

IGCC Working Group Meeting

January 25, 2007



Pacific Power | Rocky Mountain Power | PacifiCorp Energy

Agenda

- 10:00 AM Introductions & Agenda
- 10:15 AM “CO₂ Capture & Storage” / EPRI CoalFleet Program, Neville Holt, EPRI
- 11:15 AM Q&A, Neville Holt
- 11:45 AM PacifiCorp’s IGCC Efforts in 2006; Regional IGCC projects (Xcel), PacifiCorp
- 12:00 PM IGCC Working Group Expectations for the Future, Group Discussion
- 12:30 PM Lunch
- 1:00 PM Summary on SW Regional Partnership Conference, Brian McPherson
- 1:15 PM Wrap-up

PacifiCorp - 2006

- MEHC Acquisition – Met Acquisition Commitments
 - ▶ Held six IGCC Working Group Meetings
 - ▶ <http://www.pacifiCorp.com/Article/Article66610.html>
- Participant in EPRI Coalfleet (will continue in 2007)
- Submitted applications to US Dept of Energy for investment tax credits for three IGCC projects
 - ▶ Not selected in 2006
 - ▶ Opportunity to pursue in 2007 for viable projects
- Submitted a proposal to the Wyoming Infrastructure Authority for a gasification facility in Wyoming

PacifiCorp – 2006 (cont'd)

- Became member of Big Sky Carbon Sequestration Partnership
- Joined EPRI's Chilled Ammonia Project
- Expression of Interest in Pacific Mountain Energy Project – Active participant

Xcel IGCC Project Development

- Announced plans for an IGCC facility with CO₂ capture
- Selected Owner's Engineer
- Issued RFP/RFIs to provide feasibility and FEED studies
- Plan to select technology supplier by mid-2007
- Site selection in process (in Colorado)
- CO₂ capture levels to be evaluated
- Concerns:
 - ▶ Regulatory knowledge - steep learning curve (especially permitting)
 - ▶ New governor, new commission, & new permitting director
 - ▶ Reactions from large industrials
 - ▶ Availability & Technology risk
- Favorable Supporting Legislation

Colorado IGCC Legislation

- **HB 06-1281** directs the CO PUC to consider proposals by Colorado electric utilities to build one or more demonstration power plants using IGCC technology. Requirements:
- Use Colorado coal or other western coal;
- Demonstrate capture and sequestration of a portion of its CO₂ emissions;
- Be of relatively small size (less than 350 MW) unless a larger facility is necessary to qualify for federal funding or other financial support; and
- Be located in Colorado.

Provided above conditions are met, the incentives include:

- Waiver of Public Convenience and Necessity requirement
- Full cost recovery
- Cost recovery for electricity purchases during unplanned outages
- Waiver of competitive resource acquisition requirements

Expectations of IGCC Working Group

- Need to wind down the IGCC Working Group?
- Report?
- Schedule (Quarterly?)
- Possible agendas:
 - ▶ Other gasification technologies
 - ▶ Status update of CO₂ sequestration sinks (UT & WY)
 - ▶ Mitigating sequestration liability