



Turning On Citizen Power

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Which type of power makes \$en\$ in Indiana?

Renewables and Energy Efficiency...

The Benefits of Solar and Wind:

- According to the Department of Energy, Indiana has enough wind capacity to produce two and a half times more electricity than we are currently producing by burning coal
- The cost of wind is cheaper than the cost of burning coal on a per kW and per kWh basis because there are no fuel costs for wind and the operations and maintenance costs for wind turbines is far less than that of a coal burning power plant
- Solar panels on the roofs of public buildings can help meet peak demand on the hottest (and sunniest) days of the year when everyone is running their air conditioners and using more electricity
- No emissions

If Indiana set the goal of producing 10% of its electricity from renewables by 2017, it would bring investment dollars and jobs to the state:

- As much as **\$6 to \$8 billion** investment dollars
- **6,000** construction jobs
- **12,000** contractor and retail jobs
- **1,200** additional contractor and retail jobs to fulfill the need for long-term maintenance of wind turbines
- **600** permanent maintenance jobs
- Renewable energy generates more jobs per megawatt than fossil fuels

The Benefits of Energy Efficiency:

- Implementing efficiency costs half of what it costs to build a new power plant
- Reduces demand for electricity
- Saves ratepayers **billions of dollars**
- Reduces pollution

Reducing the demand for electricity by 1.5% per year will have a broader impact on Indiana's economy by:

- Creating over **800 net jobs per year** in the construction, manufacturing, retail and services sectors
- After 15 years, saving ratepayers **\$1.4 billion a year** on utility bills
- Bringing down the wholesale price of natural gas

...or Costly, Dirty Coal-Fired Power Plants?

Annual Health Detriment to Hoosiers due to Coal Pollution:

- **887** deaths
- **1,491** heart attacks
- **114** lung cancer deaths
- **21,532** asthma attacks
- **845** hospital admissions
- **618** cases of chronic bronchitis
- **1,274** asthma ER visits
- **7%** of women of childbearing age have blood mercury levels that are higher than what the EPA considers safe to protect the developing nervous system of a fetus.

Environmental Damage Caused by Coal:

- Global Warming
- Forest and crop damage
- Mercury contamination of the fish in **ALL** of Indiana's rivers and lakes
- Acid Rain - the average pH of rain in Indiana is 4.5, which is **ten times more acidic than normal rain** (normal rain has a pH of 5.5)
- Emissions of carbon dioxide, carbon monoxide, nitrogen oxides, particulate matter, sulfur dioxide, volatile organic compounds, sulfur dioxide, lead, beryllium, mercury, and fluorides, to name a few

The Hidden Costs of Coal Not Included in Your Bill:

- **\$5 billion each year** is spent in Indiana on health care costs related to fine particle pollution
- **\$13 million a year** in tourism revenue is lost each year at Indiana's National Parks because of smog and haze due to power plant pollution
- **\$87 million a year** is lost in farm revenue due to crop losses caused by ground level ozone (smog created by nitrogen oxides emitted from coal-fired power plants) which reduces plant growth and yield
- Acid rain causes damage to buildings, historical monuments and even cars

No matter which way you cut it, coal is dirty:

It hurts our health, it hurts our environment, and it hurts our wallets.

At the end of November 2007, the Indiana Utility Regulatory Commission approved Duke Energy's plans to build a \$2.35 billion 630 MW coal gasification (Integrated Gasification Combined-Cycle, or IGCC) power plant in Edwardsport, Indiana to replace two old coal-fired power plants built in the 1950's that are only capable of producing 160 MW and only run about 30% of the time. Wall Street will not finance coal-gasification technology since it is too new and commercially unproven. (There are only 4 coal-gasification power plants operating in the entire world.) **Therefore, in order to finance the plant with carbon capture, Duke intends to raise electric rates by at least 25 - 30%!**

<i>Duke says...</i>	<i>The reality is...</i>
"Coal is cheap."	According to the U.S. Energy Information Administration, the average price of coal has been going up over the past several years. At the end of 2007, Illinois Basin coal was \$33.50 per ton. At the end of 2008, it was \$78 per ton.
In 2006, Duke stated that they expect their customers' demand for electricity to grow by about 0.4% per year, and they want to build this gasified coal power plant to meet the expected demand.	Duke has not seriously considered energy efficiency as an alternative. Efficiency could be deployed much more quickly than a new power plant can be built, and can reduce demand by about 1% per year, which would meet or exceed Duke's needs. Efficiency is by far the cheapest form of energy at 3¢ per kilowatt hour. Also, in November, 2008, Duke told the Wall Street Journal that their demand for electricity in the Midwest has decreased by 9%.
Duke has stated that wind energy is not yet economically attractive on a utility scale within the Duke Energy Indiana territory.	The cost of electricity produced from wind turbines averages at about 5¢ per kilowatt hour and continues to drop. Conversely, IGCC technology with carbon capture costs about 13¢ per kilowatt hour, and since it is still in the developmental phase of its existence, costs continue to rise. Additionally, the term "cost" refers only to market prices, but does not include the external costs due to the damage of the environment and public health associated with burning coal in any form.
Duke claims that an IGCC power plant will reduce emissions compared to the plants that will be shut down.	While the IGCC technology will reduce some emissions, it will increase others because it will be operating much more frequently than the power plants that will be shut down. <ul style="list-style-type: none"> • Lead emissions will increase by 14,555% • Carbon dioxide emissions will increase by 785% • Carbon monoxide emissions will increase by 1,480% • Particulate matter emissions will increase by 297% • Volatile organic compounds emissions will increase by 678%
Duke claims that the IGCC power plant will have the potential to capture carbon dioxide.	Potential is a far cry from reality, and Duke plans to build this plant without the necessary equipment to capture carbon. According to Duke's CEO, Jim Rogers, this technology is still 15 to 20 years off in terms of development!

Recent Developments

Since the IURC approved the plant in late 2007, Duke has filed two sub-dockets for approval. CAC intervened in both. The first, which was approved by the IURC, requested a cost increase of 18% for the plant. It also requested \$17 million for R&D on carbon sequestration that ratepayers have to pay for. The second, still pending, asks for recovery of construction financing costs under CWIP (Construction Work In Progress) for expenditures thus far.

The Indiana Department of Environmental Management approved an air permit for this coal-fired power plant at the end of January 2008. After reviewing the permit, we believe that it violates the Clean Air Act. We have joined Sierra Club's appeal of the permit, and the case will now be presented to the Indiana Office of Environmental Adjudication.

Take Action!

Contact David Hardy (Chairman of the Indiana Utility Regulatory Commission). Tell him to:

- **Order Duke Energy to stop construction; and**
- **To reassess the need and cost of the plant compared to energy efficiency and wind resources!**

Urge him to stop sacrificing Indiana's ratepayers, economy, and environment on behalf of Duke's profit margin. Tell him to do his job instead of rubber-stamping everything Duke wants since there are cheaper, cleaner alternatives that can meet electric demand.

For more information about the Duke IGCC power plant, please visit our website, www.citact.org. Look for the menu titled "Stop Duke IGCC Power Plant!!" on the left side of the page.

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