Minutes of the Meeting of the Clean Coal Review Board

November 6, 2013

Room 100

Illinois State Capitol Building

Springfield, IL 62706

Chairman Luechtefeld called the meeting order at 8:45 am.

Members present: Senator Dave Luechtefeld, Senator Sam McCann, Representative Mike Bost, Senator Andy Manar, Senator Gary Forby, Representative John Cavaletto, Representative Jerry Costello, Jr., Mr. Phil Gonet, Mr. Joe Angelton, Dr. Rita Cheng. Members Absent: Representative Brandon Phelps.

Minutes of the September 10, 2013 were approved unanimously on a motion by Senator Forby, seconded by Representative Mike Bost.

Report of Ongoing Projects

Senator Luechtefeld: Sterling? Are they here?

Sterling: yes we are.

Senator Luechtefeld: If you’d maybe start, we’d appreciate it.

1) Sterling: sure, we’d be happy to. Basically, we appreciate everybody being here. We’ve been involved in the SIU project, it’s been kind of a labor of love. I think Bill Hoback and I began working on this project about 4 years ago and it doesn’t seem like that long. We talked a little about Charlie Price who kind of wanted us to fix the unit. I think the unit nav is here and he just came from the site he’s our start up electrical man and the project pretty much all the tubes have been replaced, dampers just arrived on the site we’re down to the punch this and startup of the unit. Some minor baffling in some of the seals, and then there’s a water loop that is going to final design. Pretty much we’re working on operating manuals, all the cut sheets of the equipment, we have an obligation to do some operator training, but pretty much it’s in the startup phase. So, I’m certainly here to answer any questions.

2) Sargas: Good morning. My name is Paul Gandola. I’m the President of the U.S. subsidiary of Sargas which is a Norwegian technology company. I’m from Cleveland Ohio. I appreciate the attendance of some of my key associates on this project. Angela Griffin from Coles Together which is the inspiration and the reason we’re here. Preston Owen who is a local counsel for us, based in the Mattoon area and Michael Mudd, former Futuregen CEO from the earlier generation of Futuregen. This project kind of emerged from that de-evolution of the original Futuregen. Ms. Griffin contacted our Norwegian office a year or so ago to see if there might be some feasibility to establish our project at the Mattoon site for the coal fired plant there. For the Sargas project please refer to the summary I provided in your agenda materials. It describes where we are and a little bit about the process itself and I’d be happy to provide additional details to those interested but it’s a pressurized combustion process that will burn coal under about 10 atmospheric pressures, very highly pressurized and makes it a very efficient clean combustion with a lot of eliminated problems of knocks and socks and so forth because of the pressure on that
end of the process; on the other end, the captured CO2 similarly made efficient by the pressurization. So, the economic model is to burn Illinois Coal, create a market for that, of course, and to capture the CO2 and use it beneficially, not just store it geologically, but to use it for enhanced oil recovery either in the Mattoon area or in some of the Southern Illinois fields such as the Salem field, Clay City and Sailor Springs and as I indicated there’s a map in your materials showing where we think the likely disposition of that will be. I’ve been very privileged to assemble a really high quality team that is listed in the Agenda;

Summit Power
Babcock & Wilcox
SNC-Lavalin
Blue Source
DCEO
Mike Mudd
Coles Together
Patrick Engineering
Illinois Clean Coal Review Board

All of these team members have been contributing as indicated in the grant we received from the Illinois Clean Coal Review Board, which has been matched by the Illinois Department of Commerce and Economic Opportunity fund. We’re reaching the end of this phase of the investigation. We’re hoping to finalize our cost estimates, we’re hoping to reduce those costs in order to provide a financeable project without any additional government support by the federal or state level. We’re hoping to conclude the negotiations on the enhanced oil recovery aspect. Everything is included in the hand out materials, my contact information is in there.

3) Homeland Fuels: Our presentation is on the table. We have been working with contractors for almost one year. Our objective is to get to a 2,000 ton per day coal to liquid which would bring in 2,000 gallons of fuel per day. Our target location is Hillsboro. Phase 1 is just the beginning, pre-feed analysis and the hiring of Jacobs engineering. The 2nd phase would lower cost and increase production. The 3rd phase would be gasification, the coal to liquid process. We are seeking 5 million dollars in State money and will be providing the additional 45 million ourselves. There is still work to be done on the CO2 end of it in 2014. We will work with SIU and this process will create diesel fuel.

4) Futuregen: Quick update. Our environmental impact statement is being circulated and we are moving forward. We are buying land for the pipeline, waiting for permit approval. If it had not been for the Illinois Clean Coal Review Board, we would not have the support for this project that we have.

Chairman Luechtefeld dismisses the project managers and asks the Board to remain.

The Chairman indicates that he has spoken to all of the Board members and asks to look back at the Illinois Clean Coal Review Board and what they have done with their money. We feel like this money has changed Illinois for the better and that we would all like to see something really great be done with the remaining 5 million dollars.
Chairman Luechtefeld and Tomasz have talked about what to do with the remaining money. They have spoken with Chancellor Rita Cheng about starting a Department of Energy at Southern Illinois University.

All board members and Chancellor Cheng agree that this would be a great addition to SIU and that students from Illinois would benefit greatly with a Department of Energy. Phil Gonet and Joe Hoback agree that this addition would be an asset to Illinois.

Motion to adjourn recommended by Chairman Luechtefeld.
Motion made by Representative Bost
2nd by Representative Costello, II