

308 million designated for green power plant -- but will it be built?

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The federal government set aside another \$308 million to help stimulate Kern's economy Wednesday, in this case for a clean-burning power plant proposed to be built near Taft. It would be the county's largest stimulus project to date — if it gets built.

The roughly \$2 billion project would create up to 1,500 construction jobs, as many as 100 permanent jobs and enough energy to power more than 150,000 homes.

Partners behind the project — energy giant BP and mineral company Rio Tinto — have made no decision on whether to build the plant, which would not begin operation until late 2014 at the soonest. Until such a decision is made, likely late next year or early 2011, the project is undergoing engineering, design and other pre-construction work.

A spokeswoman for the partnership, Hydrogen Energy International, said the Department of Energy dollars would be doled out as the power plant reaches various milestones. That should help get the project going, she said.

“I think the real value in this type of grant is that it's pre-operation,” spokeswoman Tiffany Rau said.

If built, the plant is expected to generate \$5 million in one-time tax revenues and \$1 million in annual tax revenues.

The Hydrogen Energy California Project is considered forward-thinking in that it would extract hydrogen from otherwise dirty petroleum products — petroleum coke or coal, or a combination of the two.

The plant would burn the hydrogen for fuel and put most of the byproduct carbon dioxide to good use increasing nearby oil production. Most of the carbon dioxide ultimately would be sequestered underground so as not to increase greenhouse gases in the atmosphere.

“Both the (Department of Energy) and Hydrogen Energy recognize that this project may become the model for new power generating facilities around the world,” said company CEO Lewis Gillies.

Another company official credited Gov. Schwarzenegger and members of the state Public Utilities Commission for helping bring about the federal contribution.

Cynthia Bryant, director of the California Recovery Task Force, said in a press release: “This project is a fantastic use of Recovery Act dollars because it will not only create green collar construction jobs, but it will avoid greenhouse gas emissions and further propel us toward a clean energy future.

“The Schwarzenegger Administration has been working to get California’s fair share of federal stimulus funding and getting it out the door and into California’s economy as quickly and effectively as possible, and this project is a prime example of federal Recovery Act action in California.”

Already Kern has been awarded more than \$100 million in federal stimulus money for various transportation, civic and military-related projects, but none is as large as the award announced Wednesday.