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July 5, 2005

## MEMORANDUM

**TO: Power Committee**

**FROM: Jeff King**

**SUBJECT: Coal gasification power generation symposium**

The purpose of this item is to decide whether to proceed with planning for a proposed symposium regarding coal gasification power generation. If the Committee decides to proceed, staff needs general agreement regarding the objectives of the symposium, target audience, scope and depth of presentations, location, timing and funding.

The 5<sup>th</sup> Power Plan calls for being prepared to begin construction, if needed, of coal-fired generation by the beginning of 2012, for service in 2015. The analysis indicated that coal gasification power plants have lower expected costs and lower environmental risk compared to conventional coal-fired generation. However, coal gasification power generation has only recently entered the early stage of commercial availability. If commercialization of the technology fails to advance as forecast, conventional coal-fired generation may be needed by mid-2013. This would require construction to begin in 2010 and preconstruction development in 2007. To provide for this contingency, the Plan calls for an assessment of the commercial progress of coal gasification power generation by 2007.

Meanwhile, several Northwest utilities, including PacifiCorp, Puget Sound Energy and Idaho Power have included new coal-fired capacity in their longer-term resource acquisition plans. Puget indicates an interest in coal gasification power generation in its current (2005) least cost plan. One small coal-fired plant is nearing completion in eastern Montana, and Sempra Generation, Great Northern Power and other independent developers are engaged in the preconstruction development of additional new conventional coal-fired generation projects in the region. Energy Northwest has announced that it is exploring the interest among public utilities for a new integrated gasification combined-cycle plant, tentatively located in western Washington.

In view of the increasing interest in coal-fired power generation, Washington Council members and staff have proposed that the Council host a regional coal gasification power generation symposium. The proposed conference would include sessions on technologies, financing, carbon sequestration and utility acquisition plans, aimed at educating state agency staff, Council members and staff, and other interested parties.

International and national conferences regarding coal gasification power generation and other advanced coal generation technologies are convened frequently. However, a regional symposium would improve the understanding of coal gasification power generation and other advanced coal technologies, get utilities and others thinking about advanced coal generation technology, and facilitate communication among utilities, permitting and policy agencies, developers and others. Participants could focus on issues specific to the Northwest including technology suitability, siting and permitting, transmission and regional CO2 sequestration options. Furthermore, the symposium could contribute to the development of the coal gasification power generation status report called for in the Power Plan.

On the other hand, the symposium would be demanding of staff and financial resources. The 2003 cogeneration symposium, hosted by the Council required several weeks of staff time even though Washington State University energy program staff had primary responsibility for organization and the USDOE provided a conference organizer. Moreover, speakers at the cogeneration conference largely covered their own transportation and accommodation expenses. The proposed symposium, depending upon the scope of the effort could require several months of staff time and funds to cover speaker travel and accommodations, conference facilities and publication costs. However, Washington CTED has offered to defray some expenses and Oregon Department of Energy Staff have indicated their interest and willingness to attend a fee-based conference.

The principal decision needed at this meeting is whether staff should proceed with planning for a regional coal gasification power generation symposium. The staff will also need guidance regarding the following issues if the Committee decides to proceed:

- Purpose and objectives of the symposium.
- Target audience.
- Topics and depth of presentations.
- Location and timing.
- Funding