

Dozens of Illinois communities urged to double down on coal

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As President Joe Biden pushes to accelerate the nation's transition to clean energy, three Chicago suburbs and more than two dozen other Illinois communities are mulling plans to double down on lung-damaging, climate-changing coal.

Chicago suburbs Naperville, St. Charles, Winnetka and 29 downstate

municipalities are investors in the Prairie State Generating Station, a massive coal-fired power plant in southern Illinois that last year spewed 12.4 million tons of heat-trapping carbon dioxide into the atmosphere—more than only six other [electricity providers](#) in the United States.

The Illinois cities, towns and villages are under contract until 2035 to purchase a share of Prairie State's electricity and help pay off \$5 billion in construction debt. But instead of preparing to quickly shift away from the fossil fuel, like scores of other utilities across the country are doing, the Illinois communities could end up relying on Prairie State and another coal plant in Kentucky for most of their electricity until at least 2050.

Doing so would run counter to Biden's goal of decarbonizing the nation's electric sector by the middle of the next decade. Naperville and the other Illinois communities would also miss an opportunity to reduce their [energy costs](#) in an era when prices for [renewable energy](#)—paired with battery storage for when the wind doesn't blow or the sun isn't shining—are steadily declining.

Costs to operate Prairie State already just break even with what it would take to replace the plant's output with new wind farms, according to a 2023 analysis by Energy Innovation, a nonprofit think tank.

"I would be nervous as a consumer about the fact I'm locked in until 2035," said Eric Gimon, a physicist and senior fellow who co-authored the analysis. "Extending your reliance on coal to 2050 is an entirely different story. That is crazy."

In their sales pitch to Naperville and the other communities, officials at the Illinois Municipal Electric Agency vow to balance heat-trapping emissions with carbon-removal technologies by 2050—a concept known

as "net zero."

Meeting that target would hinge upon a 45% reduction in CO₂ emissions from Prairie State by 2038, shutting down the plant and a unit at the Trimble County coal plant in Kentucky by 2045 and full retirement of Trimble County in 2050, according to an IMEA slide presentation.

Staci Wilson, the agency's director of government affairs, said if member communities extend their contracts they will ease the shift to cleaner sources of electricity—something scores of utilities across the nation are doing by abandoning coal now.

Left unaddressed by the IMEA are the health and climate costs of relying on coal for at least another 15 years after the current contracts expire.

When burned, fossil fuel emits more carbon dioxide than any other fuel source. Levels of the heat-trapping gas in the atmosphere are higher than at any point during the past 800,000 years. If emissions aren't dramatically reduced soon, scientists say, climate-influenced catastrophes could kill millions of people and devastate the global economy.

Burning coal also contributes to lung-damaging smog and soot pollution that triggers respiratory ailments and shaves years off lives.

Prairie State, Illinois's largest emitter of sulfur dioxide and nitrogen oxide pollution, is increasingly an outlier in a fast-changing sector of the U.S. economy.

Coal's share of the nation's energy mix dropped to 16.2% last year, down from more than 50% a decade ago, largely because gas-fired plants are less expensive to build and operate. The decline has been so steep that

renewable energy now generates more electricity than coal.

In Illinois, investor-owned companies are closing what is left of their coal fleet within the next few years. But that trend doesn't apply to Naperville, St. Charles, Winnetka, and other members of the IMEA, owner of a 15% stake in the Prairie State plant.

The IMEA and other Prairie State investors could face additional costs to comply with newly adopted federal regulations requiring coal plants planning to operate past 2039 to eliminate 90% of their carbon dioxide emissions by 2032.

There is no proof such an ambitious target can be met.

Last year management at the Prairie State plant solicited bids to build equipment that would capture 45% of the coal burner's heat-trapping gases and either pump them deep underground or somehow ship them far away for other uses such as oil recovery from depleted wells.

If the scheme worked, it would comply with the state's latest [clean-energy](#) law. Yet no power provider has shown it can cost-effectively sequester large amounts of carbon dioxide, let alone the levels required under the Biden administration's far more stringent regulations—a reality acknowledged by IMEA officials during their presentations to member communities.

Owners of a Texas coal plant equipped one of their four coal-burning generators with the largest carbon capture project attempted to date in the United States. It only prevented 55% of the unit's CO₂ emissions from escaping into the atmosphere and required so much energy the owners had to build a separate power plant, creating more climate-changing pollution.

"It's all smoke and mirrors," said William Burns, co-director of the Institute for Responsible Carbon Removal at American University and a visiting professor at Northwestern University. "Some of these coal plant owners are just trying to run the clock out and keep going as long as they can."

Based on their bid request, Prairie State's management appears to be banking on federal tax credits worth up to \$85 per ton of carbon dioxide sequestered. The document seeks outside investors to install the technology at no cost to municipal investors.

"Our nation's energy supply is in a state of transition, and Prairie State and its public power owners are committed to working with policy leaders on ways to further mitigate CO₂ in the future while still maintaining grid reliability and efficiency," said Alyssa Harre, the plant's spokeswoman.

