

ILLINOIS POLLUTION CONTROL BOARD

Testimony by
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IN THE MATTER OF: }
 }
NATURAL GAS-FIRED, PEAK LOAD } R01-10
ELECTRICAL POWER GENERATING }
FACILITIES (PEAKER PLANTS) }

I, Michael S. Kearney, am a resident of Missouri but spend at least 70 percent of my time in Illinois. I am a native of Westchester, Ill., near Chicago. I hold a bachelor’s degree in economics and a master’s degree in urban and regional planning and have worked in the utility industry since 1986. For six years, I was an urban planner with city government urban planning departments in Ohio and Minnesota. In 1986, I joined Central Illinois Public Service Company as an economic development representative in eastern Illinois. I worked with local regional development organizations to promote business growth; in 1998, Central Illinois Public Service Company merged with Union Electric Company to become Ameren Corporation. Both predecessor companies were founded in 1902, and Ameren has a strong reputation as a financially strong, conservatively managed, low-cost provider of energy services to 1.8 million customers in Missouri and Illinois, where the two utility companies – AmerenUE and AmerenCIPS – have been extensively involved in local community activities and programs.

Today, I work in Illinois on behalf of communities to promote economic development throughout the state. My experience with natural gas peak-load electric power generation began when I served as a technical resource to city government officials who were being approached about siting generation in their towns. These towns included Neoga, Beecher City and other communities in southern Illinois. In all these locations, officials and citizens have approve the necessary agreements to make these projects feasible, and the feedback I have received from officials and citizens is that these communities have realized significant benefits from this development. The few difficulties that have been encountered have been overcome.

About 18 months ago, I became involved in working with local officials in siting Ameren facilities in central Illinois. I supported Ameren’s engineering staff in identifying industrial sites that could be appropriate for developing peaking generation. Once options on real estate were secured, I served as a liaison with development officials from those communities and worked with other key Ameren officials to respond to development issues related to these sites. Those issues included determining appropriate use of public infrastructure and tax benefits, in addition to securing of resources. All this led to negotiating a development agreement that would be beneficial for all parties.

The communities where we have sited this generation ---Patoka, Pinckneyville, and Gibson City—have recognized the important role that generation infrastructure can play on the future development of Illinois. These communities became receptive to this investment when they realized that we, at Ameren, are committed to managing public and environmental resources prudently and with a sensitivity to our neighboring businesses and residents. Officials in these communities have strongly endorsed the projects because of the benefits these developments have brought to their citizens both through additional tax revenues and the contributions Ameren has made to these communities.

Gibson City and other officials have gone on record to commend Ameren's approach to developing these projects, and because of their cooperation, over the past several months Ameren has added more than 400 megawatts to available generating capacity. An additional 560 megawatts are slated to come on line in first and second quarters of 2001. (NOTE: We have also added in the year 2000 another 232 megawatts at the 60%-Ameren-owned Joppa, Ill., plant.) This generation helps improve reliability for all midwesterners—especially the residents and businesses of Illinois.

I appreciate the opportunity to testify at this hearing.