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3

4 APPLICATION OF OAK GROVE § BEFORE THE STATE OFFICE OF
5 MANAGEMENT COMPANY, LLC §
6 FOR PROPOSED AIR PERMIT NO. §
7 76474 AND PSD-TX-1056 § ADMINISTRATIVE HEARINGS
8

9 DIRECT TESTIMONY OF RICHARD FURMAN
10 ON BEHALF OF PROTESTANT ROBERTSON COUNTY: OUR LAND, OUR LIVES
11

12 TABLE OF CONTENTS
13

- 14 I. BACKGROUND AND WORK EXPERIENCE (P. 2)
15
16 II. SUMMARY OF TESTIMONY (P. 4)
17
18 III. COMMERCIALY AVAILABLE TECHNOLOGY EXISTS THAT WILL
19 PRODUCE SIGNIFICANTLY LOWER EMISSIONS THAN THE PROPOSED PC
20 COMBUSTION (P. 6)
21
22 IV. THE OGSES PROPOSED PC COMBUSTION TECHNOLOGY RESULTS IN
23 SIGNIFICANTLY HIGHER EMISSIONS COMPARED TO OTHER
24 COMMERCIALY AVAILABLE TECHNOLOGIES (P. 12)
25
26 V. COST BENEFITS OF IGCC OVER PC COMBUSTION TECHNOLOGY (P. 14)
27
28 VI. THE PROPOSED PC COMBUSTION TECHNOLOGY HAS GREATER RISKS
29 ASSOCIATED WITH IT THAN OTHER AVAILABLE TECHNOLOGIES (P. 16)
30
31 VII. THE FUTURE BENEFITS AND ECONOMIC ADVANTAGES OF USING
32 GASIFICATION TECHNOLOGIES (P. 18)
33
34 VIII. CONCLUSIONS (P. 22)
35
36

1 **I. BACKGROUND AND WORK EXPERIENCE**

2
3 Q. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

4
5 A: My name is Richard C. Furman. My address is 10404 S.W. 128 Terrace, Perrine, Florida
6 33176.

7
8 Q: WHAT IS YOUR OCCUPATION?

9
10 A: I am a retired consulting engineer, and I volunteer my time to advise utilities, government
11 agencies, environmental groups and the public about the potential benefits of using coal
12 gasification technologies.

13
14 Q: HOW LONG HAVE YOU BEEN RETIRED?

15
16 A: Since February 2003.

17
18 Q: WHAT WAS YOUR OCCUPATION BEFORE YOU RETIRED?

19
20 A: During my entire engineering career, I have worked on new energy technologies,
21 alternative fuels for power plants, and pollution control for power plants. Prior to my retirement,
22 I was an independent consulting engineer for 22 years to various utility companies, government
23 agencies, process developers and research organizations on the development, technical feasibility
24 and application of new energy technologies and alternative fuels for power plants.

25
26 Q: WHAT, IF ANYTHING, DID YOU DO BEFORE YOU WERE AN INDEPENDENT
27 CONSULTING ENGINEER?

28
29 A: Prior to my work as a consulting engineer, I managed Florida Power & Light's coal
30 conversion program and fuels research and development program, which included the first
31 conversion of a 400 megawatt (400MW) power plant from oil to a coal-oil mixture to reduce oil
32 consumption after the second oil embargo.

33 Prior to this, I directed the engineering study for the conversion of New England
34 Electric's Brayton Point Power Plant, which was the first major conversion of a power plant
35 from oil to coal after the first embargo.

36 My first engineering job was working for Southern California Edison Company to
37 modify their power plants for two-stage combustion to reduce nitrogen oxide emissions in 1969.

38
39 Q: PLEASE SUMMARIZE YOUR FORMAL EDUCATION.

