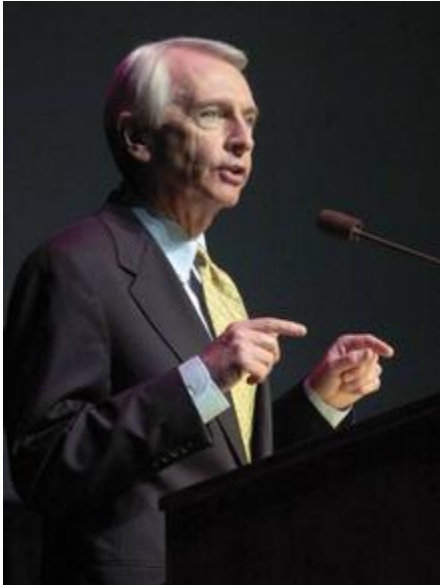


# Paving the clean energy path

By Chuck Stinnett  
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Kentucky Governor Steve Beshear the keynote speaker at the Illinois Basin Energy Conference held at the Henderson Fine Arts Center Thursday. (Gleaner photo by Mike Lawrence, mlawrence@thegleaner.com) 03/06/2008

Gov. Steve Beshear made clear that coal will continue to be a cornerstone of energy in Kentucky, but he added coal must be burned more cleanly and power must be used more efficiently.

"Kentucky is a coal state," Beshear said in remarks at the Illinois Basin Energy Conference here Thursday morning. "Let's not be bashful about it."

"Kentucky can be a national leader in energy technology and production," the governor said. "I intend to put this state on that path. I intend to make energy a top priority of the Beshear administration for the next four years."



Paul Thompson, chairman of the FutureGen Alliance, outlines the project at Thursday's Illinois Basin Energy Conference held at the Henderson Fine Arts Center Thursday. (Gleaner photo by Mike Lawrence, mlawrence@thegleaner.com) 03/06/2008

Kentucky in 2004 produced 119 million tons of coal, with mines employing 15,000 people and paying \$759 million in direct wages, he said.

But while coal provides 90 percent of Kentucky's electricity, there are consequences, such as the release of vast amounts of carbon dioxide, a greenhouse gas suspected of causing global warming.

"Our power plants emit 93 million tons of carbon dioxide" per year, Beshear said. "We rank seventh in the nation."

That may not be permitted in the future. Congress has considered legislation limiting carbon emissions.

Further, "Wall Street banks have announced that emissions will factor into their willingness to loan money for building power plants," Beshear noted.

So, he said, "We must be a leader in clean coal technology."

Beshear said because of the energy bill passed last year, Kentucky is funding research and commercialization of carbon dioxide controls as well.

And the state is offering "hundreds of millions of dollars of incentives" to companies such as Peabody Energy Corp. if they build multi-billion-dollar plants to turn coal into a substitute natural gas. Peabody is considering building such a plant in Henderson, Union, Webster, Ohio or Muhlenberg county.

"We stand ready to do whatever we can to make that a reality," Beshear said.

"We vow to work closely with leaders of energy companies," he said.

But the governor said it's important to protect the environment as well, saying Kentucky needs to find ways to use coal that are "greener and cleaner."

"There's a balancing act between jobs versus the environment, between coal versus other fuels," he said. "It's imperative to perform the balancing act and to know that protecting the environment does not mean losing jobs."

"In Kentucky we've been sloppy," failing to conserve electricity because Kentucky-generated power has long been cheap, Beshear said.

"We must use energy more efficiently as we transition to a carbon-constrained world," he said.

For example, he said the Governor's Office of Energy Policy is working with school systems to encourage them to construct more energy-efficient buildings.

He acknowledged "the angst over gasoline prices."

But, he said, "It's more than the cost of a gallon of gas. It's about the security of this state and the security of this country," although he noted that energy projects also mean jobs and tax revenue.

He applauded Henderson County officials who have formed the West Kentucky Regional Energy Team to promote energy production and research here and for expanding it to include Union and Webster counties.

"When the local communities become active, the chance of success become greater," Beshear said.

Approximately 350 registered for the conference, and a significant portion were present at the Henderson Fine Arts Center on Thursday.

"Our vision is that business and environmentalists work together for a better and safer America," Hendersonian John Dunaway, who helped organize and promote the event, said.

The audience consisted of representatives of energy and utility companies, university and government researchers and public officials.

Henderson County Judge-executive Sandy Watkins reminded them that the Henderson area has targeted energy projects as part of its economic development strategy.

"To any of you energy companies, we're open for business," Watkins said.

"Think energy," Henderson Mayor Tom Davis echoed.