

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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April 27, 2007

Dear [REDACTED]

Thank you for contacting the Indiana Utility Regulatory Commission ("IURC") regarding the proposed construction of an integrated gasification combined cycle generating facility ("IGCC project") to be used in the provision of electric utility service to the public. The request is docketed under Cause #43114.

The IURC has encouraged utilities throughout the state to seek out alternative methods of generating electricity due to the continually increasing demand for base load. Many utilities are in search of renewable sources such as wind and water but unfortunately it does not appear these sources can keep pace with the growing demand. Additionally, technologies available to generate electricity are limited. A nuclear power plant has not been constructed in this country for thirty years. And, natural gas has become an extremely expensive alternative, leaving one of the best options in the Midwest - coal.

Coal gasification is a process by which a stream of gas is created by processing coal. The start-up costs for coal gasification may be somewhat costly but available information indicates the process produces a more efficient energy conversion - meaning less coal is needed to create a single kilowatt of electricity than is used today with traditional technologies.

The IURC understands there are environmental concerns related to this project which will be given significant consideration in the Commission's decision-making process. If this plant is allowed to be constructed, it will be subject to strict environmental guidelines imposed by the Environmental Protection Agency ("EPA"). In fact, one of the advantages of the coal gasification process is its ability to produce a relatively clean synthetic gas (composed primarily of hydrogen) significantly reducing pollutants. With additional restrictions relating to carbon dioxide looming from the EPA, the gasification process is seen by many as a means by which utilities may reduce emissions.

The IURC appreciates your comments and concerns. Your letter will be entered into a database for IURC staff to reference throughout the review of Cause #43114. If it is your desire to follow the progress of this case, please access the IURC website at www.in.gov/iurc and proceed to the Electronic Filing section of the site. Please keep the Cause number cited in this letter handy to access information related to this case.

Best regards,

Ja-Deen Johnson
Director, Consumer Affairs Division