

PUBLICATION

Power Company Plans to Capture Carbon Dioxide Emissions to Sell for Enhanced Oil Recovery

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Cost overruns at a controversial coal-gasification plant under construction in Kemper County, Mississippi apparently have cost the CEO of Mississippi Power Company his job. Ed Day recently resigned and has been replaced by G. Edison "Ed" Holland. Although Southern Company, Mississippi Power Company's parent company, gave no reason for Day's departure, it came about a week after the Mississippi Public Service Commission learned that Day had ordered documents containing details of when the utility knew about cost overruns withheld from the Commission. In April it was announced that the Kemper plant was \$540 million over budget. This figure is in addition to a \$376 million overrun which was announced in May 2012. The Public Service Commission voted in April 2010 to allow the plant to be constructed if Mississippi Power Company agreed to cap costs at \$2.4 billion.

The Kemper County plant, which is scheduled to begin production in May 2014, has sparked controversy since it was announced in 2009. Opponents argue that the plant, which will use lignite coal native to East Mississippi to generate electricity, uses a new technology that has never been applied on a commercial scale and refer to the technology as experimental. The plant is planned as a 582 megawatt integrated gasification combined cycle facility. This gasification process sends coal through a gasifier, subjecting it to high temperatures and pressure thereby causing a chemical reaction which results in a synthesis gas. The synthesis gas is used in a gas turbine to generate power, allegedly with fewer emissions than a traditional coal plant. Mississippi Power Company officials plan to capture about 65% of the carbon dioxide emissions created by the plant and to sell it for enhanced oil recovery.