

U.S. drops support for clean coal plant: lawmaker

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WASHINGTON (Reuters) - The future of a \$1.8 billion research project to build the world's cleanest coal-burning power plant in Illinois is unclear after the U.S. Energy Department on Tuesday said it plans to pursue other options.

A consortium of utility and coal companies in December picked a site in Mattoon, Illinois, to build the so-called FutureGen plant, which would burn coal and sock away heat-trapping carbon dioxide emissions underground.

However, the Energy Department, which would bear about 75 percent of the plant's costs, is balking at cost overruns for the project - originally expected to come in near \$900 million.

Energy Secretary Sam Bodman met with Illinois officials on Tuesday and told them he plans to "direct the department to begin to pursue other options," according to a spokesman for Sen. Dick Durbin, Illinois Democrat.

The Energy Department has withheld its approval of the Mattoon site so far.

"After our meeting today it is clear that Secretary of Energy Sam Bodman has misled the people of Illinois, creating false hope in a FutureGen project which has no intention of funding or supporting," Durbin said in a statement.

Speaking with reporters at the Chamber of Commerce, Bodman on Tuesday declined to say whether he would support the project.

The public-private venture, which includes companies from around the world and funded by the U.S. Department of Energy, was formed in 2003 to design and test technology required to turn coal into a gas that can be stripped of harmful emissions, then burned to produce electricity and hydrogen.

FutureGen's most ambitious goal is to capture carbon dioxide and store it underground permanently.

The 13-member FutureGen Alliance includes U.S. utilities and coal producers such as American Electric Power Co and Peabody Energy, along with international miners Anglo American, BHP Billiton and China's largest coal-based power company, China Huaneng Group.

(Reporting by Chris Baltimore; Editing by Christian Wiessner)

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