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Madigan rejects Emanuel deal to close Chicago coal plants

By: [Steve Daniels](#) November 09, 2011

(Crain's) — A deal between Mayor Rahm Emanuel and a Chicago-based power-generating firm to close two old, controversial coal-fired plants in the city, in return for state financial help for a big wind farm owned by the same company, has run into opposition from House Speaker Michael Madigan.

Instead, Mr. Madigan is supporting a new state version of a proposed city ordinance that would force Midwest Generation LLC to close or clean up the 50-year-old Fisk and Crawford plants. The House Executive Committee is slated to consider the bill Wednesday, and a floor vote may follow.

Observers give the legislation, which is opposed by MidwestGen, little chance of passing both the House and the Senate in the fall veto session, which ends this week.

In another interesting development, Mr. Madigan is expected to have dinner this week with Pedro Pizarro, president of MidwestGen's California-based parent, Edison Mission Group, according to people familiar with the matter. That's raising questions over whether the speaker may try to negotiate his own plant-closing deal with the company.

A spokesman for Mr. Madigan said he was unaware of the speaker's position on Mr. Emanuel's negotiated deal. But, he said, Mr. Madigan "generally doesn't give a lot of support for long-term wind and solar proposals," which tend to be above current market prices.

Instead, the Chicago ordinance, which simply forces MidwestGen to close or clean up the plants, "is a prudent course to take," the spokesman said. "There's a concern from the city around air quality," he added. "This is an attempt to deal with that issue."

A MidwestGen executive didn't respond to requests for comment.

Mr. Emanuel wasn't upset at the speaker's decision and "remains committed to seeing the plants ultimately cleaned up or shut down," a source in the mayor's office said.

A City Hall spokesman declined to comment.

The plants, located in the largely Hispanic Southwest Side neighborhoods of Pilsen and Little Village, are a cause célèbre for environmentalists and public-health groups, which point to studies showing the plants are linked to higher asthma rates in children. MidwestGen has said those studies are flawed.

The Chicago Clean Power Ordinance has the support of more than half the City Council.

Under an agreement with the state, MidwestGen must close or bolster pollution controls on Fisk by 2015 and on the two units at Crawford by 2017 and 2018, respectively. The deal with the mayor would have closed Fisk in 2012 and Crawford in 2014, according to people familiar with the matter.

In return, MidwestGen's 240-megawatt Big Sky wind farm 100 miles west of Chicago would get a 25-year sales contract with the Illinois Power Agency, which buys electricity on behalf of utility customers statewide, at a price roughly similar to what other wind farms got from the IPA in a similar deal last year. Big Sky opened earlier this

year and has a \$190-million loan due in 2014 that MidwestGen will struggle to pay off or refinance if wholesale power prices remain low.

The wind deal needs approval from the state Legislature, hence the need for Mr. Madigan's endorsement.
