates currently unknown. If it does come on the market, the price of power from the project will be much higher than the wholesale cost of power, likely more than double. Adding insult to injury, several communities are already paying interest on bonds with no electricity being generated.

“Between this project, Duke Energy’s scandal-plagued Edwardsport IGCC, the Rockport SNG boondoggle, and countless billions in other investments at existing, antiquated coal-fired power plants, the State of Indiana continues to expose its citizens to massive rate increases and enormous financial risk. The time has long since passed for Indiana to shift investments to energy efficiency and truly renewable resources, like wind and solar, which are cleaner, less risky, and far cheaper,” concluded Mr. Olson.

Among many others, IMPA communities on the hook for the Prairie State Energy Campus include Anderson, Crawfordsville, Frankfort, Greenfield, Jasper, and Richmond.

More background on the project can be found here: <http://prairiestatecoalplant.org/wp-content/uploads/therealcostsofPS.pdf>

The groups sponsoring the website include Ohio Citizen Action, Citizens Action Coalition of Indiana, Kentuckians for the Commonwealth, the Illinois Chapter of the Sierra Club, and Missourians Organized for Reform and Empowerment (MORE).