Wilson, the IMEA lobbyist, said with only 11 years left on the current contracts with Naperville, St. Charles, Winnetka and other member communities it is too late to broker long-term deals for low-cost renewable energy.

Her claim rings hollow with clean energy advocates. They fear their elected leaders place too much trust in the IMEA, which, unlike ComEd or Peoples Gas, does not face oversight from professional energy experts at the Illinois Commerce Commission.

Greg Hubert, a member of the Clean Energy Alliance of Naperville group, said he first learned in late 2019 that the IMEA was interested in extending contracts with its members. Since then details of several key discussions have remained secret, Hubert said, because they occurred during closed-door meetings between the agency and Prairie State management.

"I think it's a safe bet to say that many citizens are still unaware of the heavy carbon footprint of our Naperville electricity, primarily from our IMEA ownership of coal-fired generation," Hubert said during one of his appearances at City Council meetings. "Many may not be aware of the growing risk of this coal-fired electricity to Naperville's reputation and our wallets."

Another opponent, Jean Korte, questions why the agency is pressuring communities now to continue relying on coal after the Prairie State construction bonds are paid off in 2035.

Could it be a guarantee needed by potential investors in a carbon capture system, Korte has asked elected leaders in Highland, another IMEA city northeast of St. Louis. If so, she said in an email, nobody is willing to admit that.

"Why do we have 'public power' if citizens do not know what they are signing up for?" Korte said. "It is time to pause and have a bigger discussion."

Energy experts also are skeptical.

Emily Grubert, an associate professor of sustainable energy policy at the University of Notre Dame, has urged elected officials and other policymakers to be straight with Americans about impending job losses in the fossil fuel industry. Leaders should prepare now for a decline in local tax revenues after coal plants close, she has said.

"Who exactly is paying for (the potential carbon capture project at Prairie State) is unclear," Grubert said in an interview. "Who would be responsible if they go two or five times over budget?"

Understanding why Naperville and the other communities are in this

position requires a look back to the mid-2000s when St. Louis-based Peabody Energy, a major financier of climate denial campaigns, hatched plans to build the Prairie State plant and burn coal from one of its nearby mines.

Peabody managed to get the coal plant built even as investors abandoned dozens of similar projects, scared off by skyrocketing construction costs and the likelihood that climate pollution eventually would be regulated.

Prairie State ended up costing more than twice as much as the \$1.8 billion Peabody promised. But by persuading the IMEA and other municipal electric agencies to absorb the construction debt, Peabody avoided a huge hit to its bottom line.

The coal company later sold its 5% stake at a steep loss.

Naperville played a key role in the construction of the coal plant. In 2007, the IMEA persuaded the city to become its largest member and joined the Prairie State consortium after Michigan-based CMS Energy backed out.

Now Naperville officials could determine whether IMEA members continue relying on coal after 2035.

Brian Groth, the city's electric utility director, said Naperville plans to hire a consultant "to explore options on how to procure energy and services beyond 2035 as well as provide projected energy and capacity pricing past 2035."

Josie Clark, Winnetka's spokeswoman, repeated the IMEA's claim that extending contracts until 2055 will clear the way for low-cost renewable energy deals in the future. St. Charles officials did not respond to multiple requests for comment.

Two other Chicago suburbs, Batavia and Geneva, belong to a separate municipal group that invested in the Prairie State plant. They are on the hook until 2041 to help pay off the construction debt and buy electricity from the coal burner.

"If Prairie State isn't operating anymore, we still have to pay off the bonds and then we have to go acquire a whole new source of power in order to serve our customers," Gary Holm, president of the Northern Illinois Municipal Power Agency and Batavia's director of public works, said during a January forum.

Prairie State and IMEA officials contend the power plant is needed as a reliable source of electricity, an argument that might have made sense in the 1970s when many of the nation's other huge coal burners were built.

Interest groups funded by coal companies have seized upon concerns about reliability as a reason why coal plants should continue operating. Those groups also are behind legal campaigns to persuade right-wing justices in the U.S. Supreme Court majority to throw out the Biden administration's climate regulations.

But in 2020 a team of energy experts at Princeton University concluded every remaining [coal plant](#) in the United States could close by 2030 without destabilizing the electric grid or driving up energy prices. The researchers also found the nation could slash greenhouse gas emissions to zero in all sectors of the economy by 2050 by making a monumental commitment to clean transportation, electricity and home heating.

"This is a national project we need to embark on that's good for our economy," Jesse Jenkins, one of the study's co-authors, told reporters during a February workshop organized by the nonprofit Institute for Journalism and Natural Resources. "It's good for our public health. It's good for our reliability. And by the way, it helps avert dangerous climate

change."

"I think the playbook for the next decade is pretty clear," Jenkins said. "If we are going to add new wind and solar capacity to the grid at a record pace, the first thing that needs to be retired is our coal-fired fleet."

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