

DOE official once led firm now redoing FutureGen

DAVID MERCER - Associated Press Writer - Associated Press

A top official in the Department of Energy office who oversees the FutureGen clean-coal project is a past president of a company newly chosen to retrofit a western Illinois power plant instead of finishing the original project in Mattoon.

Critics of the decision to change FutureGen worry that the official, James F. Wood, could benefit from his past leadership at the company and that he shouldn't have been part of the decision.

James F. Wood, who is deputy assistant secretary for clean coal in the Department of Energy's Office of Fossil Energy, was president of Babcock & Wilcox Company from 1996-2001. North Carolina-based Babcock & Wilcox is one of two companies named last week by the department to retrofit a coal-fired power plant in the western Illinois under the retooled \$1.2 billion FutureGen project. That plant's carbon dioxide would

The department and U.S. Sen. Dick Durbin announced the changes last week, including a decision to scrap plans to build a new, experimental power plant in Mattoon, in eastern Illinois. The news surprised officials in Mattoon, who this week backed out of the project and its new role as storage site for carbon dioxide from the retrofitted plant in Meredosia, Ill.

The Department of Energy did not make Wood available for an interview, but said its internal vetting process found he had no potential conflicts of interest.

"Jim Wood worked for Babcock and Wilcox almost a decade ago and has no financial interest in the company," agency spokeswoman Stephanie Mueller wrote in an e-mail. "His only remaining interest is a pension, which has nothing to do with any issues pending before the Department."

Details about Wood's role in the decision to change FutureGen aren't clear but, according to the department, he oversees all Office of Fossil Energy coal research and projects, including FutureGen.

She did not answer questions about Wood's role in the FutureGen changes announced last week, but FutureGen is being overseen by the Office of Fossil Energy.

It isn't clear how much of the \$1.1 billion the federal government plans to contribute to the project would be paid to Babcock & Wilcox. The rest of the cost is intended to be covered by the Energy Department's private sector partners in FutureGen, a group of coal companies and other firms who were also surprised the changes and have said little since they were announced.

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Wood joined the department from Babcock Power Inc., where he was CEO. That company, in spite of the common name, isn't related to Babcock & Wilcox and actually competes with the latter in some power plant-related work, Babcock Power spokesman Jim Sims said.

Political leaders and others from the Mattoon area angered by the abrupt change in FutureGen plans last week say that at the least the Energy Department should have made clear that Woods had ties, no matter how old, to a key company that was involved.

"Mr. Wood didn't need to be involved in this," said state Sen. Dale Righter, a Republican who lives in Mattoon and has been involved in the area's pursuit of a place in the FutureGen project for several years.

"Your actions need to reflect as much as possible not the appearance of impropriety," he added. "I think that's the real issue here."

Babcock & Wilcox spokesman Ryan Cornell declined comment.

The Energy Department and Durbin last week announced that Babcock & Wilcox and another firm, Air Liquide Process & Construction Inc. of Texas, will retrofit a coal-fired plant in Meredosia, Ill., that belongs to Ameren Corp.

The change ended plans to build a new plant in Mattoon intended to prove that coal could produce electricity through a technology called Integrated Gasification Combined Cycle, with the carbon dioxide from the fuel removed and safely stored underground.

Durbin and the Department of Energy say delays in FutureGen have allowed several other similar projects to bypass it, leading them to focus instead on another technology, oxy-combustion, that could be used to add life to existing coal plants. Carbon dioxide from that process would still be stored underground, and would have been piped about 175 miles to Mattoon under the new FutureGen plan. Officials there, though, decided Wednesday to pull out of the project. The Energy Department is now looking for a new carbon storage site.

The Energy Department has said this week that it chose Babcock & Wilcox because the oxy-combustion technology it will use at Meredosia — and, if it works, hopes to use on other, older plants — belongs to the company.

Documents found on the Department of Energy's Web site indicate that the company has done work with the department and Illinois' coal industry on oxy-combustion at least as far back as 2003.

There are, though, a number of other companies working with oxy-combustion, according to the International Energy Agency. At a presentation during an agency conference on oxy-combustion technology earlier this year the agency said there were 15 "large-scale" oxy-combustion power projects in the works worldwide.

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