40
41 A: I received my B.S. in Chemical Engineering from Worcester Polytechnic Institute in
42 1969 and a M.S. in Chemical Engineering from Massachusetts Institute of Technology in 1972.
43 I was a researcher at MIT for the book entitled "New Energy Technologies" by Hottel and
44 Howard. After researching for this book, I decided to do my Master's thesis on coal gasification
45 because of its potential as a future energy source and its environmental benefits. My Master's
46 thesis at MIT was entitled "Technical and Economic Evaluation of Coal Gasification Processes".

1 I was also a teaching assistant at MIT for the courses of “Principles of Combustion and Air
2 Pollution” and “Seminar in Air Pollution Control”.

3
4 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT’S EXHIBIT
5 P-8. WHAT IS THIS DOCUMENT?

6
7 A: It is a true and correct copy of my resume.

8
9 Q: DID YOU PREPARE THIS EXHIBIT?

10
11 A: Yes.

12
13 Q: IS YOUR RESUME UP-TO-DATE AND DOES IT ACCURATELY DESCRIBE
14 YOUR EDUCATION, EXPERIENCE AND TRAINING?

15
16 A: Yes.

17
18 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-8.**

19
20 Q: DID YOUR PAST WORK EXPERIENCE REQUIRE YOU TO HAVE AN IN-DEPTH
21 UNDERSTANDING OF PAST, PRESENT AND NEW FORMS OF ENERGY
22 TECHNOLOGY INCLUDING, BUT NOT LIMITED TO, ENERGY TECHNOLOGIES FOR
23 POWER PLANTS?

24
25 A: Yes.

26
27 Q: DID YOUR PAST WORK EXPERIENCE REQUIRE YOU TO HAVE AN IN-DEPTH
28 UNDERSTANDING OF COAL GASIFICATION TECHNOLOGIES INCLUDING, BUT NOT
29 LIMITED TO, COAL GASIFICATION TECHNOLOGIES FOR POWER PLANTS?

30
31 A: Yes.

32
33 Q: DID YOUR PAST WORK EXPERIENCE REQUIRE YOU TO HAVE AN IN-DEPTH
34 UNDERSTANDING OF FUELS FOR POWER PLANTS INCLUDING, BUT NOT LIMITED
35 TO, DIFFERENT TYPES OF COAL SUCH AS LIGNITE OR POWDER RIVER BASIN
36 COALS?

37
38 A: Yes.

39
40 Q: DID YOUR PAST WORK EXPERIENCE REQUIRE YOU TO HAVE AN IN-DEPTH
41 UNDERSTANDING OF TECHNIQUES FOR CONTROLLING POWER PLANT
42 POLLUTION?

43
44 A: Yes.

1 Q: DID YOUR PAST WORK EXPERIENCE REQUIRE YOU TO HAVE AN IN-DEPTH
2 UNDERSTANDING OF THE DEVELOPMENT, TECHNICAL FEASIBILITY AND
3 APPLICATION OF ENERGY TECHNOLOGIES FOR POWER PLANTS?
4

5 A: Yes.
6

7 Q: DOES YOUR CURRENT VOLUNTEER EXPERIENCE REQUIRE YOU TO KEEP
8 INFORMED OF DEVELOPMENTS TO MAINTAIN YOUR IN-DEPTH UNDERSTANDING
9 OF ALL OF THESE ISSUES (I.E., PAST, PRESENT AND NEW FORMS OF ENERGY
10 TECHNOLOGY; COAL GASIFICATION TECHNOLOGIES; FUELS FOR POWER
11 PLANTS; TECHNIQUES FOR CONTROLLING POWER PLANT POLLUTION; AND THE
12 DEVELOPMENT, TECHNICAL FEASIBILITY AND APPLICATION OF ENERGY
13 TECHNOLOGIES FOR POWER PLANTS?
14

15 A: Yes.
16

17 **PROTESTANT OFFERS RICHARD C. FURMAN AS AN EXPERT IN NEW ENERGY**
18 **TECHNOLOGIES, COAL GASIFICATION TECHNOLOGIES, FUELS FOR POWER**
19 **PLANTS, TECHNIQUES FOR CONTROLLING POWER PLANT POLLUTION, AND**
20 **THE DEVELOPMENT, TECHNICAL FEASIBILITY AND APPLICATION OF**
21 **ENERGY TECHNOLOGIES FOR POWER PLANTS.**
22

