

State of Illinois
Rod Blagojevich, Governor

Department of Commerce and Economic Opportunity
Jack Lavin, Director

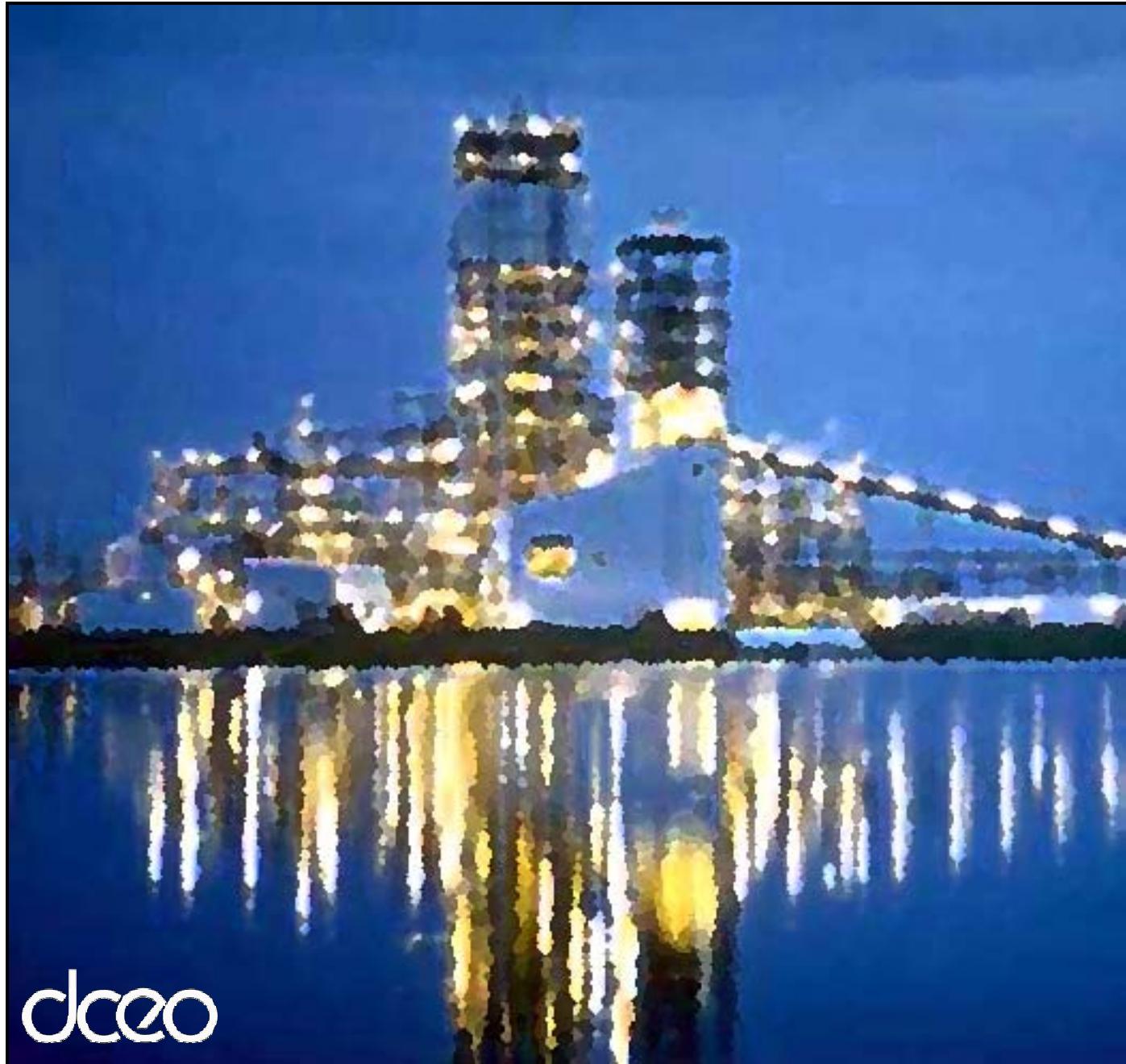


Siting New Coal-Fired Power Plants

A Guide to Permits and Economic Incentives

Report of the Office of Coal Development

Revised April 2007



SITING NEW COAL-FIRED POWER PLANTS IN ILLINOIS

A GUIDE TO PERMITS AND ECONOMIC INCENTIVES

REVISED APRIL 2007

REPORT OF THE
DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
OFFICE OF COAL DEVELOPMENT

NOTE

This report provides information on various state and federal programs that may be of interest to organizations and companies developing baseload electric generation in Illinois. Its intent is provide contact information to those agencies and programs that are likely to come into play in the process of siting, permitting, financing and building such facilities. This report should in no way be construed as representing state or federal policy or guidelines, nor should it be considered comprehensive with regard to all rules, regulations, and programs affecting energy facilities.

Copies of this report may be obtained from:

Illinois Department of Commerce and Economic Opportunity
Office of Coal Development
620 East Adams Street
Springfield, IL 62701-1615
(217) 782-6370
TDD: 800/785-6055
www.illinoiscoal.biz

Printed by Authority of the State of Illinois

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INTRODUCTION

As part of an aggressive effort to create thousands of new jobs, Governor Rod Blagojevich is promoting the use of advanced clean coal technology that will allow companies to use coal mined in Illinois. "There is no greater advocate for the coal industry than Gov. Blagojevich. We are making the kinds of crucial investments that will ensure this important sector of our economy continues to create good jobs today and tomorrow," State Rep. Dan Reitz (D-Sparta) said.

Governor Blagojevich's energy policy represents a new way of approaching the issues and stands in contrast to previously-held notions that suggested that economic and environmental concerns are mutually exclusive. "This plan will lead to progress in both areas," he said. "Technology will allow our power plants to use Illinois coal again – bringing back jobs and revitalizing communities across southern and central Illinois."

Illinois is well positioned to serve the energy needs of business and industry. There are enough economically-minable coal reserves to maintain current coal production levels for the next 500 years.

Illinois has financial incentives for companies wishing to build baseload generation, production facilities for chemical feedstocks and transportation fuels, or to convert existing plants to use clean coal technology. The Illinois Resource Development and Energy Security Act created a broad-based program of tax and financing incentives and direct support to developers who build substantial new coal-fired electric generating stations for use with Illinois coal.

Governor Blagojevich signed three important pieces of legislation. Public Act 93-167 made changes to the Illinois Resource Development and Energy Security Act that will facilitate easier access to this financial assistance. It provides state backing to \$300 million in revenue bonds for coal-fired generation, as well as, allows the projected occupation and use taxes on Illinois-mined coal rather than the actual taxes paid after one year of operation. Public Act 94-66 expands the Illinois Resource Development and Energy Security Act eligibility to include coal gasification or integrated gasification-combined cycle units that generate chemical feedstocks or transportation fuels derived from coal. Public Act 94-63 allows gas utilities to enter into a 20-year supply contract with a company for synthetic natural gas produced from the coal gasification process if the company has commenced construction of a coal gasification facility by July 1, 2008.

The accompanying tables offer a starting point for those persons wishing to build new coal-fired power plants, energy facilities and coal mines in Illinois. Table I provides the names and descriptions of the permits and approvals required to construct coal-fired energy facilities in the state of Illinois. Table II describes the permits and approvals related to constructing and operating coal mines in Illinois. Table III delineates tax incentives and financial assistance available for energy projects in the state of Illinois. Contact persons, phone numbers and agency internet addresses are also included for quick reference.

