

**THREE- AND TEN-YEAR GOALS AND OBJECTIVES
RELATIVE TO FUNDING COAL RESEARCH,
DEVELOPMENT AND DEMONSTRATION PROJECTS**

JUNE 17, 2009

The Three- and Ten-Year Goals and Objectives contained herein are being submitted in accordance with the provisions of Public Act 88-391, Sec. 4 (b), which states:

“The department shall develop a written plan containing measurable 3- and 10-year goals and objectives in regard to the funding of coal research, demonstration and commercialization projects. In developing these goals and objectives, the department shall consider and determine the appropriate balance for the achievement of near- and long-term goals and objectives of ensuring the timely commercial application of cost-effective technologies or energy and chemical production processes or systems using coal. The department shall develop the initial goals and objectives no later than December 1, 1993, and develop revised goals and objectives no later than July 1 annually thereafter.”

Listed on the following pages are the FY2010 revisions to the Coal Research Funding Priorities. The Research and Development program is being conducted by the Illinois Clean Coal Institute (ICCI) based in Carterville, Illinois. The Development program is administered through the Office of Coal Development (OCD) in Springfield. The primary objectives and the goals by research area, are in accordance with those approved earlier by OCD through the ICCI's annual Request for Proposals (RFP) document.

PRIMARY OBJECTIVES

Administer comprehensive statewide coal research, development and demonstration programs that will:

- Maintain and maximize national and international markets for the clean use of Illinois coal;
- Maximize the value of Illinois coal through the development of new markets and new products or uses for clean coal;
- Maximize the competitiveness of Illinois coal by improved mining technologies and business practices;
- Work with the federal government, private industry, utilities and research organizations to attract installation of new technologies that will use Illinois coal as a feedstock;
- Maximize the economic and environmental disposal and use of coal wastes and coal combustion by-products;
- Leverage funds and other resources available for coal research, development and demonstration of clean-coal technologies (CCTs); and
- Increase the awareness of Illinois coal resources and their economic and environmental use in Illinois and other markets.

COAL RESEARCH FUNDING PRIORITIES BY RESEARCH AREA

(Subject to receipt of suitable proposals.)

3- AND 10-YEAR GOALS FOR CARBON MANAGEMENT

Carbon Management.

This program area targets two of the best known greenhouse gases – carbon dioxide (CO₂) and methane (CH₄). This includes improved methods of CO₂ capture from coal combustion, development of new or improved methods of CO₂ removal from syngas, and investigation of efficient methods for CO₂ sequestration. The area of Coal Bed Methane concentrates on economically feasible methods for the production of methane from Illinois coal seams.

3-Year Goals

- Research and Development of methods for the sequestration of carbon dioxide that expand, compliment and/or contribute to the existing ISGS program in the State of Illinois.
- Research of economically feasible CBM production technologies for the Illinois Basin.

10-Year Goals

- Support and development of the U.S. DOE FutureGen Project, or a similar gasification project in Illinois with gasification of Illinois coal and sequestration of the carbon dioxide.
- Commercial production of methane from coal seams in Illinois.

3- AND 10-YEAR GOALS FOR COAL MINING TECHNOLOGY

Coal Mining Technology.

The emphasis is developing technologies and methods that will reduce the bottom-line cost of mining Illinois coal. This includes programs for training miners in safety and increased productivity.

3-Year Goals

- Development of improved mining methods and technologies to improve productivity.
- Develop mine support systems that increase miner safety and reduce costs through improved efficiencies.
- Promote the best available coal mining practices through technology transfer publications and workshops.
- Assist the Illinois coal mining industry with development of training programs to increase the skill level, safety awareness, and cost consciousness of mine personnel and to raise performance standards throughout the industry.

10-Year Goals

- Implementation of improved mining equipment, methods and technologies at Illinois coal mines that would reduce per ton coal costs to be competitive with other fuels.
- Improve skill levels of Illinois coal miners resulting in increased safety, efficiency and productivity.

3- AND 10-YEAR GOALS FOR COAL PREPARATION AND OTHER PRODUCTION BUSINESS PRACTICES

Coal Preparation and Other Production Business Practices.

Includes coal cleaning by both physical and chemical methods to remove extraneous mineral matter from the coal, as well as coal blending, inventory management, and coal transportation.

3-Year Goals

- Develop and demonstrate innovative, cost-efficient technologies for fine coal recovery, cleaning and dewatering.
- Optimize total plant systems in terms of processing costs, coal recovery and coal quality.
- Develop and implement technologies and methodologies that improve environmental compliance while minimizing total production costs including the cost of waste disposal.
- Study and promote business practices that would create additional markets for Illinois coal through optimized transportation and inventory management systems.

10-Year Goals

- Implement new technologies for coal cleaning and dewatering to improve Illinois coal quality and lower costs.
- Lower the cost of using Illinois coal by improving business practices.

3- AND 10-YEAR GOALS FOR COAL GASIFICATION

Coal Gasification.

Includes determination of the Illinois coal reserves available for gasification, carbon management in coal gasification, analysis of permitting issues for coal gasification plants located in Illinois, study of water usage in coal gasification, investigation of synergies in the production of biofuels such as ethanol and biodiesel and coal gasification, and the effects of coal properties on the downstream systems of coal gasification installations. This area also covers the production of chemical intermediates and fuels from syngas and improved methods for the removal of impurities from syngas.

