

Summary of Information from the February 8th
Meeting of the Advanced Coal Technology Work
Group



March 6, 2007

Priority Agenda Topics Identified by
Work Group



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- Advanced coal technology for pulverized coal plants
 - Discussion re: what is advanced coal technology
 - The Clean Air Act provisions related to advanced coal technology
 - Permitting for advanced coal technology



Priority Agenda Topics Identified by Work Group (Continued)

- Financial and other risks for advanced coal technology and how to mitigate the risks
- Legal, liability and public perception issues associated with CCS
- Cap and trade for CO₂
- Performance standards to meet air quality goals



Priority Agenda Topics Identified by Work Group (Continued)

- Lessons learned from “first mover” projects (e.g., Polk Power Station, Wabash, others)
- Panel discussion on CCS projects and DOE sequestration partnerships
- Coal Utilization Research Council’s work on advanced coal technology
- Baseline information for state/federal incentives



Key Barriers Identified

- Financial risk: ACT is too costly when competing in dispatch order
- PUCs require least cost of service for electricity
- Lack of regulatory drivers/ climate change national policy
- Uncertainty caused by NSR/ lack of integrated permitting
- Liability and NUMBY on CCS



Key Barriers Identified (Continued)

- Technical uncertainties (i.e., cost, performance, timing availability, coal types, geology)
- No criteria to assess value of CO2 mitigation
- Lack of familiarity with ACT and CCS technology (State and Feds)
- R&D is not being spent on critical issues
- Global nature of the challenge



Key Opportunities Identified

- Regulatory driver to reduce CO₂ (e.g., cap & trade, plant emissions performance standards)
- Streamline/accelerate permitting related to advanced coal technologies
- Viable loan guarantees
- Commercial first mover projects to show it can work



Key Opportunities Identified (Continued)

- Long term off take contracts
- Education and outreach for public and regulators
- Carbon tax to fund incentives program/climate investment fund
- CCS R&D and geologic assessment dollars for ACT
- Early action CO₂ reduction credits



Key Opportunities Identified (Continued)

- Soft landing for ACT failures (EPA specific)
- Tax incentives
- Liability limitation scheme
- IGCC included in BACT for conventional coal plants
- Consider impact of CO₂ in BACT permitting process



Key Opportunities Identified (Continued)

- Consideration of CO₂ required in PUC process (e.g., carbon adders)
- Government subsidies for performance wraps
- EPA to develop CO₂ credit generation protocols
- Legislation on ACT
- Opportunity to become a national leader