Construction of coal-fired power plant east of Excelsior Springs delayed indefinitely
By KAREN DILLON
The Kansas City Star
Utility officials have delayed indefinitely construction of a coal-fired power plant 50 miles east of Excelsior Springs because of financial and environmental concerns.
The announcement Monday by Associated Electric Cooperative Inc., which provides electricity to almost all rural Missouri, caught many by surprise.
The decision, voted on by the utility's board on Friday, comes just days after AECI had received a permit from the Missouri Department of Natural Resources, a signal that construction could begin.
Nancy Southworth, a spokeswoman for AECI, told the Carroll County Commission on Monday that the cooperative had two main concerns: The cost to build the plant had increased from just under $1 billion to $1.7 billion, and regulations for costly carbon dioxide controls are being considered by Congress.
In addition, Southworth said during an interview that a loan from the Rural Utilities Service, a government agency that provides funding to co-ops to build coal plants, fell through. The agency has halted giving loans because of increased construction costs and the regulatory uncertainty.
"This will force us to find other sources of generation," she said. "We are looking at gas, energy efficiency, renewables, and we will look at nuclear. All of those are part of the mix."
Southworth said the co-op did not seek private funding.
Wall Street investment bankers recently announced that loans to build new coal plants were risky because of the concerns over future CO₂ emission controls. Also, Rep. Henry Waxman, a California Democrat, has begun an inquiry into government financing of new plants.
Nelson Heil, Carroll County presiding commissioner, said the county was taking a major financial hit by the "shocking" decision.
Heil said the plant would have meant 135 permanent jobs and a payroll of $10 million to $12 million annually. The number of construction jobs was expected to peak at more than 1,000.
"We have nothing in this county that even compares," Heil said. "I don't know at this point what we are going to do. It's a big economic hit for the residents."
But a number of county residents didn't want the plant. More than 300 people turned out for a public hearing in November to argue the merits of the plant.
Four years ago the country had plans to build at least 160 coal plants, and now 63 of those proposed plants will not be built, said Bruce Nilles, director of Sierra Club's National Coal Campaign.
"All indications are that this trend is accelerating as costs of coal skyrocket and the nation focuses its attention on global warming solutions," Nilles said.
The Sierra Club was on the verge of filing litigation against AECI to try to halt the construction, said Melissa Hope, Sierra Club's Missouri Chapter development director.
"Associated Electric is taking a giant step forward in our collective fight to stop global warming," Hope said. "Associated Electric was the first in Missouri to embrace wind power and today they vault into the ever-growing ranks of electric providers moving beyond coal. Unfortunately in Kansas, Sunflower (Electric Power Corp.) is still headed in the wrong decision."
Steve Miller, a spokesman for Sunflower, a co-op that wants to build two generators in western Kansas, expressed surprise over the decision.
"I am just bamboozled by that," Miller said. "If the United States is evolving itself into a policy of no coal, we are going to be in trouble. I feel really sorry for the people of Missouri."
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