3-Year Goals

- Develop economic methods for gasifying Illinois coal to produce hydrogen, utility fuel gases and/or a syngas for manufacturing intermediate products.
- Develop economic processes for syngas cleanup, especially at higher temperatures.
- Develop catalysts for the successful conversion of syngas to transportation fuels.

10-Year Goals

- Contribute to all efforts to build the DOE-funded FutureGen project at Mattoon.
- Attract a commercial gasification facility to Illinois.

3- AND 10-YEAR GOALS FOR POWER GENERATION AND PLANT EFFICIENCIES

Power Generation and Plant Efficiencies. This area focuses on evaluation of advanced concepts to increase the efficiency of existing coal boilers while meeting emission requirements, materials research for advanced boilers and wet scrubber systems, the issues surrounding the concept of an Industrial Gasification Park, and the investigation of alternative coal-based fuels for natural gas combined-cycle plants and novel industrial combustors using Illinois coal

3-Year Goals

- Development of improved methods of combusting Illinois coal to improve efficiency and thus reduce CO₂ emissions.
- Reduce the cost of meeting current and future air emission requirements.
- Investigate novel industrial uses of Illinois coal.

10-Year Goals

- Repowering of existing utilities with new technologies so that they can meet existing and future emission requirements while burning Illinois coal.
- Identify several promising advanced concepts for coal combustion such as oxygen injection with recycled flue gas to reduce the volume of combustion gases and lower capital costs for FGD units.

3- AND 10-YEAR GOALS FOR FLUE GAS CLEANING, MERCURY EMISSIONS AND OTHER AIR TOXICS

Flue Gas Cleaning, Mercury Emissions and Other Air Toxics. The areas of interest in this section include optimization of SCR and flue gas scrubbers to maximize multipollutant control, methods to enhance SO₂ capture in scrubbers while at the same time enhancing mercury removal, modification of the FGD chemistry to promote mercury capture, effective removal of chlorides from FGD scrubbing liquid, development of new catalyst formulations capable of oxidizing mercury that could be housed in the selective catalytic reduction (SCR) reactors at power plants, and investigation of Illinois limestone reactivity for application in scrubbers and FBC units.

3-Year Goals

- Develop improved and/or modified wet and dry scrubbers or other systems to economically provide coordinated multipollutant control of SO_x, NO_x, mercury, PM_{2.5} and other related hazardous air pollutants (HAP) in combustion flue gases where high-sulfur Illinois coal is used.
- Increase the depth of understanding of the chemistry of mercury speciation and capture in wet flue gas scrubbers.
- Establish a cadre of personnel in Illinois that are trained in mercury measurement in flue gas streams.
- Establish a mercury baseline for Illinois by characterizing mercury levels at coal production centers and mercury emissions at coal consumption centers. Investigate the fundamentals of mercury speciation in a sulfite *vs.* a sulfate-type scrubber.

10-Year Goals

- Develop and implement novel or improved cool, wet, or dry flue gas desulfurization methods to assure continuation of Illinois coal markets and to help electric utilities using Illinois coal to meet Clean Air Act limits for SO_x, NO_x, PM, and mercury at a cost that is competitive with those using western coal or natural gas.

3- AND 10-YEAR GOALS FOR COAL CHEMISTRY

Coal Chemistry. Includes investigations into the structure of coal, fundamental reactions for improved and/or novel coal liquefaction, and basic reactions for purification and/or upgrading of Illinois coal.

3-Year Goals

- Increase our fundamental knowledge of coal structure, the chemical reactions for the production of fuels and chemical intermediates from syngas, and purification or upgrading of Illinois coal.

10-Year Goals

- Use the fundamental knowledge of coal chemistry to improve technologies for coal combustion, flue gas cleaning, and coal gasification.

3- AND 10-YEAR GOALS FOR COAL DEVELOPMENT

Development projects are directed towards technology and concept development that can be implemented in the shorter term to assist Illinois utilities and coal companies in complying with Clean Air Act regulations and, in the longer term, to maximize the use of Illinois coal as the fuel of choice for new power plants.

3-Year Goals

- Evaluate the use of Illinois coal in advanced power generation systems such as PCFBC or IGCC.
- Identify research projects supported by the ICCI and others that have the technical and economic potential for further development.
- Identify and screen promising emission control technologies with the potential to be significantly cheaper than commercially available systems. Identify and prepare a listing of potential utility or industrial sites for scale-up and testing.
- Test and compare the effectiveness of using oxygen-enriched flue gas for combustion of Illinois coal to reduce the size and capital costs of multi-pollutant control.
- Assist in the demonstration of innovative scrubber technologies by supporting data collection and analysis tasks for anticipated industrial demonstrations.
- Assist in the demonstration of advanced mining and preparation technologies that will lead to commercialization resulting in lower production costs for Illinois coal.

10-Year Goals

- Implement technologies that will lower carbon dioxide emissions by improved efficiencies in coal combustion and/or improve the methods of sequestration.
- Develop the most promising advanced emission control technologies to a stage where utility demonstration is justified.
- Provide a menu of development technologies that can be used by appropriate industry groups to identify potential commercial opportunities.
- Develop several technologies for the use of coal combustion by-products to the commercialization stage.
- Bring at least one multi-pollutant control technology for the burning of Illinois coal to the commercial stage.

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OFFICE OF COAL DEVELOPMENT
Illinois Department of Commerce and Economic Opportunity