TABLE 1. PERMITS AND APPROVALS FOR NEW COAL-FIRED POWER PLANTS

<i>Name and Description of Permits and Approvals</i>	<i>Required Information</i>	<i>Expected Agency Review Time</i>	<i>Contact Information</i>
AIR			
Construction Permit/PSD Approval – comprehensive air quality construction permit for a new <u>major</u> source of emissions or a <u>major</u> modification of an existing source. Required before beginning construction. (Permit also implements the federal permit required by the Prevention of Significant Deterioration (PSD) rules 40CFR 52.21 which IEPA administers in Illinois. Consultation with a federal land manager for a nearby Class I area, i.e., Mingo National Wildlife Refuge, may be required.)	<ul style="list-style-type: none"> • Process and operating data • Air pollution emissions and control equipment data • Process flow diagrams • Evaluation of applicable regulatory requirements • Locations and dimensions of principle structures • Air quality impact modeling (local monitoring data can be required) • Detailed BACT/LAER¹/MACT demonstration • Identification of emission offsets¹ • Compliance plan for ERMS² 	9 to 12 months (longer if local data is required)	Illinois Environmental Protection Agency Bureau of Air #11 Christopher Romaine 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air/permits
Federal Operating Permit (CAAPP Permit) – operating permit pursuant to Clean Air Act Title V Permit, required for continuing operation following the period of initial operation allowed by a Construction Permit / PSD Approval.	<ul style="list-style-type: none"> • Technical information as in Construction Permit / PSD Approval, i.e., process data, emission data, rule evaluation • Compliance monitoring provisions • Compliance certification 	18 months	Illinois Environmental Protection Agency Bureau of Air #11 Permit Section 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air/permits

¹ Applicable in ozone nonattainment area for a proposed source that would be major for VOM emission.

² Applicable in Chicago ozone nonattainment area for a major VOM source.

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
Acid Rain Notification – designation by the source of a Designated Representative and alternate for the federal Acid Rain Program; required to be submitted concurrent with Acid Rain Permit Application; 40 (CFR) Part 72.	<ul style="list-style-type: none"> • Contact information • Plant information • DOE ORIS number for plant 	None	Illinois Environmental Protection Agency Bureau of Air #11 Shashi Shah 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air
Acid Rain Permit – operating permit pursuant to Clean Air Act Title IV, for an affected source; submittal required 2 years before starting operation (or permit must be issued prior to start of operation) Permit can be applied for and processed at the same time as a Construction Permit / PSD Approval.	<ul style="list-style-type: none"> • Completed Acid Rain Notification • NO_x and SO₂ compliance plan 	9 to 12 months	Illinois Environmental Protection Agency Bureau of Air #11 Shashi Shah 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air
Budget Permit – operating permit pursuant to the regional NOx Trading Program. Permit can be applied for and processed at the same time as a Construction Permit/PSD Approval.	<ul style="list-style-type: none"> • Completed Account Certificate of Representation • Identification of affected units 	9 to 12 months	Illinois Environmental Protection Agency Bureau of Air #11 Permit Section 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air
Construction Permit – construction of <u>minor</u> source of emissions or a <u>minor</u> project at a major source; required before beginning construction.	<ul style="list-style-type: none"> • Process and operating data • Emissions and air pollution control equipment data • Evaluation of applicable regulating requirements • Description of plot plan/process flow drawings 	3 to 6 months	Illinois Environmental Protection Agency Bureau of Air #11 Permit Section 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
State Air Operating Permit – operation of a minor source of emission; not applicable if a source needs a CAAPP permit.	<ul style="list-style-type: none"> Information confirming compliance with requirements established by construction permit(s) 	3 months	Illinois Environmental Protection Agency Bureau of Air #11 Permit Section 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air
Certification of Continuous Emission Monitoring System (CEMS) – approval of installation of SO ₂ and NO _x CEMS and in compliance with Acid Rain Emission Monitoring requirements pursuant to 40 CFR Part 75.	<ul style="list-style-type: none"> Relative accuracy and bias test Calibration error test Cycle response time test Linearity test 	4 months	Illinois Environmental Protection Agency Bureau of Air #11 Julia Armitage 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air
Qualifying Facility (QF) Certification – cogeneration facilities; form no. 556; necessary for rating benefits to sell power at wholesale.	<ul style="list-style-type: none"> Self-certification should be based on a determination if facility qualifies 	Effective upon filing	Federal Energy Regulatory Commission John Emami 888 First St. N.E. Washington, D.C. 20426 Phone: 202-502-8577 www.ferc.gov/industries/electric.asp
Exempt Wholesale Generator (EWG) – wholesale electricity sales; Part 365.3; necessary for rating benefits to sell power at wholesale.	<ul style="list-style-type: none"> Project financing and power sale information 	3 months	Federal Energy Regulatory Commission John Emami 888 First St. N.E. Washington, D.C. 20426 Phone: 202-502-8577
Certificate of Public Convenience and Necessity (CPCN) – required only for projects owned by a regulated facility; Section 8406 of Public Utilities Act.	<ul style="list-style-type: none"> Information on cost and need for project 	12 months	Illinois Commerce Commission Harry Stoller 527 E. Capitol PO Box 19280 Springfield, Illinois 62794-9280 Phone: 217-785-5278 www.icc.illinois.gov

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
Risk Management Plan – plan must be submitted to USEPA and found complete prior to storage or use of hazardous air pollutants (such as ammonia); in quantities greater than threshold amounts; 40 CFR Part 68.	<ul style="list-style-type: none"> Chemical inventory including maximum storage capacity 	60 days	Illinois Environmental Protection Agency Bureau of Air #11 Dixon Nwaji 1021 N. Grand Ave. East P.O. Box 19506 Springfield, Illinois 62694-9506 Phone: 217-782-2113 www.epa.state.il.us/air U.S. Environmental Protection Agency Chemical Emergency Preparedness and Prevention Office (CEPOO) Risk Management Plan Reporting Center P.O. Box 3346 Merrifield, Virginia 22116-3346 www.epa.gov/ceppo
Environmental Assessment / Environmental Impact Statement – issuance of COE Construction Permit for a major action with significant environmental impact; 33 CFR 321.	<ul style="list-style-type: none"> Comprehensive analysis of all environmental impacts from construction and operation of a proposed facility 	3 to 18 months	United States Army Corps of Engineers St. Louis District Regulatory Office Susan Horneman 1222 Spruce Street St. Louis, Missouri 63103-2833 Phone: 314-331-8185 Fax: 314-331-8741 www.mvs.usace.army.mil
Federal Endangered Species Consultation – issuance of COE Construction Permit if it has potential effects to federally listed species or critical habitat; Section 10 (Exceptions) of the Endangered Species Act (ESA).	<ul style="list-style-type: none"> Detailed biological assessment of potential impacts 	Indeterminate	U.S. Fish and Wildlife Service Chief, Ecological Services Operations U.S. Fish and Wildlife Service Bishop Henry Federal Building One Federal Drive Ft. Snelling, Minnesota 55111-4056 Phone: 612-713-5173 Fax: 612-713-5308 www.nfwf.org

