
Peabody partners in China carbon capture project

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China's GreenGen clean coal project achieved another important milestone as the partners executed their joint venture agreement, recognizing Peabody Energy's participation as a full equity partner.

The agreement was commemorated at a signing ceremony at the historic Great Hall of the People in Beijing and included Mr Gregory H Boyce chairman & CEO of Peabody; Mr Cao Peixi president of Huaneng Group; Mr Steven Chu US Secretary of Energy and Mr Li Keqiang Chinese Vice Premier.

The ceremony demonstrates the growing cooperation on clean energy and climate initiatives between the United States and China as President Barack Obama and President Hu Jintao pledge greater cooperation on clean uses of coal. In a joint statement the two world leaders recognized the importance of GreenGen and other projects.

GreenGen is a USD 1 billion 650 MW project a commercial scale near zero emissions power project that is under construction near Tianjin. It is China's first integrated gasification combined cycle power project and will serve as a carbon management research center. GreenGen is being developed in phases and ultimately will capture and store carbon dioxide. Electricity generation will begin as quickly as 2011 with the first 250 MW IGCC unit.

Mr Gregory H Boyce chairman and CEO of Peabody said that "With GreenGen, China shows that the world's leading coal consuming nation can also be the world's leading clean coal provider. China's coal use is expected to grow by 2 billion tons over the next two decades, driving economic prosperity and energy security. Peabody is advancing clean coal projects all over the world and is pleased to be a part of China's signature low-carbon coal initiative."

Peabody has a 6% equity interest in GreenGen and is among nine equity participants, which include lead shareholder China Huaneng Group, one of the world's top 10 power companies. The shareholder group also includes some of China's largest utility and coal companies: the China Datang Corporation; the China Huadian Corporation; the China Guodian Corporation; the China National Coal Group; the China Power Investment Corporation; the Shenhua Group and the State Development and Investment Corporation.

The company has a growing presence in China and is pursuing partnerships with major coal, energy and steel companies in Western China and Inner Mongolia. Peabody recently became a member of the U.S. and China Energy Cooperation Program, a public-private partnership with leading Fortune 500 companies that seek to develop clean energy projects in China working in consultation with the US Department of Commerce and certain key agencies of the government of China.

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