

Power Holdings of Illinois, LLC

PMB 145

2112 W. Galena Blvd.

Aurora, IL 60506



PLEASE REPLY TO:

Joseph Darguzas

Vice President

AT: mail@powerholdingllc.com

RE: **Local Requests for Information and Clarification
Power Holdings' Illinois Coal to SNG Facility.**

May 4, 2009

Dear Citizens of Jefferson and Washington County:

On March 3, 2009; the Illinois Environmental Protection Agency (IEPA) conducted a public hearing in Du Bois, Illinois to hear community comments regarding a draft Air Permit for the Southern Illinois Coal to SNG Facility (Plant) to be located in Blissville Township in Jefferson County. With the closing of the public comment period on May 4, 2009; the IEPA will be issuing a report in the coming weeks responding to the questions and concerns raised at the hearing. However, since this was an Air Permit hearing, the IEPA will concentrate its responses on air emissions and may not fully address some of the non-air emission concerns raised at the meeting. Power Holdings would like to begin to respond to your emission concerns in this open letter and on our web site: www.powerholdingsllc.com.

Plant Water Discharge

The Plant has been designed as a "zero liquid discharge facility". This means that none of the water brought into the Plant and used in any process will be discharged into any local streams or other water system. The only way water leaves the site is in water vapor from cooling towers through evaporation. In addition, the Plant will be designed to capture, clean, and use rainwater that falls on any Plant equipment. A review of historical rainfall records indicated the heaviest rain in Mt Vernon in the past 25 years has been 5 inches in a 24-hour period. The plant will have sufficient on site storage capacity to meet an extreme rainfall even greater than that magnitude.

Plant Water Supply

All the process water required at the Plant will come from Rend Lake under a long-term water agreement with the Illinois Department of Natural Resources (IDNR). When it was originally constructed, Rend Lake was designed to supply water for not only human consumption but also for industrial development. The Plant's contract with IDNR specifically calls for curtailing Plant consumption should reduced Lake levels ever threatened the Lake's ability to meet the needs of local residents.

Plant Earth Quake Design

The IEPA indicated at the hearing that they would investigate the Du Quoin and other Fault Systems in the area around the Plant. However; Power Holdings' Engineers have already looked into this and have specified that the plant will be designed to meet all Earthquake Design requirements. Should an earthquake ever occur; the Plant's equipment will be protected.



Plant Lighting

The Plant will operate twenty-four hours a day and seven days a week, so lighting for night operations will be necessary. These lights will face inward to the Plant to illuminate the sides of structures and provide a safe level of lighting on plant roadways. Every effort will be made to minimize the glow from the site by 'down washing' the building lights and screening the roadway lights to focus only on the roads.

Plant Employment

About 50 operators and maintenance personnel will be required to operate this Plant during each shift. Since the Facility will operate 24 hours per day, 365 days per year; the total employment at the Plant, including management, is estimated to be 250 employees. Power Holdings hopes to hire most of these employees locally and has already contacted the Rend Lake College to discuss training programs to prepare potential employees for a long career at the Plant. The construction of the Plant is expected to take three (3) years. At the peak of construction, employment will surpass 1,000 Construction Craft Workers. The Plant enjoys strong support from the local Egyptian Building Trades Council.

Plant Odors

A concern was raised that the Plant would emit odors comparable to the Beulah, North Dakota SNG Facility. The North Dakota facility, built in the 1970s, utilizes different gasification technology and processes lignite coal to make SNG. Power Holdings' Plant will utilize General Electric (GE) gasification technology and will process Illinois bituminous coal to make SNG. GE gasification technology has been utilized in many applications around the world for the last 30 years and has never experience similar odor problems. This is due to the fact that during the GE gasification process, coal is converted into a gas very quickly compared to the slow "cooking" process used in North Dakota.

Plant Activity

The Plant will produce nitrogen, argon, slag, and sulfuric acid as by-products. We estimate that the shipping of these by-products by truck and rail will require about 20-30 trucks and 15-30 rail cars per day. Power Holdings will work with local Highway and Road Engineers to upgrade all local roads as needed.

Conclusion

Power Holdings is designing the Southern Illinois Coal to SNG Facility to be a good neighbor and important economic engine for the community. The Plant will include over \$150 million of pollution control equipment.

Should you have additional questions, please visit our website at www.powerholdingsllc.com or the address above to send to us any additional questions you may have. We look forward to becoming a valued member of the southern Illinois community.

Sincerely,

A handwritten signature in cursive script that reads "Joe Darguzas".

Joe Darguzas