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
State Endangered Species/ Natural Areas Consultation – state agencies/local governments which authorize, fund, or perform actions altering environmental conditions must consult IDNR and use their authority to avoid or minimize adverse impacts. 520 ILCS 10/11; 525 ILCS 30/17; 17 Ill. Admin. Code 1075.	<ul style="list-style-type: none"> Map and legal description of location Project conceptual or design plans 	30 days, indeterminate if protected resources are present	Illinois Department of Natural Resources Division of Resource Review and Coordination Mike Branham One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-785-5500 www.dnr.state.il.us/orep/nrrc
IDNR Wetland Review – the Illinois Wetland Policy Act of 1989 [20 ILCS 830] requires that all projects receiving State support shall meet the state goal of no overall net loss of the state's existing wetland acres. Projects shall be submitted to the IDNR for a wetland impact assessment.	<ul style="list-style-type: none"> Name and address of the supporting agency Project design plans Wetland delineation of the project areas as prescribed by the COE 1987 Manual 	3 months	Illinois Department of Natural Resources Division of Resource Review and Coordination Mike Branham One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-785-5500 http://www.dnr.state.il.us/orep
WATER			
Corps of Engineers (COE) Construction Permit (Section 10 and/or 404) – construction activities in lakes, rivers, streams, wetlands; 33 CFR 320 to 330.	<ul style="list-style-type: none"> Design drawings for facility Purpose statement and description of overall project Delineation of wetland areas when present Environmental Assessment (EA) would require information on existing environment, expected impacts, and alternatives 	2 to 18 months depending on permitting instrument issued	United States Army Corps of Engineers St. Louis District Regulatory Office Susan Horneman 1222 Spruce Street St. Louis, Missouri 63103-2833 Phone: 314-331-8185 Fax: 314-331-8741 Susan.L.Horneman@mvs02-usace.army.mil www.mvs.usace.army.mil
IDNR Construction Permit – 615 ILCS 5, 1994; required for dams, construction within a public body of water, and construction within floodways; joint permit application form and processing with the COE Construction Permit and the Water Quality Certificate.	<ul style="list-style-type: none"> Design drawings for structures and shoreline protection Evaluation of impacts on flood flows and sedimentation 	3 to 6 months (longer if COE requires EIS)	Illinois Department of Natural Resources Division of Water Resources Paul Mauer One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-782-3863 www.dnr.state.il.us

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
National Pollutant Discharge Elimination System (NPDES) Permit -- Clean Water Act Section 402; discharge of wastewater to surface waters; required prior to operation, recommended to be obtained prior to construction.	<ul style="list-style-type: none"> • Water balance diagram • Expected wastewater flows and characteristics • Water pollution control equipment and systems 	3 to 6 months	Illinois Environmental Protection Agency Bureau of Water DWPC Permit Section # 15 Toby Frevert 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-3362 www.epa.state.il.us/water
NPDES Storm Water General Permit Construction Site – storm water runoff from construction areas; required before construction.	<ul style="list-style-type: none"> • Storm Water Pollution Prevention Plan, including: 1) site description 2) pollution and erosion control measures 3) maintenance procedures 	Submit Notice of Intent – 2 weeks required for sufficiency determination	Illinois Environmental Protection Agency Bureau of Water DWPC Permit Section # 15 Toby Frevert 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-3362 www.epa.state.il.us/water
NPDES Storm Water General Permit Operational Site – industrial storm water runoff; required prior to operation.	<ul style="list-style-type: none"> • Storm Water Pollution Prevention Plan, including: 1) site description 2) pollution and erosion control measures 3) maintenance procedures 	Submit Notice of Intent – 2 weeks required for sufficiency determination	Illinois Environmental Protection Agency Bureau of Water DWPC Permit Section # 15 Toby Frevert 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-3362 www.epa.state.il.us/water
Nationwide Permits – construction of specified types of structures (such as, intake/discharge structures) in lakes, streams, wetlands; 33 CFR 330.	<ul style="list-style-type: none"> • Design drawings for structures and shoreline protection • Description of overall project 	1 month	United States Army Corps of Engineers St. Louis District Susan Horneman Attention: CEMVS-CO-F 1222 Spruce Street St. Louis, Missouri 63103-2833 Phone: 314-331-8185 Fax: 314-331-8741 www.mvs.usace.army.mil

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
Water Quality Certificate – Section 401 of CWA; triggered by application for U.S. Army Corps of Engineers (COE) Construction Permit (Section 404 only).	<ul style="list-style-type: none"> • Design drawings for facility • Description of overall project • Delineation of wetland areas • EIS would require information on existing environment, expected impacts, and alternatives 	3 months	Illinois Environmental Protection Agency Watershed Management Bruce Yurdin 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 217-782-3362 www.epa.state.il.us/water
Water Supply Connection Permits – construction and operation of a connection to public water supply system; 2 permits – one required prior to construction, another for operation of system. Permits typically issued to municipal water supplier, but obtained by the project developer.	<ul style="list-style-type: none"> • Design drawings of water connections • Description of water use plans 	3 months	Illinois Environmental Protection Agency Division of Public Water Supply Jerry Kuhn 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-9470 or 217-782-0610 www.epa.state.il.us/water
Well Installation Permit – installation of new groundwater wells used for non-public drinking water system; required before construction.	<ul style="list-style-type: none"> • Design drawings for wells • Plans for disinfection and sampling 	2 months	County Public Health Department Additional information at: Illinois Department of Public Health Jerry Dalsin 525 W. Jefferson Springfield, Illinois 62761 Phone: 217-782-5830 www.idph.state.il.us/envhealth/waterwells.htm
Water Allocations and Withdrawals – allocation of surface water from public water bodies for use in industrial applications.	<ul style="list-style-type: none"> • Informal request made to the agency • Allocations are based on the availability of sufficient water resources to maintain minimum levels for environmental quality 	3 months	Illinois Department of Natural Resources Division of Water Resources Gary Clark One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-785-3334 www.dnr.state.il.us

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
Sewer Connection Permits – construction and operation of connection to public sewer system; required prior to construction.	<ul style="list-style-type: none"> • Design drawings of sewer connections • Description of wastewater and treatment equipment 	3 months	Illinois Environmental Protection Agency Division of Water Pollution Control Al Keller 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-0610 www.epa.state.il.us/water
Septic Permit – construction and operation of a septic system; required prior to construction.	<ul style="list-style-type: none"> • Design drawings of septic system <p>Note: IEPA issues permits for septic systems larger than 1500 gallons per day, serving more than one building, and / or containing non-domestic wastewater. 217-782-0610</p>	3 months	County Public Health Department (Check the local phone directory of the county where the facility will be built for contact information.)
Wastewater Facility Construction Approval – construction of wastewater treatment equipment (oil separators, etc.); required prior to construction.	<ul style="list-style-type: none"> • Design information for wastewater treatment equipment • Expected characteristics of raw and treated wastewater 	3 months	Illinois Environmental Protection Agency Watershed Management Al Keller 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-0610 www.epa.state.il.us/water
Facility Response Plan – onsite storage of more than 1,000,000 gallons of oil; 40 CFR Part 112.		None	Illinois Environmental Protection Agency Ted Dragovich 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-524-3306 www.epa.state.il.us/land

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
LAND			
Conditional Use Permit / Zoning – construction of facilities not specifically allowed by local zoning ordinances; required prior to construction.	<ul style="list-style-type: none"> • Description of project • Site development plans 	Indeterminate	County Board (Check the local phone directory of the county where the facility will be built for contact information.)
Highway Alteration Permit – construction of access road connection to state highway; required before construction.	<ul style="list-style-type: none"> • Design drawings for highway connection • Plans for traffic controls 	2 months	Illinois Department of Transportation Bureau of Operations Mike Olson Room 9 2300 South Dirksen Parkway Springfield, Illinois 62764-0002 Phone: 217-782-8551 www.dot.state.il.us
Local Road Construction Permit(s) – construction of access road connection to local road; required prior to construction.	<ul style="list-style-type: none"> • Design drawings for highway construction • Plans for controlling traffic during construction 	1 month	County or Township Highway Department(s) (Check the local phone directory of the county where the facility will be built for contact information.)
Building / Occupancy Permits – construction of plant buildings; required prior to construction.	<ul style="list-style-type: none"> • Building design plans 	1 month	County Building Commissioner (Check the local phone directory of the county where the facility will be built for contact information.)
Storage Tank Construction Permit – construction of above ground oil storage tanks; required before construction.	<ul style="list-style-type: none"> • Design drawings for oil storage tanks 	2 months	Illinois State Fire Marshall Fire Prevention Division Dale Tanke 1035 Stevenson Springfield, IL 62703-4259 Central Illinois 217-785-7812 Southern Illinois 618-993-7085 Chicago, Illinois 312-814-2693 http://www.state.il.us/osfm

