

Meeting Indiana's Growing Energy Needs:

The Edwardsport Project

Indiana is at an energy crossroads. Citizens need reliable electric power at a reasonable price. Producers need to meet ever-tightening environmental regulations—and the energy demands of a growing population. And as our economy recovers, we need to rely on homegrown sources of energy like Indiana coal.

Why Now?

On average, Duke Energy's coal-fired plants are 47 years old, and our company hasn't built a major new power plant on our Indiana system in three decades. With new environmental regulations pending, the Edwardsport project helps ensure we can provide the power our customers need.

About 95% of Indiana's power is coal-produced—and while we have plenty of local coal, we import more than half of what we use. This is because most

Indiana coal contains components that make it tougher to meet environmental standards. As a result, jobs and dollars are going out of state to purchase a product that is plentiful in our backyard.

All of this means we must find ways to burn coal more cleanly and to balance financial and environmental issues with the need to provide reliable electricity. The Edwardsport project addresses these issues.



Construction is about 91% complete as of mid-September 2011. The total project, factoring in aspects such as engineering and procurement, is about 94% complete. Activities related to testing and startup are about 35% complete.

The plant will produce **10x** more electricity than the existing facility—but with a much smaller environmental footprint.

Air:

Emissions of sulfur dioxide, nitrogen oxides and particulates combined will be **70%** lower than the existing plant even if the new plant runs 100% of the time.

Water:

The plant will use **30%** less water than a conventional coal-fired plant. It will be a limited discharge facility and will process its own wastewater.

Land:

The plant will produce less solid waste than a typical coal plant; instead, it will generate marketable byproducts such as sulfur and slag for agricultural and construction uses.

Environment



The plant will require between 1.7 and 1.9 million tons of coal every year, supporting an estimated **170 Indiana mining jobs**.

The number of permanent employees on site will **increase by 200%** once the plant is complete—from 37 to up to 120.



Approximately **2,900 construction workers and other professionals**

are working on the site as of mid-September 2011.



More than **\$917 million** in contracts to support the project have been awarded to businesses in Indiana as of Sept. 1, 2011.

Economy

The plant will pay an estimated **\$37 million** in property taxes over its first 10 years and approximately \$5 million per year after that.

The Edwardsport plant will be the largest in the world to gasify coal and strip out many pollutants. And while these plants cost more to build—Edwardsport is estimated to cost \$2.88 billion—they result in cleaner power and reliable electricity that is available around the clock.

The result:
**CLEANER
POWER.**



The new plant will replace 60-plus-year-old power-generating units with state-of-the-art efficiency. Because it is so efficient, Edwardsport will be one of the first plants called on when power is needed, which reduces the need to run older, less efficient units.

Efficiency