

U.S. Court of Appeals Affirms Air Permit for the Prairie State Energy Campus

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A three-judge panel from the Seventh Circuit of the U.S. Court of Appeals has unanimously affirmed the air permit for the Prairie State Energy Campus being developed in Washington County, Ill.

The decision confirms that Prairie State's advanced technologies will meet or overcomply with state and federal regulations to protect the environment. The decision caps an extensive six-year regulatory review process that includes approval by the Illinois Environmental Protection Agency and the U.S. Environmental Protection Agency.

"This is an outstanding milestone for the Prairie State project," said Peabody President of Generation and Btu Conversion Rick A. Bowen. "Prairie State represents the next generation model for clean electricity from coal. It will be among the cleanest major coal plants in America. And it is vital to provide affordable and secure electricity for families and businesses at a time when the nation needs new baseload generation."

Prairie State will be a 1,600 megawatt supercritical coal-fueled power plant, with emissions far below those of comparable existing plants. Even its carbon dioxide emission rate would be approximately 15 percent lower than the typical U.S. coal plant.

Prairie State will provide electricity to hundreds of communities from Missouri to Virginia. Equity partners include: American Municipal Power- Ohio; the Illinois Municipal Electric Agency; Indiana Municipal Power Agency; Kentucky Municipal Power Agency; Missouri Joint Municipal Electric Utility Commission; Northern Illinois Municipal Power Agency; and Prairie Power Inc.

Said Indiana Municipal Power Agency President and Chief Executive Officer Raj G. Rao: "Prairie State will achieve high efficiencies and low emissions that are far superior to America's current generating fleet, benefiting more than 1.7 million Midwest families."

"Our members and partners are pleased to move forward with a state-of-the-art coal project that will provide low-cost electricity, billions of dollars of new investments and hundreds of skilled jobs to our home state," said Illinois Municipal Electric Agency General Manager and Chief Executive Officer Ronald D. Earl.

Prairie State is advancing toward groundbreaking this fall and has achieved a number of major milestones in recent months. Equity ownership is essentially fully subscribed. Bechtel Power Corporation has been selected as the engineering procurement, construction and management contractor and is overseeing site work. Babcock & Wilcox boilers, Toshiba turbines and Siemens Power Generation emission control equipment have been ordered.

Prairie State will create more than 450 permanent, skilled jobs and will inject nearly \$100 million annually into the regional economy. Full-scale construction is ramping up this fall and will employ more than 2,000 workers at peak construction in the second half of 2009. Units one and two are expected to come on line in 2011 and 2012.

Prairie State's project fundamentals -- clean, low-cost electricity, economic progress and environmental care -- are reasons why more than 80 percent of area residents support project development.

Peabody Energy is the world's largest private-sector coal company, with 2006 sales of 248 million tons of coal and \$5.3 billion in revenues. Its coal products fuel approximately 10 percent of all U.S. electricity generation and more than 2 percent of worldwide electricity.

CONTACT:
Beth Sutton
(505) 287-2636

First Call Analyst:
FCMN Contact:

SOURCE: Peabody Energy

CONTACT: Beth Sutton of Peabody Energy, +1-505-287-2636

Web site: <http://www.peabodyenergy.com/>
