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State Line Generating Station

Texas-based company specializing in demolishing power plants has bought State Line Energy.

The former coal plant at the northwestern tip of the city near Lake Michigan, stopped generating electricity in March after its then-owner, Dominion Resources, decided to shutter the plant in lieu of paying for costly environmental upgrades.

A Dominion spokesman confirmed the plant's sale to BTU Solutions of Sugar Land, Texas, on Thursday but would not disclose the sale amount.

The deal was structured to ensure the demolition of the former plant, which operated for more than 80 years, according to Dominion spokesman Jim Norvelle.

BTU Solutions will demolish the facility in an 18- to-24-month period. The cost of demolition is estimated at \$15 million to \$25 million. The site's long-term use will be energy related. According to the BTU Solutions website, the company demolishes and handles environmental remediation of power plants, including a 1960s-era natural gas plant in Texas. The company also sells power generation facilities and equipment.

City officials say the State Line Energy site -- likely the single-largest source of asbestos in the city -- will require extensive remediation.

Decision Likely to Reduce U.S. Coal Plant Output

The federal appeals court decision to uphold the Environmental Protection Agency's (EPA) greenhouse gas rules will limit the use of coal for electricity generation and increase the nation's reliance on other fuel options. It will severely constrain the construction of future coal-fired plants. The U.S. Court of Appeals said the EPA was correct in using existing federal laws to reduce emissions of six gasses, including carbon dioxide, by denying two of the challenges and dismissing the others. The effects of these rules are expected to further strain the operations of older, smaller coal-fired plants already struggling to address imposed restrictions on other pollutants. Many of these plants may be prematurely retired, as significant new investment would be needed to meet prescribed emissions requirements. Most are located in the Midwest and central states, including Pennsylvania, Ohio, Indiana, Illinois, and Michigan. There could be a continued reduction in the use of coal as a fuel and an increase in the use of natural gas. Fuel price dynamics have already begun a large shift for some electricity producers. According to the U.S. Energy Information Administration, in April 2011, almost twice as much of U.S. net power output was generated from coal than natural gas-fired units. In April 2012, they contributed nearly the same. Other power resources, including nuclear, may also be given greater consideration going forward.

Electricity Pricing Areas – Jul 3, 2012 July

On-Peak	Per kWh
West Hub	\$.04711
NI Hub	\$.04006

ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
June, 2011	\$.03851
July, 2011	\$.05170
Aug, 2011	\$.04064
Sep, 2011	\$.03058
Oct, 2011	\$.02968
Nov, 2011	\$.02816
Dec, 2011	\$.02971
Jan, 2012	\$.03043
Feb, 2012	\$.02963
Mar, 2012	\$.02894
April, 2012	\$.02659
May, 2012	\$.02816
June 1 thru June 30	\$.03089

Extended Temperature Forecast: Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	96	98	97	96	87
Low	81	77	80	80	73

