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Wheels Set in Motion for Construction Of Electric Plant in Carbon County

Construction is expected to start about June 1 on Boston-based Environmental Power Corp.'s 45-megawatt cogeneration electric plant in Sunnyside, Carbon County, that will burn coal from a nearby mine's 90-year accumulation of tailings.

That was announced Thursday by Donald "Andy" Livingston, vice president of Environmental Power, after the company's disclosure Tuesday it had the permanent financing to start the project.

Environmental Power successfully marketed $109.5 million of Carbon County, Utah Solid Waste Disposal Refunding Revenue Bonds, Series 1991. Underwriter was Goldman Sachs & Co.

Environmental Power used an undisclosed portion of the proceeds from the bonds to replace the value of outstanding short-term securities that have been held in escrow until the permanent financing was in place.

Mr. Livingston said Environmental Power has authorized Boston-based contractor C.T. Main Inc., to begin the approximately two years of construction on the plant, which will sit on about 70 acres. He said C.T. Main will hire about 200 people, many of whom he assumes will be from Carbon County.

During its 20 to 30 years of operating life, the plant will employ about 48 people, said Mr. Livingston. But, he said, the plant will create an undermined number of jobs required to service the plant, such as the trucking of ash from the property.

Mr. Livingston said the Utah Power division of PacifiCorp has agreed to buy all of the plant's electricity.

The facility has been in planning stages for about five years, said Mr. Livingston. Kaiser Steel Co., which operated the mine just east of the plant site until about three years ago, developed the power plant to burn the tailings. Environmental Power subsequently bought the plans from Kaiser.

Kaiser and its coal subsidiary, Kaiser Coal Co. filed for bankruptcy in 1988. A Colorado bankruptcy judge approved the sale of several of the company's coal properties, including the Sunnyside coal mine, just east of the proposed power plant, to Boulder-Colo.-based Sunnyside Salvage & Reclamation Co. in early 1989.

The company, now known as Sunnyside Coal Co., continues to operate the mine.

Mr. Livingston said Environmental Power also purchased the land beneath the approximately 9 to 11 million tons of coal tailings for about $1.2 million. He said if Environmental Power had not bought those tailings, Sunnyside Coal would have to remove them to meet federal reclamation laws.