University Study Says Peabody's Prairie State Energy Campus Will Inject $2.8 Billion into the Illinois Economy

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A new study prepared by Southern Illinois University Carbondale (SIUC) reveals that Peabody Energy's planned Prairie State Energy Campus would inject about $2.8 billion into the Illinois economy in new spending, job creation and induced economic activity over three decades of operation.

Prairie State would be sited in Washington County and is a planned 1,500 megawatt electric generation facility that would be fueled by more than 6 million tons of coal produced each year from an adjacent underground mine.

The campus is designed to provide electricity for up to 1.5 million families and is anticipated to begin generation in the 2008 timeframe. Campus operations would annually inject $93 million into the Illinois economy and create approximately 450 skilled, permanent Illinois jobs with wages that are estimated to be more than 40 percent higher than the state average.

"We know from multiple studies that increasingly clean electricity from coal drives down energy costs, creates twice the economic benefits as natural gas, and helps Americans live longer and better," said Peabody Executive Vice President of Corporate Development Roger B. Walcott Jr. "Prairie State will be among the cleanest coal-fueled plants east of the Mississippi River, providing low-cost electricity and accelerating economic growth."

Less than half of Illinois electricity comes from coal, and consumers pay higher electricity prices than neighboring states that all use significantly more coal-fueled generation. For example, the average cost of electricity in Illinois is nearly 72 percent higher than Kentucky, which derives about 94 percent of its electricity from coal.

The SIUC study concludes that Prairie State would inject $1.5 billion in economic benefits into Washington, Perry, Randolph and St. Clair counties, which includes more than $200 million in new spending in Washington County.

Over the course of development and operation, the study also shows that Prairie State would:

- Generate more than $200 million in new taxes for state and local governments;
- Create an average of 1,850 jobs per year while the mine and power plant are under construction;
- Create about 39,600 job-years of employment for Illinois, with each job year representing employment for one person for one year.

Like its sister project -- the Thoroughbred Energy Campus in Western Kentucky -- Prairie State will over-comply with Clean Air Act standards to protect the environment. Prairie State's emissions will be dramatically better than the U.S. coal plant average, the Illinois coal plant average and even proposed emission limits well into the future.

The 2003 Prairie State economic study was prepared by Dr. Jim Musumeci, an associate professor of finance in SIUC's College of Business and Administration. The report analyzes the direct and indirect economic benefits that Illinois and area counties will receive as a result of the proposed construction and operation of the campus.

Peabody Energy is the world's largest private-sector coal company, with 2002 sales of 198 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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