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
RCRA Small Quantity Hazardous Waste Generator Identification Number – onsite presence of hazardous waste in quantities greater than threshold amounts; required if hazardous waste will exceed the 100 kg/month threshold; 40 CFR Part 261.	<ul style="list-style-type: none"> Expected hazardous waste accumulation 	None	Illinois Environmental Protection Agency Hope Wright 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-785-2361 www.epa.state.il.us/land
Spill Prevention, Control and Countermeasure Plan – onsite storage of oil in quantities greater than threshold amounts; threshold level is 660 gallons for a single, above-ground storage tank. Facility will have single 300-gallon oil storage tank for emergency diesel fire pump; 40 CFR Part 112.	<ul style="list-style-type: none"> Oil storage inventory including maximum capacity Description of measures to prevent an oil spill Description of how personnel will respond to an oil spill 	None	Illinois Environmental Protection Agency Permit Section 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-524-3300 www.epa.state.il.us/land
Determination of Obstruction Hazard – construction of tall structures; required if facility will have structures > 200 feet or is located < 20,000 feet from airport; FAA Form 7460-1 submittal.	<ul style="list-style-type: none"> Locations and dimensions of stacks and other tall structures <p>Submit FAA Form 7460-1 to: FAA-Great Lakes Regional Office Air Traffic Division, AGL-520 2300 E. Devon Ave. Des Plaines, IL 60018</p> <p>Ph. 847-294-7568</p>	1 to 2 months	Illinois Department of Transportation Division of Aeronautics Robert Hahn, Airspace Specialist 1 Langhorne Bond Drive Springfield, Illinois 62707-8415 Phone: 217-524-1580 www.dot.state.il.us/aero/faaforms.html
Initial Facility Report for Landfills – construction of a new landfill which only accepts onsite wastes; IEPA may review landfill design to ensure compliance with state regulations.	<ul style="list-style-type: none"> Landfill design requirements Groundwater modeling 	None	Illinois Environmental Protection Agency Solid Waste Management Permit Section 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-524-3300 www.epa.state.il.us/land

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
Landfill Siting Approval – Section 21D of the Illinois Environmental Protection Act; required for the siting of a landfill that will accept second party solid wastes; required prior to construction.		Indeterminate	County Board (Check the local phone directory of the county where the facility will be built for contact information.)
Landfill Construction Permit – construction of a new landfill permitted to accept offsite wastes; IEPA has the option to hold a public hearing.	<ul style="list-style-type: none"> • Landfill design requirements • Groundwater modeling • Public notice documents 	180 days	Illinois Environmental Protection Agency Solid Waste Management Permit Section 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-524-3300 www.epa.state.il.us/land
Historic Preservation Approval – Construction of industrial facilities require review of historical archaeological resources.	<ul style="list-style-type: none"> • Location and nature of project 	2 months	Illinois Historic Preservation Agency Preservation Services Division Ms. Anne E. Haaker One Old State Capitol Plaza Springfield, Illinois 62701 Phone: 217-785-5027 www.state.il.us/HPA
Noise Requirements – 35 Ill. Rev. Code Parts 900 – 950; noise emissions to residential and commercial property; no permits or review required; enforcement by local agencies or by IEPA upon receipt of complaints.		None	Illinois Environmental Protection Agency 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-2113 www.epa.state.il.us/land

TABLE 2. PERMITS AND APPROVALS FOR COAL MINES

<i>Name and Description of Permits and Approvals</i>	<i>Required Information</i>	<i>Expected Agency Review Time</i>	<i>Contact Information</i>
LAND			
Underground Coal Mining Permit (UCMP) or Surface Coal Mining Permit (SCMP) – application for operating a coal mine; location, construction operation plan, mining operation plan, ownership and control information.	Application to include: <ul style="list-style-type: none"> • Part 1: General Information • Part 2: Pre-mining Information • Part 3: Hydrogeologic Information • Part 4: Operations Plan • Part 5: Reclamation Plan 	6 months to 1 year depending on public comment	Illinois Department of Natural Resources Division of Mines and Minerals Land Reclamation Scott Fowler One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-782-4970 www.dnr.state.il.us/mines/lrd/cforms.htm
Mine Identification Number – underground mining, surface facilities, impoundments, refuse pile.	• Ownership and control information, facility location and description, mining plan	None	Mine Safety & Health Administration James Oakes, District Manager MSHA District 8 Vincennes, Indiana District Office 2300 Willow Street, Suite 200 Vincennes, Indiana 47591 Phone: 812-882-7617 www.msha.gov
Blasters Certificate – onsite storage of explosives and detonators.	• Size and amount of stored materials, location, background check on responsible person		Illinois Department of Natural Resources Mine Safety & Training Division Blasting / Explosives Mike Falter One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-782-9976 www.dnr.state.il.us

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
RCRA Small Quantity Hazardous Waste Generator Identification Number – onset presence of hazardous waste in quantities greater than threshold amounts; required if hazardous waste will exceed the 100 kg/month threshold; 40 CFR Part 261; form USEPA 8700-12.	<ul style="list-style-type: none"> Expected hazardous waste accumulation 	None	Illinois Environmental Protection Agency Hope Wright 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-785-2361 www.epa.state.il.us/land
Spill Prevention, Control and Countermeasure Plan (SPCC) – onsite storage of oil in quantities greater than threshold amounts; threshold level is 660 gallons for a single, above-ground storage tank. Facility will have single 300 gallon oil storage tank for emergency diesel fire pump; 40 CFR Part 112.	<ul style="list-style-type: none"> Oil storage inventory including maximum capacity Description of measures to prevent an oil spill Description of how personnel will respond to an oil spill 	None	Illinois Environmental Protection Agency Permit Section 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-524-3300 www.epa.state.il.us/land
Conditional Use Permit / Zoning – construction of facilities not specifically allowed by local zoning ordinances; required prior to construction.	<ul style="list-style-type: none"> Description of the project Site development plans 	Indeterminate	County Board (Contact the county offices where the project is to be built.)
Building / Occupancy Permits – construction of plant buildings; required prior to construction.	<ul style="list-style-type: none"> Building design plans 	1 month	County Building Commissioner (Contact the county offices where the project is to be built.)
Storage Tank Construction Permit – construction of above-ground oil storage tanks; required before construction.	<ul style="list-style-type: none"> Design drawings for oil storage tanks 	2 months	Office of Illinois State Fire Marshall Dale Tanke 1035 Stevenson Springfield, IL 62703-4259 Central Illinois 217-785-7812 Southern Illinois 618-993-7085 Chicago, Illinois 312-814-2693 http://www.state.il.us/osfm

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
Environmental Assessment / Environmental Impact Statement – issuance of COE Construction Permit for a major action with significant environmental impact; 33 CFR 321.	<ul style="list-style-type: none"> Comprehensive analysis of all environmental impacts from construction and operation of a proposed facility 	3 to 18 months	United States Army Corps of Engineers St. Louis District Regulatory Office Susan Horneman 1222 Spruce Street St. Louis, Missouri 63103-2833 Phone: 314-331-8185 Fax: 314-331-8741 www.mvs.usace.army.mil
Federal Endangered Species Consultation – issuance of COE Construction Permit if it has potential effects to federally listed species or critical habitat; Section 10 (Exceptions) of the Endangered Species Act (ESA).	<ul style="list-style-type: none"> Detailed biological assessment of potential impacts 	Indeterminate	U.S. Fish and Wildlife Service Chief, Ecological Services Operations U.S. Fish and Wildlife Service Bishop Henry Federal Building One Federal Drive Ft. Snelling, Minnesota 55111-4056 Phone: 612-713-5173 Fax: 612-713-5308 www.nfwf.org
State Endangered Species/ Natural Areas Consultation – state agencies/local governments which authorize, fund, or perform actions altering environmental conditions must consult IDNR and use their authority to avoid or minimize adverse impacts. 520 ILCS 10/11; 525 ILCS 30/17; 17 Ill. Admin. Code 1075.	<ul style="list-style-type: none"> Map and legal description of location Project conceptual or design plans 	30 days, indeterminate if protected resources are present	Illinois Department of Natural Resources Division of Resource Review and Coordination Mike Branham One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-785-5500 www.dnr.state.il.us/orep/nrrc
IDNR Wetland Review – the Illinois Wetland Policy Act of 1989 [20 ILCS 830] requires that all projects receiving State support shall meet the state goal of no overall net loss of the state's existing wetland acres. Projects shall be submitted to the IDNR for a wetland impact assessment.	<ul style="list-style-type: none"> Name and address of the supporting agency Project design plans Wetland delineation of the project areas as prescribed by the COE 1987 Manual 	3 months	Illinois Department of Natural Resources Division of Resource Review and Coordination Mike Branham One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-785-5500 http://www.dnr.state.il.us/orep

