Developers Suspend Most Rockport Gas Plant Work

ROCKPORT, Ind. (AP) — Developers suspended work Tuesday on a $2.8 billion coal-gasification plant proposed for southwest Indiana — other than a pending appeal before the Indiana Supreme Court — days after the Legislature approved a bill that backers said effectively killed the project.

Indiana Gasification LLC project manager Mark Lubbers told the Evansville Courier & Press [1] that the project might be dead even if the Supreme Court were to hear its appeal and the company prevailed.

"The judgment of the state is very clear: Neither the legislature nor the governor support the contract or the project," Lubbers said.

He said the project was "dead" if the high court passes on its appeal of an Indiana Court of Appeals ruling that invalidated a portion of the company's contract with the Indiana Finance Authority requiring the state to buy and resell the plant's synthetic natural gas for 30 years.

"If we win, however, only a clear reversal of position by the governor would enable the project to go forward," Lubbers said.

The project was backed enthusiastically by former Gov. Mitch Daniels, a close ally of Lubbers, but Pence has been lukewarm toward the project. Pence had no immediate comment Tuesday on Lubbers' comments.

Legislation approved Saturday requires regulators to give a new review to gas-supply contract. The bill directed the Indiana Utility Regulatory Commission to consider new ratepayer protections that were not in place under Daniels.

Opponents of the Rockport plant including natural gas utility Vectren Corp have said the contract would cost Indiana utility customers as much as $1.1 billion in higher rates.

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