

# Cash Creek incentives \$150 million

By Chuck Stinnett  
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Kentucky is offering millions of dollars of tax incentives if Cash Creek Generation LLC builds its nearly \$2 billion coal-fueled power plant in eastern Henderson County.

The project would be eligible for up to \$150 million in incentives, according to Kevin Sheilley, president and CEO of the Northwest Kentucky Forward regional economic development organization.

The exact amount of incentives will be negotiated between Cash Creek and the Kentucky Economic Development Finance Authority, a state agency that gave preliminary approval to the package on Thursday.

They could include up to 100 percent of sales and use taxes on equipment bought in the state to build the plant, up to 80 percent of severance taxes paid on coal that is used, up to 100 percent of Kentucky income taxes paid and up to 4 percent of gross wages on each employee.

Manufacturing plants for years have been granted incentives to locate in Kentucky. Last year, the Kentucky General Assembly approved the Incentives for Energy Independence Act to offer incentives to certain types of energy plants as well, including alternative fuel facilities, gasification plants and renewable energy facilities.

Cash Creek Generation would be an integrated gasification combined cycle power plant that would convert coal into a synthetic natural gas that would be burned to generate electricity.

The \$1.97 billion plant would employ approximately 250 people to operate the plant at wages averaging \$23 per hour, according to a project summary provided to the KEDFA board. It also would create a peak construction work force of 1,500.

Additionally, it could create 150 new mining jobs. The plant would consume approximately 1.7 million tons of coal per year, likely from an adjacent Patriot Coal Co. mine or perhaps from a mine being developed by Massey Coal Co. in the Delaware area near the McLean-Daviess county line.

It is described as being "carbon capture-ready," meaning equipment could be attached to it to siphon off carbon dioxide and pump it deep underground to keep it from becoming a greenhouse gas.

"We believe Cash Creek will be one of the first, if not the first operational clean coal power plants," Sheilley said. "It will help ensure we have power from one of our greatest national assets and promote the region for all kinds of energy projects."

"This plant can end up being what FutureGen was all about," Henderson County Judge-executive Sandy Watkins said, referring to a now-stalled project to test carbon capture.

"It has the potential for being the cleanest coal power plant in the world," Watkins said. "It could put us at the forefront of economic development, and the eyes of the world would be on us with this clean coal technology."

Cash Creek Generation is owned by The Erora Group, which in turned is jointly owned by Green Rock LLC (an entity owned by investment bankers Goldman Sachs and D.E. Shaw Group) and an affiliate of General Electric, a major producer of power plant components.