



CLEAN AIR & CLEAN ENERGY ARE GOOD BUSINESS

Air Focus

Issue Summer 2006

News you can use from the Ohio Air Quality Development Authority

Ohio Submits Proposal to Attract FutureGen Power Plant



Governor Bob Taft (seated) and legislation sponsors Senator Joy Padgett (on Governor's left) and Representative Jimmy Stewart (behind the Governor) recently participated in a bill signing ceremony for House Bill 440 giving Ohio a strategic advantage in attracting the \$1 billion FutureGen project.

In early May, Governor Bob Taft announced that the state's proposals to attract the FutureGen power plant have been submitted to the FutureGen Industrial Alliance in Washington, D.C. Jointly proposed by the Industrial Alliance and the United States Department of Energy (DOE), FutureGen will be the world's first coal-based, near-zero-emission power plant.

"Ohio has the strategic location, the right geology, an excellent workforce, a very aggressive incentive package and a long history of leadership in clean-coal technology, making our state the ideal location for FutureGen," Taft said. "I salute Jo Ann Davidson and the other members of the Ohio FutureGen Task Force for their leadership in preparing what we believe are very competitive proposals."

The \$1 billion FutureGen project is expected to create more than 1,000 construction jobs and another 100-plus facility and research positions, provide spin-

off research opportunities, and ultimately generate 275 megawatts of electricity. In addition to producing near-zero emissions, FutureGen will produce hydrogen for use as a fuel source and will store carbon dioxide in deep, underground geologic formations.

Six other states submitted FutureGen proposals for a total of 12 sites by the May 4 deadline. In addition to Ohio, the states submitting sites for consideration include Kentucky (one site), Illinois (four), Texas (two), Wyoming (one), North Dakota (one) and West Virginia (one). A short list of the most qualified sites is expected to be announced later this summer, with the final site selection expected in mid- to late-2007.

Ohio submitted two separate proposals for consideration – one in Tuscarawas County and the other in Meigs County. The Ohio Air Quality Development Authority (OAQDA), the Ohio Rail Development Commission, the Ohio Department of Development, the Ohio Water Development Authority and the Governor's Office of Appalachia have partnered with the United States Department of Agriculture – Rural Development Office to offer an incentive package valued at up to \$164 million.

As an added advantage to position Ohio as a front-runner for this clean coal technology project, Taft joined Kentucky Governor Ernie Fletcher and Pennsylvania Governor Edward G. Rendell to announce a formal agreement among the three states to support the region's efforts to secure FutureGen. Kentucky has submitted one site for consideration while Pennsylvania is interested in being a research partner. The three states also have committed to creating

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Ohio's Major Dailies Support FutureGen

In the early months of this year, Ohio's efforts to have the FutureGen coal-based power plant sited in Ohio earned the support of many major Ohio business, government and environmental organizations and of major newspapers statewide. The following are quotes from a few of the editorials that have been published supporting FutureGen.

"So Ohioans should cheer on the group of government, industry and university leaders uniting behind the effort to get this state chosen for FutureGen, the federal government's \$1 billion effort to design, build and operate the world's first coal-based power plant with near-zero emissions."

— *The Columbus Dispatch*,
January 30, 2006.

"The benefits are unmistakable: Coal, cheap and plentiful in the United States, would be used as fuel. Because the coal would be turned into gas first the FutureGen plant would not spew nasty emissions –

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Air Waves

FutureGen Competition Offers Many Benefits to Ohio

By Mark R. Shanahan, Executive Director, OAQDA



Mark Shanahan is the Executive Director of the Ohio Air Quality Development Authority. Questions can be directed to him at 614-224-3383 or mark.shanahan@aqda.state.oh.us

Ohio has offered two strong sites in the contest to select the host location for FutureGen, the world's first near-zero emissions coal-based power plant. The \$1 billion project offered jointly by the U.S. Department of Energy and the FutureGen Industrial Alliance has many benefits for the state that wins the competition.

But regardless of where the plant is sited, the states that are competing for this prize are all winners. When we consider the wealth of information about geological formations, energy resources and reserves, and the cooperative efforts geared toward solving America's energy challenges that have been sparked by the FutureGen project, it is clear that every

state involved will come out better positioned to help our nation face the energy future.

The Ohio FutureGen Task Force, facilitated by Jo Ann Davidson, has done an outstanding job of spearheading Ohio's submissions for the project. In addition, it has organized an amazing base of support for the project from business and industry, government, research institutions and universities, and the environmental community that will serve the state's clean energy technology efforts long after the first FutureGen plant has been sited.

