



U.S. DEPARTMENT OF **ENERGY**

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Secretary Chu Announces Agreement on FutureGen Project in Mattoon, IL

Paves Way for First US Commercial Scale Carbon Capture and Storage Project

Washington, D.C. – U.S. Secretary of Energy Steven Chu today announced an agreement with the FutureGen Alliance that advances the construction of the first commercial scale, fully integrated, carbon capture and sequestration project in the country in Mattoon, Illinois.

"This important step forward for FutureGen reflects this Administration's commitment to rapidly developing carbon capture and sequestration technology as part of a comprehensive plan to create jobs, develop clean energy and reduce climate change pollution," said Energy Secretary Steven Chu. "The FutureGen project holds great promise as a flagship facility to demonstrate carbon capture and storage at commercial scale. Developing this technology is critically important for reducing greenhouse gas emissions in the US, and around the world."

"The agreement that was reached by the Department of Energy and the FutureGen Alliance is an historic moment for both our state and our country," said Assistant Senate Majority Leader Dick Durbin (D-IL). "In my time in Congress, I can't recall a project that has greater scientific and practical significance than FutureGen, not to mention the enormous economic benefit it will have in Illinois. I want to thank Secretary Chu for his leadership along with my colleagues in the Senate, members of the Illinois Congressional Delegation and the State of Illinois for working with me to keep this project alive for the Obama Administration."

Under the terms of the provisional agreement between the Department of Energy and the FutureGen Alliance, the Department will issue a Record of Decision on the project by the middle of July, with the following activities to be pursued from the end of July 2009 through early 2010:

- Rapid restart of preliminary design activities.
- Completion of a site-specific preliminary design and updated cost estimate.
- Expansion of the Alliance sponsorship group.
- Development of a complete funding plan.

- Potential additional subsurface characterization.

Following the completion of the detailed cost estimate and fundraising activities, the Department of Energy and the FutureGen Alliance will make a decision either to move forward or to discontinue the project early in 2010. Both parties agree that a decision to move forward is the preferred outcome and plan to reach a revised cooperative agreement that will include a funding plan for the full project. Funding will be phased and conditioned based on completion of NEPA review.

The Department of Energy's total anticipated financial contribution for the project is \$1.073 billion, \$1 billion of which comes from Recovery Act funds for CCS research. The FutureGen Alliance's total anticipated financial contribution is \$400 million to \$600 million, based on a goal of 20 member companies each contributing a total of \$20 million to \$30 million over a four to six year period. The Alliance, with support from DOE, will pursue options to raise additional non-federal funds needed to build and operate the facility, including options for capturing the value of the facility that will remain after conclusion of the research project, potentially through an auction of the residual interests in the late fall.

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