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
AIR			
Construction Permit / PSD Approval (as appropriate) – comprehensive air quality construction permit for a new <u>major</u> source of emissions or a <u>major</u> modification of an existing source. Required before beginning construction. (Permit also implements the federal permit required by the Prevention of Significant Deterioration (PSD) rules 40CFR 52.21 which IEPA administers in Illinois. Consultation with a federal land manager for a nearby Class I area, i.e., Mingo National Wildlife Refuge, may be required.)	<ul style="list-style-type: none"> • Process and operating data • Air pollution emissions and control equipment data • Process flow diagrams • Evaluation of applicable regulatory requirements • Locations and dimensions of principle structures • Air quality impact modeling (local monitoring data can be required) • Detailed BACT/LAER¹/MACT demonstration • Identification of emission offsets¹ • Compliance plan for ERMS² 	9 to 12 months (longer if local data is required)	Illinois Environmental Protection Agency Bureau of Air #11 Christopher Romaine 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-2113 www.epa.state.il.us/air
Construction Permit (as appropriate) – construction of <u>minor</u> source of emissions or a <u>minor</u> project at a major source; required before beginning construction.	<ul style="list-style-type: none"> • Process and operating data • Emissions and air pollution control equipment data • Evaluation of applicable regulating requirements • Description of plot plan/process flow drawings 	3 to 6 months	Illinois Environmental Protection Agency Bureau of Air #11 Permit Section 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-2113 www.epa.state.il.us/air
Federal Operating Permit (CAAPP Permit) (as appropriate) – operating permit pursuant to Clean Air Act Title V Permit, required for continuing operation following the period of initial operation allowed by a Construction Permit / PSD Approval.	<ul style="list-style-type: none"> • Technical information as in Construction Permit / PSD Approval, i.e., process data, emission data, rule evaluation • Compliance monitoring provisions • Compliance certification 	18 months	Illinois Environmental Protection Agency Bureau of Air #11 Permit Section 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Air Permit Section 217-782-2113 www.epa.state.il.us/air

¹ Applicable in ozone nonattainment area for a proposed source that would be major for VOM emission.

² Applicable in Chicago ozone nonattainment area for a major VOM source.

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
State Air Operating Permit (as appropriate) – operation of a minor source of emission; not applicable if a source needs a CAAPP permit.	<ul style="list-style-type: none"> Information confirming compliance with requirements established by construction permit(s) 	3 months	Illinois Environmental Protection Agency Bureau of Air #11 Permit Section 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-2113 www.epa.state.il.us/air
Risk Management Plan – plan must be submitted to USEPA and found complete prior to storage or use of hazardous air pollutants (such as ammonia); in quantities greater than threshold amounts; 40 CFR Part 68.	<ul style="list-style-type: none"> Chemical inventory including maximum storage capacity 	60 days	USEPA Contact: United States UPA Ariel Rios Federal Building 1200 Pennsylvania Ave., NW Washington, D.C. 20460 State Contact: Illinois Environmental Protection Agency Bureau of Air #11 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Air Permit Section 217-782-2113 www.epa.state.il.us/air
WATER			
National Pollutant Discharge Elimination System (NPDES) Permit – discharge of wastewater to surface waters; required prior to operation and recommended prior to construction.	<ul style="list-style-type: none"> Water balance diagram Expected wastewater flows and characteristics Water pollution control equipment and systems <p>The application for a NPDES permit can be coordinated and filed jointly with the application to IDNR for the mining permit.</p>	3 to 6 months	Illinois Environmental Protection Agency Bureau of Water Larry Crislip 2309 West Main Street Marion, Illinois 62959 Phone: 618-993-7200 www.epa.state.il.us/water

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
IDNR Construction Permit – required for dams, construction within a public body of water, and construction within floodways; joint permit application form and processing with the COE Construction permit and the Water Quality Certificate; 615 ILCS 5, 1994.	<ul style="list-style-type: none"> • Design drawings for structures and shoreline protection • Evaluate impacts on flood flows and sedimentation 	3 to 6 months (longer if COE requires EIS)	Illinois Department of Natural Resources Division of Water Resources Paul Mauer One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-782-3863 www.dnr.state.il.us
Wastewater Facility Construction Approval – construction of wastewater treatment equipment (oil separators, etc.).	<ul style="list-style-type: none"> • Design information for wastewater treatment equipment • Describe expected characteristics of raw and treated wastewater 	3 months	Illinois Environmental Protection Agency Watershed Management Al Keller 1021 N. Grand Ave. East P.O. Box 19276 Springfield, Illinois 62694-9276 Phone: 217-782-0610 www.epa.state.il.us/water
Septic Permit – construction and operation of septic system; required prior to construction.	<ul style="list-style-type: none"> • Design drawings of septic system <p>Note: IEPA issues permits for septic systems larger than 1500 gallons per day, serving more than one building, and / or containing non-domestic wastewater. 217-782-0610</p>	3 months	County Public Health Department (Contact the county offices where the project is to be built.)
Well Installation Permit – installation of new groundwater wells used for non-public drinking water system; required before construction.	<ul style="list-style-type: none"> • Design drawings for wells • Plans for disinfection and sampling 	2 months	County Public Health Department Additional information at: Illinois Department of Public Health Jerry Dalsin 525 W. Jefferson Springfield, Illinois 62761 Phone: 217-782-5830 www.idph.state.il.us/envhealth/waterwells.htm

Name and Description of Permits and Approvals	Required Information	Expected Agency Review Time	Contact Information
Water Allocations and Withdrawals – allocation of surface water from public water bodies for use in industrial applications.	<ul style="list-style-type: none"> Informal request made to the agency Allocations are based on the availability of sufficient water resources to maintain minimum levels for environmental quality 	3 months	Illinois Department of Natural Resources Division of Water Resources Gary Clark One Natural Resources Way Springfield, Illinois 62702-1271 Phone: 217-785-3334 www.dnr.state.il.us
Pump Contractor License – operation of non-community water supply.	<ul style="list-style-type: none"> Description of system, operator certification 	1 month	Illinois Department of Public Health Division of Environmental Health Elaine Beard 525 W. Jefferson St. Springfield, Illinois 62761 Phone: 217-782-5830 www.idph.state.il.us
Private Sewage Disposal Installation – operation of wastewater treatment facility.	<ul style="list-style-type: none"> Description of system, operator certification 		Illinois Department of Public Health Division of Environmental Health Elaine Beard 525 W. Jefferson St., 3 rd Floor Springfield, Illinois 62761 Phone: 217-782-5830 www.idph.state.il.us