Ohio will emerge from the FutureGen competition with an extensive body of geological and energy data that will position it well to continue and expand its role as an international leader in clean-coal and energy technology. The test drilling and other geologic tests conducted for FutureGen provide the state with valuable data to be used for a variety of energy projects.

The FutureGen competition has created a base of strong support for Ohio's energy future. From the bi-partisan efforts for the project in our General Assembly, to the unified efforts by the various counties considered through the site selection process, to cooperative efforts led by Governor Taft among Kentucky, Pennsylvania and Ohio, to the resounding editorial support generated in Ohio's daily press state-wide, FutureGen has solidified the state's efforts to pave the way for the future of clean-coal technology. The spirit of support and cooperation is exemplified further in the creation of the three-states Ohio River Valley Coal Research Consortium, a collaboration among the major universities and other research and technology development organizations in Kentucky, Pennsylvania and Ohio. This unique consortium will advance the objectives of FutureGen beyond the time of this initial competition and provide a forum for ongoing research collaborations.

We certainly entered the FutureGen competition with the intent to set forth our best sites that we believe offer the most suitable locations for the prototype plant. We believe our entries in Tuscarawas and Meigs counties fit that bill. But real prize of this process is the knowledge and data we gain to position Ohio well for the future.

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the Ohio River Valley Coal Research Consortium, a collaboration among the states' major universities and other research and technology development organizations.

To date, Ohio institutions participating in the consortium include Case Western Reserve University, Ohio University, The Ohio State University, and the Universities of Akron, Cincinnati, and Dayton. They have agreed to offer and facilitate fundamental research to support FutureGen activities. Also participating are the University of Kentucky, Carnegie Mellon University, Pennsylvania State University, and the University of Pittsburgh.

The Consortium will help advance the research objectives of FutureGen, provide review mechanisms for spin-off research projects, help transfer technological developments to industry, and facilitate ongoing research collaborations. Taft noted that he anticipates an announcement identifying the organizations

participating in the Consortium in the near future.

In April, the Governor and the Ohio legislature committed \$1 million to support the drilling of a test well to provide important geological data for the state's FutureGen proposal. The money will be matched with \$1 million from the Ohio Coal Development Office and private sector contributions.

OAQDA is leading a statewide task force created to prepare Ohio's response to the federal RFP. Members of the Ohio FutureGen Task Force include the Governor's Office, Governor's Office of Appalachia, Ohio Air Quality Development Authority, Ohio Environmental Protection Agency, Ohio Department of Development, Ohio Department of Natural Resources, Public Utilities Commission of Ohio, Ohio Consumers' Counsel, Ohio Environmental Council, Ohio Oil & Gas Association, Ohio Rail Development Commission, Ohio Coal Association, The Ohio State University, and Ohio University. The Task Force is facilitated by Jo Ann Davidson, former Speaker of the Ohio House of Representatives.

OAQDA Begins Process for Clean Air Projects at Two Ohio Power Plants

\$1.255 billion bond package is agency's largest-ever financing inducement

The Ohio Air Quality Development Authority (OAQDA) recently took the first step toward issuing bonds in an amount not to exceed \$1.255 billion to finance the acquisition, construction, and installation of air quality facilities at two coal-fired power plants owned by FirstEnergy Generation Corporation. The inducement agreement covers all seven units at the W. H. Sammis Generating Station in the Village of Stratton in Jefferson County, and Unit 4 at the Bay Shore Generating Station in Oregon, Ohio in Lucas County. The exact timing and structure for bond issues is still to be determined.

The Sammis project, which represents \$1.1 billion of the total funds approved by OAQDA, is aimed at removing sulfur dioxide from the flue gas stream and creating a solid waste that will be stored in a new disposal facility adjacent to the plant. The project will entail construction of three scrubber/absorber towers, a new common exhaust stack, a common limestone preparation facility, and the new solid waste disposal facility.

At the Bay Shore Plant, Unit 4 will be retrofitted with a new Electro-Catalytic Oxidation (ECO) system that was developed and successfully demonstrated by Powerspan Corporation at FirstEnergy's Burger Station in Shadyside, Ohio. OAQDA's Ohio Coal Development Office contributed

\$4.5 million in funding toward ECO development and testing. The ECO multi-pollutant-control technology provides for the high removal of sulfur dioxide, nitrogen oxides, fine particulate matter, and mercury from the flue gas stream at coal-fired power plants. A total of \$155 million was approved by OAQDA for this project.

