

Independent Study: Peabody's Proposed Thoroughbred Project Means \$3.35 Billion to Kentucky Economy

PRNewswire-FirstCall
ST. LOUIS

Peabody Energy today announced the results of an independent economic study that concludes the proposed Thoroughbred Energy Campus would inject \$3.35 billion into the Kentucky economy in new spending, job creation and induced economic activity during the life of the project. These benefits equate to a \$98 million economic injection each year.

Campus operations, which include development of a 1,500 megawatt coal-based power plant fueled by an adjacent underground mine, would create approximately 450 permanent jobs. These positions, coupled with the effect of anticipated economic activity, would create 45,000 job years throughout the project life and \$1.95 billion in new job-related wages and benefits. A job year is the equivalent one job held over a one-year period.

Muhlenberg County would gain \$704 million in new spending and nearly 10,000 job years, and the 17-county area surrounding the facility, which includes Muhlenberg, would benefit from \$2.62 billion in total economic spending and an average of 38,000 job years over the project life. Thoroughbred would begin generating power between 2005 and 2007 and will provide enough electricity for 1.5 million families.

"Development of the Thoroughbred Energy Campus brings enormous benefits to Kentucky on multiple levels," said Roger Walcott, executive vice president of corporate development. "The project will fuel tremendous economic prosperity today and for decades to come, while balancing the region's energy needs with environmental goals."

Thoroughbred is modeled to be the lowest-emitting 1,500 megawatt pulverized coal plant east of the Mississippi River and will have no significant contribution to the area's scenic views. The plant is modeled at a dispatch position that is ahead of the region's coal plants and gas plants, as well as below some nuclear plants, which means it will help keep Kentucky's energy prices low. About 97 percent of Kentucky's electricity comes from coal, which results in some of the lowest electricity prices in the nation at 4.2 cents per kilowatt hour.

The Thoroughbred economic study was developed by an independent firm and is based upon project assumptions provided by Peabody Energy. It details the project's estimated value for the commonwealth and area communities in terms of direct and indirect benefits as well as induced impacts or "household spending" by facility employees and other workers associated with the project. Peabody Energy is the world's largest private-sector coal company. Its coal products fuel more than 9 percent of all U.S. electricity generation and 2.5 percent of worldwide electricity generation.

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