TABLE 3. ECONOMIC INCENTIVES AND FINANCIAL ASSISTANCE

<i>Name and Description of Grants / Incentives</i>	<i>Qualifications</i>	<i>Contact Information</i>
<p>Coal Revival Program – \$500 million in general obligation bonds for direct financial assistance in the form of grants to construct new, or expand existing, baseload power plants in Illinois. Funds may be used for capital facilities consisting of buildings, structures, durable equipment and land at the new generation facility.</p> <p>Businesses must propose to construct a new electric generating or coal gasification facility or an expansion at an existing electric generating facility to provide baseload electric power, chemical feedstocks, or transportation fuels.</p>	<p>The proposed new facility or facility expansion must do one of the following:</p> <ul style="list-style-type: none"> • Have an aggregate nameplate generating capacity of 400 megawatts or more at one site, use coal or gases derived from coal as its primary fuel source at the proposed facility, and support the creation of at least 150 new Illinois coal-mining jobs, or • Use coal gasification or IGCC to generate chemical feedstocks, transportation fuels or electricity from Illinois-mined coal before December 31, 2006 • Be funded through a federal Department of Energy grant before July 1, 2007 and support the creation of Illinois coal-mining jobs 	<p>Illinois Department of Commerce and Economic Opportunity (DCEO) Office of Coal Development Gary R. Philo 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 217-785-2780 www.illinoiscoal.biz</p>
<p>High Impact Business Program (HIB)</p> <p>Tax Incentives – designed to encourage large-scale economic development activities, by providing tax incentives (similar to those offered within an enterprise zone) to companies that propose to make a substantial capital investment in operations and will create or retain above average number of jobs. Businesses may qualify for: sales tax exemption on building materials, an investment tax credit, an exemption from state gas and electric tax, and a state sales tax exemption on manufacturing repair and equipment repairs and replacement parts.</p> <p>Businesses located in designated enterprise zones are NOT eligible for the HIB designation.</p>	<p>Applicants must do one of the following</p> <ul style="list-style-type: none"> • Create 400 MW of new, baseload coal-fired generating capacity at one site, support the creation of 150 new coal mining jobs • Expand, reopen, or open a coal production facility in Illinois that will serve as the predominant coal source for a new electric generation facility and create 150 new coal mining jobs • Construct new transmission facilities or upgrade existing transmission facilities in Illinois and transmit a majority of the electricity generated by a new electric generating facility • Use coal gasification or IGCC to generate chemical feedstocks, transportation fuels or electricity from Illinois-mined coal before December 31, 2006 • Be funded through a federal Department of Energy grant before July 1, 2006 and support the creation of Illinois coal-mining jobs 	<p>Illinois Department of Commerce and Economic Opportunity (DCEO) Bureau of Business Development Tom Henderson 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 217-785-6145 www.illinoisbiz.biz</p>

Name and Description of Grants / Incentives	Qualifications	Contact Information
Illinois Enterprise Zone Program – An enterprise zone is a specific area designated by the State of Illinois in cooperation with a local government to receive various tax incentives such as: sales tax exemption on specific purchases, utility tax exemptions, investment tax credits, dividend income deductions, job tax credits, interest deductions and contribution deductions. Enterprise zones range from a half square mile to 15 square miles.	<ul style="list-style-type: none"> The program depends upon a creative partnership between state and local government, businesses, labor and community groups in areas designated as Enterprise Zones Businesses invest in qualified property and create or retain jobs. The exemptions, credits, and deductions available have various requirements 	Illinois Department of Commerce and Economic Opportunity (DCEO) Bureau of Business Development Enterprise Zone Program Tom Henderson 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 217-785-6145 www.illinoisbiz.biz
Property Tax Abatement – Local taxing districts may abate a portion of the property taxes on new facilities for a period not to exceed 10 years for projects designated as a High Impact Business. Enterprise Zone property tax abatement may be available for eligible projects.	<ul style="list-style-type: none"> Local taxing districts may abate property taxes on new High Impact Businesses and businesses located in Enterprise Zones The amount of the abatement is determined by the local taxing district 	Contact the local enterprise zone administrator to find out if abatements for this project type are available in the zone.
Coal Competitiveness Program – grants to improve the coal preparation and transportation systems within Illinois by correcting specific infrastructure limitations; grants are typically between \$50,000 and \$900,000.	<ul style="list-style-type: none"> Any entity may apply Projects should improve the overall efficiency of the Illinois coal industry, improve the competitive position of Illinois coal in domestic and world markets, and/or open or create new markets for Illinois coal and coal by-products Projects must have significant economic benefits for Illinois 	Illinois Department of Commerce and Economic Opportunity (DCEO) Office of Coal Development John McCarthy 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 217-785-1671 www.illinoiscoal.biz
Coal Demonstration Program – grants for large-scale, commercial demonstration of advanced coal systems for utility and industrial use; grants are typically between \$1 million and \$30 million and may cross fiscal years.	<ul style="list-style-type: none"> Any entity may apply Capital projects must be located in Illinois and have significant economic benefits for the state Projects typically require a host site, power purchase agreement, private and public cost-sharing partners, etc. prior to consideration 	Illinois Department of Commerce and Economic Opportunity (DCEO) Office of Coal Development Paul Pierre-Louis 100 West Randolph, Suite 3-4000 Chicago, IL 60601-3219 Phone: 312-814-3630 www.illinoiscoal.biz

Name and Description of Grants / Incentives	Qualifications	Contact Information
Tax Increment Financing Program (TIF) – a municipal financing program that allows a municipality to acquire and prepare property for redevelopment and make needed public (and some private) improvements such as: parking lots, utilities, streets, sidewalks, building demolition, rehabilitation of site preparation, job training, interest write-downs or land assemblage.	<ul style="list-style-type: none"> • TIF can only be used when the private development would not occur without the incentives and improvements provided by the city • The city must designate a blighted residential neighborhood, business district, or industrial area for redevelopment 	Illinois Department of Commerce and Economic Opportunity (DCEO) Bureau of Business Development Tom Henderson 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 217-785-6145 www.illinoisbiz.biz
Economic Development for a Growing Economy (EDGE) – tax credits calculated from personal income tax collected on salaries paid for the created and/or retained jobs; taken as a non-refundable tax credit against corporate state income taxes assessed over a period of not more than 10 taxable years.	<ul style="list-style-type: none"> • Businesses newly locating or expanding facilities in Illinois • Interstate services that add an overall positive impact to the Illinois economy • Businesses investing at least \$5 million in capital improvements and creating a minimum of 25 new jobs OR investing at a level specified by DCEO 	Illinois Department of Commerce and Economic Opportunity (DCEO) Bureau of Business Development Dennis Gorss 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 217-524-8449 www.illinoisbiz.biz
Illinois Entrepreneurship Network (IEN) Business Information Center of Illinois – provides access to information and referral assistance to guide through the permitting, licensing and regulatory processes.	<ul style="list-style-type: none"> • Starting a new business or operating an existing one in Illinois 	Illinois Department of Commerce and Economic Opportunity (DCEO) Bureau of Business Development IEN Business Information Center 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 800-252-2923 www.illinoisbiz.biz
Community Development Assistance Program (CDAP) Economic Development Component – This federally funded program assists smaller Illinois local governments in financing economic development needs for infrastructure improvements or business loans. Funds are targeted toward projects that benefit low to moderate income people.	<ul style="list-style-type: none"> • Grants are made to units of local governments with populations less than 50,000 that are not located within one of eight large urban counties that receive funds directly from the federal government 	Illinois Department of Commerce and Economic Opportunity (DCEO) Bureau of Business Development IEN Business Information Center 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 800-252-2923 www.illinoisbiz.biz

