

## AMERICAN ELECTRIC POWER'S IGCC PLANS

### **COAL: AEP CEO Michael Morris previews company's plans for Ohio clean coal facility**

Last year, American Electric Power Corp. announced that it would build a 1,000 megawatt coal-fired power plant, equipped with state-of-the-art gasification technology to remove pollutants. During a speech before the National Coal Council in Washington, D.C., Morris explains the progress his company has made with the integrated gasification combined cycle (IGCC) facility it wants to build in Ohio. He also talks about the factors driving AEP's decision, including new interest in the utility sector from General Electric Co., plus the belief that the federal government will someday limit carbon dioxide emissions.

Transcript December 13, 2005

#### **Michael Morris:**

“...So when we looked at coal and said what is it that will allow coal to be built going forward? It had to be a project that would address itself to be ever changing, ever increasing in stringent control that is, environmental requirements that are going to face coal going forward. When we look at a plant that's going to have a 40 year physical life we are absolutely convinced that gasification technology is the right way to use coal in a base load model....A couple of very important and interesting things happened along the way, as we got to that decision that helped us make that decision, probably the singularly most important issue was that General Electric Corporation bought the technology from ChevronTexaco that allowed for someone with engineering technique, with construction management and project management and most importantly the corporate ability to stand behind what they built. I think that made the gasification technology available to us as an industry ...

So the decision with GE in the loop made it considerably easier for us to go forward with we know we have a base load need. We know that coal is the fuel. We believe that gasification technology is the best ...We know the environmental rules are going to continue to get more stringent, not less. We know that this plant is going to have a 40 year life. And during that period of time greenhouse gas, carbon capture control, will become a worldwide reality. We're convinced of that. Coal itself, the low sulfur varieties, are going to continue to see price pressure as each of us chase after that unique ton of coal. And if you can't buy that unique ton of coal you're going to have to buy NOX, SOX and/or someday mercury credit. And with all of that in front of us, believing that all of those prices were going to go up, that led to what we think is a very rational decision....”(Source: E & E TV – 12/13/05)