

Kentucky Issues Air Permit for Peabody's Thoroughbred Energy Campus

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Peabody Energy today said the Commonwealth of Kentucky has issued an air permit for the Thoroughbred Energy Campus, a planned 1,500-megawatt coal-fueled electric generating station in Muhlenberg County. Upon its completion, Thoroughbred will provide low-cost, low-emissions electricity in the Southeast and Midwest regions. Thoroughbred would also create hundreds of jobs and bring significant economic benefits to Western Kentucky. Thoroughbred will provide electricity for approximately 1.5 million families.

The Thoroughbred Energy Campus will include two 750-megawatt generating units fueled by up to 6 million tons of coal per year produced from an adjacent mine. The Thoroughbred project team is currently marketing the power for future delivery to utilities and industrial customers throughout the region. Depending on when long-term customers and partners are signed up, Thoroughbred could begin generating power in the 2007 timeframe.

"Peabody believes America's need for new baseload generating plants that are fueled by coal will soon be apparent. The mild weather over the past two years and soft economy have given America 'an energy mulligan.' If our country experiences strong economic growth or normal weather patterns, we believe America's energy supplies will be severely taxed," said Peabody Executive Vice President for Corporate Development Roger B. Walcott Jr. "Coal-fueled electricity enables more people to live longer and better, and Thoroughbred will help America fulfill its energy needs by producing low-cost electricity to aid Midwest families, accelerating Kentucky's economic growth and demonstrating low-emissions technology in modern coal generating plants."

Designed with advanced environmental controls, Thoroughbred is expected to be among the cleanest major coal-fueled plants east of the Mississippi River. The plant's emissions will be far lower than current Clean Air Act standards, with sulfur dioxide and nitrogen oxide emissions that will be 86 and 84 percent below the current Kentucky coal plant average, respectively.

Thoroughbred also will offer an outreach program to local colleges and universities to provide research opportunities involving energy and environmental engineering, carbon management and biofuel production. The outreach program's objective is: 1) to increase the knowledge base related to electricity generation using coal; and 2) to advance Peabody's goal of continuous environmental improvement in the mining and use of coal.

Thoroughbred is expected to inject more than \$3.35 billion into the Kentucky economy during the life of the project and create \$700 million in new spending in Muhlenberg County. Thoroughbred will create approximately 2,500 local jobs at peak construction, and the campus will create 450 permanent, high-paying jobs, the majority of which are expected to be local. Once operational, Thoroughbred is projected to annually inject nearly \$100 million into Kentucky's economy.

Peabody Energy is the world's largest private-sector coal company, with 2001 sales of 194 million tons of coal and \$2.7 billion in revenues. Its coal products fuel more than 9 percent of all U.S. electricity generation and more than 2 percent of worldwide electricity generation.

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SOURCE: Peabody Energy

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