Name and Description of Grants / Incentives	Qualifications	Contact Information
Employer Training Investment Program – assists Illinois companies in training new workers and retraining / upgrading skills of the existing workforce; grants can reimburse companies for up to 50 percent of the cost of training their employees.	<ul style="list-style-type: none"> Trainees must have been employed by the company before implementation of the training program 	Illinois Department of Commerce and Economic Opportunity (DCEO) Employer Training Investment Program Large Company Component 620 E. Adams Street Springfield, Illinois 62701-1615 Phone: 217-785-6284 www.illinoisbiz.biz
Illinois Clean Coal Review Board – provides grants and loans for the deployment of technologically advanced pollution control and/or efficiency capabilities needed for the continued use of Illinois coal. Program is intended to fund up to 30% of the total project costs.	Project selection based on: <ul style="list-style-type: none"> the direct, positive effect of the proposed project on Illinois coal sales other positive effects on the Illinois economy the technical and economic feasibility of the proposed project the degree of partnership and financial support by private and public entities. 	Southern Illinois University Carbondale John S. Mead Coal Research Center Mail Code 4623 405 W. Grand Carbondale, Illinois 62901-4623 Phone: 618-536-5521 www.crc.siu.edu
IFA Revenue Bond Financing – \$ 3.0 billion revenue bond authorization for financing of coal and energy projects as follows: up to \$1.7 billion to finance new electric generating facilities including \$300 million in moral obligation bonds; up to \$500 million for alternative energy sources; up to \$500 million for scrubbers at existing facilities; and up to \$300 million for transmission facilities.	The following may qualify: <ul style="list-style-type: none"> New electric generating facilities, including mine-mouth power plants Alternative energy sources including renewable or converting biomass to fuel Scrubbers at existing generating facilities Transmission facilities 	Illinois Finance Authority Steven Trout Two Prudential Plaza 180 N. Stetson, Suite 2555 Chicago, Illinois 60606 Phone: 312-651-1331 www.il-fa.com
Economic Development Program (EDP) – up to 50 percent in matching state funds for highway improvements that are needed to provide access to new or expanding existing industrial, distribution or tourism departments.	<ul style="list-style-type: none"> Commitment to expand or locate in Illinois Create or retain primary jobs in Illinois Retail and future, speculative projects are NOT eligible 	Chief, Bureau of Statewide Program Planning Keith Sherman Room 307 Illinois Department of Transportation 2300 South Dirksen Parkway Springfield, Illinois 62764-0002 Phone: 217-782-2755 www.dot.il.gov/edp/edp.html

Name and Description of Grants / Incentives	Qualifications	Contact Information
Truck Access Route Program (TARP) – \$30,000 per lane mile and \$15,000 per intersection to upgrade roads to accommodate 80,000-pound trucks to access points of loading and unloading. State participation will not exceed 50 percent of the total construction cost or \$600,000, whichever is less.	<ul style="list-style-type: none"> Local government agencies may apply Roads must connect to a truck route and end at another truck route or truck generator 	Chief, Bureau of Local Roads and Streets Truck Access Route Program Leanne Larau Illinois Department of Transportation 2300 South Dirksen Parkway, Rm. 205 Springfield, Illinois 62764-0002 Phone: 217-782-3970 www.dot.il.gov/tarp.html
Rail Freight Program (RFP) – low interest loans or grants to finance rail improvements.	<ul style="list-style-type: none"> Communities, railroads and shippers Projects should focus on: achieving statewide economic development, improving access to markets, maintaining transportation cost savings and/or leveraging private investments to foster permanent solutions to rail service problems 	Chief, Bureau of Railroads John Schwalbach Room 402 Illinois Department of Transportation 3215 Executive Park Drive Springfield, Illinois 62764 Phone: 217-782-2835 http://www.dot.il.gov/fp.html
Federal Loan Guarantee Program – provides loan guarantees to eligible energy projects that avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases and employ new or significantly improved technologies.	<ul style="list-style-type: none"> Focus on projects that are ready for commercial deployment Eligible coal projects include coal-to FT liquids, IGCC, industrial gasification, carbon sequestration practices and technologies, and pollution control equipment. 	U.S. Department of Energy Loan Guarantee Program Office 1000 Independence Avenue, S.W. Washington, D.C. 20585-0121 Phone: 202-586-8336 www.lgprogram.energy.gov
Federal Investment Tax Credit – the Energy Policy Act of 2005 establishes a \$1.3 billion investment tax credit for the construction of new or repowered coal-fired generation projects, including \$800 million for coal gasification projects and \$500 million for other projects that achieve certain targets, such as 99 percent SO2 removal and 90 percent mercury removal from plant emissions.	<ul style="list-style-type: none"> For integrated gasification combined-cycle (IGCC) technologies a 20-percent investment tax credit may be applied to qualifying investments, and for other qualifying advanced technologies a 15-percent investment tax credit is applicable. Repowering projects must improve the thermal design efficiency of coal-fired plants by 4 to 7 percent. 	Internal Revenue Service Attn: CC:PSI:6, Room 5313 Douglas H. Kim P.O. Box 7604 Ben Franklin Station Washington, DC 20044 202-622-3110 www.irs.gov/pub/irs-pdf/f3468.pdf

APPENDIX A. THE ILLINOIS RESOURCE DEVELOPMENT AND ENERGY SECURITY ACT

PUBLIC ACT 92-12

FINANCIAL ASSISTANCE PROGRAM

Public Act 92-12 authorizes \$500 million in general obligation bonds for direct financial assistance to construct new, or expand existing, baseload power plants in Illinois. Financial assistance may be used for capital facilities consisting of buildings, structures, durable equipment and land at the new generation facility.

To qualify, facilities must:

- Create 400 megawatts of new, baseload electric generating capacity at one site
- Commence foundation construction on or after July 1, 2001
- Use coal as the primary fuel source
- Support the creation of at least 150 new Illinois coal-mining jobs.

The amount of financial assistance provided will be determined by the state occupation and use taxes to be paid on Illinois-mined coal used at the new facility. Financial assistance may be provided to qualifying facilities upon certification by the Bureau of the Budget that the state portion of the projected tax receipts will equal or exceed 110 percent of the maximum annual debt service on the bonds over their 25-year life. (In financial terms, qualifying facilities may be eligible for grants equal to 91 percent of the present value of future Illinois coal sales tax payments over a 25-year period.) The maximum amount of financial assistance to any one facility is \$100 million.

Businesses applying for financial assistance through the Department of Commerce and Economic Opportunity will be required, at a minimum, to provide the following information:

- The planned completion date of the new electric generating facility
- The total annual state occupation and use taxes to be paid on Illinois-mined coal used at the new facility
- Documentation of the amount of capital investment in the new facility.

HIGH IMPACT BUSINESS PROGRAM TAX INCENTIVES

Public Act 92-12 extends the state's High Impact Business designation to businesses intending to construct new, or expand existing, baseload electric generating capacity, electric transmission facilities, and coal production facilities

in Illinois. The program offers tax credits and exemptions that can have a significant impact on startup costs.

To qualify, businesses must:

- Create 400 megawatts of new, baseload electric generating capacity at one site, utilize Illinois-mined coal as the primary fuel, support the creation of 150 new Illinois coal mining jobs, and commence foundation construction no sooner than July 1, 2001;
- Create 1000 megawatts of new, natural gas-fired baseload electric generating capacity at one site and commence foundation construction no sooner than July 1, 2001, and no later than December 31, 2004;
- Create a new, expanded, or reopened coal production facility at a designated location in Illinois not sooner than July 1, 2001, become the predominant source of coal for a new electric generation facility, and create at least 150 new Illinois coal mining jobs; and
- Construct new transmission facilities or upgrade existing transmission facilities at designated locations in Illinois no sooner than July 1, 2001, and transmit a majority of the electricity generated by a new electric generating facility designated as a High Impact Business.

Businesses applying for this designation must certify that the investments necessary to establish the new or upgraded facilities would not be made without the tax credits and exemptions provided by the High Impact Business designation. Moreover, businesses applying for this designation must meet all other provisions of the High Impact Business Program. Businesses located in designated enterprise zones are not eligible for the High Impact Business designation.

"High Impact Businesses" are eligible for some or all of the following tax credits and exemptions:

- A sales tax exemption on building materials and equipment;
- A utility tax exemption (not applicable to natural gas-fired electric generating facilities);
- An investment tax credit (not applicable to natural gas-fired electric generating facilities).

