

Bush Administration Demonstrates Strong, Continued Commitment to Clean Coal Research and Development and FutureGen in FY07 Budget Request

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Today's release of the Administration's fiscal 2007 budget request demonstrates a strong, continued commitment to clean coal research and development (R&D) and FutureGen. The proposed budget includes \$285 million for basic coal R&D and \$54 million for FutureGen. Together, they represent a double-digit increase over last year's budget request. The FutureGen project will design, build and operate the world's first "zero-emission" coal-fueled power plant that would capture carbon dioxide and produce hydrogen.

"There is increasing bipartisan momentum to increase our energy security through America's unmatched coal reserves," said Mike Mudd, Chief Executive Officer of the FutureGen Alliance. "Coal helps to power the U.S. economy and those of other fast-growth nations. Coal provides more than half of America's electricity, and coal use is expected to increase more than 60 percent by 2030, so it is more important than ever that we invest in advanced technologies to improve energy security, economic growth and environmental protection."

"The Administration's budget request provides us with the continued basis to move forward with the siting process and engineering design for FutureGen," said Charles Goodman, Chairman of the FutureGen Alliance.

Dr. Goodman lauded the Administration for its strong support of coal R&D and FutureGen, which incorporates an alternative, technology-based, approach to addressing climate change concerns. He also encouraged greater funding for the Clean Coal Power Initiative (CCPI), which focuses on demonstrating technologies that emerge from DOE and industry's basic R&D programs. He indicated that the FutureGen Alliance will work with the Congress to sustain the President's budget request for coal R&D and FutureGen while substantially increasing funding for CCPI.

The FutureGen Alliance member companies provide energy to tens of millions of U.S. and international residential, business and industrial customers. Member companies have global operations serving customers in Asia, Australia, Europe, Canada, Mexico and the United States, among other regions.

Members of the Alliance include: America Electric Power; BHP Billiton; the China Huaneng Group; CONSOL Energy Inc.; Foundation Coal; Kennecott Energy (a member of the Rio Tinto Group); Peabody Energy; and Southern Company.

Dr. Goodman is also Sr. Vice President for Generation Policy with the Southern Company. Mike Mudd is a Technology Manager employed by American Electric Power.

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