"We are very pleased that OAQDA's largest-ever financing inducement will meet higher clean air standards, in this case for north-west and eastern Ohio. These two projects represent the very core of our mission, and we are proud of all of our efforts statewide since OAQDA's inception in 1970 to promote and foster improved air quality throughout Ohio," said Mark R. Shanahan, OAQDA executive director.

Ohio EPA Uses Web to Assist Permitting Requirements and Compliance

The Ohio Environmental Protection Agency offers two new Web-based tools to assist customers with determining the permits and related requirements that apply to their businesses and with overall environmental compliance. These tools are part of the Agency's continuing effort to help small to medium-sized businesses stay in compliance with Ohio regulations by making the requirements and processes easier to follow.

Ohio EPA Offers New Tools to Identify Permits

The Ohio Environmental Protection Agency has created a new interactive tool designed to help small and mid-sized businesses more easily identify applicable permit, licensing and registration requirements.

Called the Permit Wizard, this easy-to-use tool guides the user through a series of questions and uses the responses to develop customized feedback on the proper permits required for operation. The user can select from several environmental areas, such as waste, air, wastewater, storm water and wetlands. Permit Wizard is quick and easy to use, and at the end of the session, the user is provided with a summary of requirements,

along with links to resources such as guidance documents, fact sheets and forms.

New business owners may find the tool helpful in identifying compliance requirements. Existing business also may find the Permit Wizard helpful to self-check compliance. The Permit Wizard is designed to be used anonymously, so the user is not required to submit any personal or company information.

Although the Permit Wizard provides a good starting point to help get permitting requirements in order, it does not provide an official or binding determination on permitting and is not a substitute for carefully reviewing all applicable rules and laws. The Permit Wizard also is not the tool for highly complex permitting situations, such as determining whether you need a Title V air permit.

Permit Wizard can be accessed by clicking on the icon on Ohio EPA's main Web page, www.epa.state.oh.us, or you can enter the Wizard directly at <http://epawebapps.epa.state.oh.us/PermitWizardWebApp/jsp/index.jsp>.

Ohio EPA's Answer Place

As part of its continuing effort to enhance compliance efforts, Ohio EPA late last year launched a frequently asked questions Web tool known as the Answer Place. The Answer Place provides quick, easy access to information and allows you to pose questions directly to Agency staff.

Users can access the Answer Place by clicking on the icon on Ohio EPA's main Web page www.epa.state.oh.us. The site offers many questions and answers already in the system, searchable by keyword.

If the desired information is not part of the Answer Place content, the user can use the "Ask a Question" feature to pose a question. Questions are forwarded to the Ohio EPA staff for a response.

Another Answer Place feature gives the user the ability to create a personal login. This allows customers to track questions they've viewed or submitted and to get automatic e-mail updates if new information is available on a particular question/issue of interest.

The Agency encourages businesses and individuals with compliance questions about environmental requirements to begin their information search by visiting the Answer Place.

AirFocus

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Major Dailies

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sulfur dioxide, nitrogen dioxide and mercury among the worst – that now are such pernicious pollutants. It would produce hydrogen as one byproduct. Another, carbon dioxide, would be pumped deep into the earth instead of the atmosphere, burying one major source of global warming.”

— *Akron Beacon Journal*,
February 5, 2006

“Where’s the best place in the country to build America’s first air-pollution-free coal-fired power plant? We think it’s right here in the heart of it all: Ohio.”

— *The Blade*, February 10, 2006

“FutureGen belongs here, a beacon in the coal fields that once helped to make this state an industrial powerhouse.”

— *The Plain Dealer*,
February 28, 2006

“Coal might not be the ideal energy source, but it’s a proven one, and it’s at hand. If we’re going to be able to tap it, we must do so efficiently, cleanly and in a way that doesn’t add to global warming. The FutureGen project promises to advance that effort, and we’re pleased to see that Ohio and Kentucky working together, and with Pennsylvania, to advance their chances for selected as the host for the plant.”

— *The Cincinnati Post*, May 4, 2006

“But there will be no losers in this contest. States that have scouted sites, done preliminary drilling and streamlined their permitting process are that much further along toward acquiring a FutureGen-style clean coal plant.”

— *The Cincinnati Enquirer*,
May 8, 2006

For more information about OAQDA or clean coal technology, visit our web site at www.ohioairquality.org.

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