Note: Businesses located in designated enterprise zones are not eligible for the High Impact Business designation.

PROPERTY TAX ABATEMENT

Public Act 92-12 creates two additional local options for property tax abatement for facilities receiving the High Impact Business designation from DCEO. The first abatement provision allows any taxing district to abate property taxes for up to 10 years on such new High Impact Businesses, with a \$4 million aggregate

limit on taxes abated by all districts per facility. The new categories for this first abatement provision include:

- Property used for production or generation of electricity at a new or expanded generating facility that uses natural gas as its fuel;
- Property used for production operations at a new, expanded or re-opened coal mine within the taxing district;
- Property used by the facility for new or upgraded transmission lines. The abatement category for transmission lines extends only to property owned by the business and used for transmission lines in the county in which the generating plant is established.

The second abatement provision allows any taxing district to abate property taxes on an electric generating facility that uses coal and supports at least 150 new coal-mining jobs. This abatement may extend for up to 10 years and is limited in amount by a sliding scale based on the equalized assessed valuation ("EAV") of the new facility.

ILLINOIS FINANCE AUTHORITY AUTHORIZATION

A total of \$3 billion in revenue bond authorization is added for financing coal and energy projects through the Illinois Finance Authority (IFA). The bond financing may include:

- Up to \$1.7 billion for new electric generating facilities, including mine-mouth power plants;
- Up to \$500 million for alternative energy sources, including renewable energy resources or to help convert biomass to fuel;
- Up to \$500 million for scrubbers at existing generating plants; and
- Up to \$300 million for transmission facilities.

The IFA bonds are payable only from revenues pledged by the private borrowers. There is no state guarantee behind these bonds and no state tax exemption on interest on the bonds. Some projects may be eligible for federal tax exemption.

APPENDIX B. SUMMARY OF PUBLIC ACT 93-167

CHANGES GRANT APPLICATION REQUIREMENTS

Current law (20 ILCS 605-332) provides that DCEO is authorized to provide financial assistance to eligible businesses for the construction of new electric generating facilities. The amount of, and eligibility for, state support is determined by the state occupation tax paid annually for Illinois coal purchased for the facility. A business seeking to build a new electric generating facility may only apply to DCEO for financial assistance after it has paid a minimum of four calendar quarters of state occupation taxes for Illinois-mined coal used at the new electric generating facility.

Under current law, considering that there is a two- to four-year construction phase preceding plant operation, developers of new power projects in Illinois have expressed their concern with regard to the practicality and usefulness of this program. In particular, they cite the following points:

- Grant funds do not become available until several years into the project.
- Interim financing must still be secured to cover the anticipated grant funds.
- There is no guarantee that the program or program funds will still be available when the project finally becomes eligible for a grant.

P.A. 93-167 provides that a business proposing to construct an electric generating facility may provide projected information regarding the facility completion date and the amount of state occupation and use taxes paid on Illinois-mined coal, as an alternative to providing actual tax receipts from four calendar quarters. This change allows for financial assistance to be provided early on in the project, thus avoiding interim financing and ensuring that funds will be available.

ADDS MORAL OBLIGATION BOND AUTHORIZATION

P.A. 93-167 provides \$300,000,000 in additional Clean Coal and Energy bond authorization to the Illinois Finance Authority and provides state backing for those bonds. These bonds may be used to finance transmission facilities, scrubbers at existing generating plants, alternative energy sources including renewable energy projects, and new electric generating facilities of 400 MW or greater that are fired on Illinois coal. This type of financing provides greater security to the lending institution, hence, it produces a lower interest rate than standard revenue bonds.

APPENDIX C. SUMMARY OF PUBLIC ACT 94-65

CHANGES EXPAND PROGRAM ELIGIBILITY

Current law (20 ILCS 605-332) provides that DCEO is authorized to provide financial assistance to eligible businesses for the construction of new electric generating facilities. P.A. 94-65 expands the program eligibility to include coal gasification or integrated gasification-combined cycle units that generate chemical feedstocks or transportation fuels derived from coal.

Any business may apply for grant funds through the Illinois Coal Revival Program. Businesses eligible for funding consideration under the Illinois Coal Revival Program must meet all of the following criteria:

- The business proposes to construct a new electric generating facility or a new expansion at an electric generating facility, including transmission lines and associated equipment that transfers electricity from the points of supply to points of delivery, or proposes to construct a coal gasification facility that generates synthesis natural gas, chemical feedstocks or transportation fuels derived from coal.
- The business proposes to provide baseload electric power, or employ coal gasification technology, operating on a continuous basis throughout the year.
- The business proposes a new facility or facility expansion that will have an aggregate nameplate generating capacity of 400 megawatts (MW) or more for all units at one site, and the business proposes a facility or facility expansion that supports the creation of at least 150 new Illinois coal mining jobs, the exception being that projects employing coal gasification technology are exempt from the 400-MW and 150-job requirement.
- The business will commence foundation construction on or after July 1, 2001.
- The business will use coal or gases derived from coal as its primary fuel source at the proposed facility, and
- The business has received a draft Air Quality Construction Permit for the facility from the Illinois Environmental Protection Agency.

As an alternate means of determining minimum eligibility under the program, job creation can be indirectly determined from quantities of coal purchased annually, based on the average amount of coal produced per Illinois miner in calendar year 2000, as published in the Annual Statistical Report of the

Division of Mines and Minerals, Illinois Department of Natural Resources.

The average Illinois miner produced 9,691 tons of coal in 2000.

Financial assistance through the program is provided in the form of a grant based on State Retail Occupation Taxes that will be paid on Illinois coal purchases for new electric plants. Qualifying facilities may be eligible for grants roughly equal to the present value of future sales taxes paid on Illinois-mined coal over a 25-year period, up to a maximum amount of \$100 million. Grant proceeds may be used for capital facilities consisting of buildings, structures, durable equipment and land at the new or expanded generation facility.

APPENDIX D. SUMMARY OF PUBLIC ACT 94-63

CHANGES TO GAS CONTRACTS IN THE PUBLIC UTILITIES ACT

Public Act 94-63 amends the Public Utilities Act (220 ILCS 5) by changing Section 9-220 as follows: (h) any gas utility may enter into a 20-year supply contract with a company for synthetic natural gas produced from coal through the gasification process if the company has commenced construction of a coal gasification facility by July 1, 2008.

The cost of synthetic natural gas is reasonable and prudent and recoverable through the purchased gas adjustment clause for years one through 10 of the contract if:

- i. The only coal used in the gasification process has high volatile bituminous rank and greater than 1.7 pounds of sulfur per million Btu content;
- ii. At the time the contract term commences, the price per million Btu does not exceed \$5 in 2004 dollars, adjusted annually, based on the change in the Annual Consumer Price Index for All Urban Consumers for the Midwest Region as published in April by the United States Department of Labor, Bureau of Labor Statistics (or a suitable Consumer Price Index calculation if this Consumer Price Index is not available) for the previous calendar year; provided that the price per million Btu shall not exceed \$5.50 at any time during the contract;
- iii. The utility's aggregate long-term supply contracts for the purchase of synthetic natural gas produced from coal through the gasification process does not exceed 25% of the annual system supply requirements of the utility at the time the contract is entered into; and
- iv. The contract is entered into within one year after the effective date of this amendatory Act of the 94th General Assembly and terminates 20 years after the commencement of the production of synthetic natural gas. The contract shall provide that if, at any time during years 11 through 20 of the contract, the Commission determines that the cost for the synthetic natural gas under the contract is not reasonable and prudent, then the company shall reimburse the utility for the difference between the cost imposed under the contract.

If a gas utility or an affiliate of a gas utility has ownership interest in any entity that produces or sells synthetic natural gas, Article VII of this Act shall apply. (Source: P.A. 92-537, eff. 6-6-02.)