

MEHC – PacifiCorp IGCC Working Group

Friday, May 19, 2006
9:00 am – 12:00 pm (Pacific Time)
10:00 am – 1:00 pm (Mountain Time)

Meeting Summary

Idaho	Terri Carlock
Oregon	Irion Sanger, Phil Carver, Lowry Brown, Steve Weiss, Ed Durrenberger
Utah	Nancy Kelly, Laura Nelson, Sam Liu, Betsy Wolf, Cheryl Murray, Reg Olson, Matthew McNulty, Andrea Coon
Wyoming	Steve Ellenbecker, Steve Waddington, Tom O'Donnell, Chris Petrie
PacifiCorp	Ernie Wessman, Ian Andrews, Cathy Woollums, Bill Whitney, Greg Duvall, Pete Warnken
Independent	Eric Guidry

Introduction

This was the initial meeting of the Integrated Gasification Combined Cycle (IGCC) technology working group. The primary focus of the meeting was to discuss the MEHC commitments related to IGCC, discuss the purpose and role of the group, identify and prioritize issues, and develop a schedule for additional meetings of the working group.

MEHC Commitments and Purpose of the Working Group

Ernie reviewed the MEHC commitments and purpose of the working group. The overall purpose was generally viewed as an information sharing forum. Specific views of the purpose expressed by participants were to identify costs and benefits of IGCC, inform the Integrated Resource Planning process, inform the 2012 Request for Proposal, and reduce the risk of IGCC so PacifiCorp can demonstrate the technology. Ernie was asked about the timing and deliverables from the group and indicated that he anticipated a report to be prepared and circulated around November, 2006.

Issues

The majority of the meeting was spent identifying and prioritizing issues. The following issues, in priority order, were identified by the working group:

High Priority Issues

1. Identify what the company needs in order to gain comfort and go forward with an IGCC facility
2. Thoroughly document where sequestration is and where it is going and better understand the science including an investigation of current sequestration projects
3. Investigate commercial terms such as the current status of vendor guarantees, turnkey arrangements, and ownership structures that might enhance the ability to move forward with IGCC
4. Communicate how the economics of IGCC compare to other technologies and how they change with the type of fuel and location

Other Issues

- Investigate the load following capability of different coal technologies
- Discuss the land purchase in Wyoming by MEHC
- Provide information on advanced IGCC technologies
- Link the status of the Integrated Resource Planning IGCC commitments into this group
- Identify the principles and parameters for risk sharing for new technology such as IGCC
- Look at the CO₂ and environmental profile of IGCC against other resource portfolios
- Look at the cost of being carbon capture ready as well as the cost of full sequestration
- Investigate enhanced oil recovery
- Identify how this working group will interact with the global warming working group
- Identify proper forum to discuss resource cost and green tag allocation when some states have renewable portfolio standards and others do not
- Identify potential to switch between making electricity and fluids
- Communicate the output of the working group to the appropriate political and regulatory audiences
- Allow parties the opportunity to provide formal comments on the working group report

Future Meetings

Ernie suggested that the next meeting focus on sequestration. This was acceptable to the group. There was interest in learning about enhanced oil recovery markets in Wyoming and receiving information on the experience of specific projects in North Dakota and Texas as well as the results of a Washington study. Steve Waddington volunteered to contact someone about discussing enhanced oil recovery and Eric Guidry volunteered to contact someone who is knowledgeable on the North Dakota project. There was also

interest in learning about coal seam injection as a possible method of sequestering carbon dioxide.

It was then requested that the company start out the next meeting by discussing what the company would need to gain comfort and move forward with IGCC. The group agreed this would be very useful and would help focus the direction of the group. Ernie said the company would take the first half-hour of the next meeting to address this issue. The next meeting of the working group will likely take place towards the end of June, 2006.

Ernie then suggested that the third meeting of the group address commercial terms. There was no objection to this suggestion. This meeting will be targeted for July, 2006. Ernie agreed to prepare detailed agendas for the next two meetings.

Next Steps/Deliverables

PacifiCorp – Set up the next two meetings of the working group. Prepare and circulate detailed agendas for these meetings. Include “other issues” into the appropriate agenda topics. Notify working group on meeting times and arrange for outside contributors as appropriate.

Steve Waddington – Check into finding someone who could speak to enhanced oil recovery markets in Wyoming.

Eric Guidry – Check into finding someone who could speak to the North Dakota gasification project.