23 **II. SUMMARY OF TESTIMONY** 24

25 Q: HAVE YOU REVIEWED THE TESTIMONIES FOR THE PROPOSED AIR PERMIT
26 FOR THE OAK GROVE STEAM ELECTRIC STATION (OGSES)?
27

28 A: Yes.
29

30 Q: HAVE YOU REVIEWED THE PROPOSED PLANT DESIGN INCLUDING THE
31 FUEL CHARACTERISTICS, EMISSIONS AND PROPOSED POLLUTION CONTROL
32 SYSTEMS?
33

34 A: Yes.
35

36 Q: WHAT IS YOUR EXPERT OPINION ABOUT THE PROPOSED OGSES PLANT
37 DESIGN?
38

39 A: There are a number of potential problems that have not been adequately addressed with
40 the proposed design that will cause harm to people and to the environment. For example, the use
41 of Texas lignite combined with the proposed pollution control systems produces excessively high
42 levels of mercury (Hg), nitrogen oxides (NOx), sulfur dioxides (SO2), particulates and carbon
43 dioxide (CO2). There are also the additional risks that the proposed pollution control systems
44 will not be able to reach the estimated control efficiencies because of the reliance upon unproven
45 pollution control technologies.
46

1 Q: WHAT DOES THE USE OF TEXAS LIGNITE HAVE TO DO WITH THE HIGH
2 LEVELS OF POLLUTION?
3

4 A: The OGSES plant proposes to use Texas Wilcox lignite as its fuel source for the two
5 power boilers. Texas Wilcox lignite has one of the highest mercury concentrations of all the US
6 coals. NOx concentrations from lignite combustion are also relatively high and difficult to
7 remove.
8

9 Q: ARE THE PROPOSED EMISSIONS FROM THE OGSES PLANT SIGNIFICANTLY
10 HIGHER THAN OTHER COAL-FIRED PLANTS IN TEXAS? IF SO, EXPLAIN.
11

12 A: Yes, the “BACT Summary for Recently Proposed and Permitted Texas Coal-fired
13 Boilers” shows that the OGSES will have significantly higher emission levels for NOx and Hg
14 than the Sandy Creek and City Public Service (CPS) coal-fired power plants which use western
15 coals. The proposed OGSES emission level is 60% higher for NOx and 375% higher for Hg than
16 Sandy Creek and CPS. The proposed OGSES emission level is also 149% higher for Hg than the
17 Alcoa Plant that is also using Texas lignite. These high levels of emissions are an unnecessary
18 health risk for the people in Texas and will cause unnecessary damage to the environment.
19

20 Q: ARE YOU AWARE OF ANOTHER EXAMPLE THAT DEMONSTRATES THE
21 PROPOSED EMISSIONS FROM THE OGSES PLANT ARE EXCESSIVELY HIGH? IF SO,
22 EXPLAIN.
23

24 A: Yes, the Clean Air Mercury Rule (CAMR) requires that mercury from power plants be
25 capped at 38 tons per year (tpy) in 2010 and 15 tpy in 2018 with the Texas share being 4.657 tpy
26 in 2010 and 1.838 tpy in 2018. The OGSES Plant as proposed will emit 0.72 tpy and will utilize
27 15% of the total allowance in 2010 and 39% of the total allowance in 2018 for the entire state of
28 Texas. Most states are only reserving 5% to 10% of their Hg allowance for all of their new
29 power plants. If the OGSES plant is permitted as proposed, Texas will be using 15% to 39% of
30 its total Hg allowance for just one power plant; however, the OGSES plant will add only about
31 2% to the total generating capacity in Texas.
32

33 Q: PLEASE EXPLAIN FURTHER YOUR STATEMENT THAT “THERE ARE ALSO
34 THE ADDITIONAL RISKS THAT THE PROPOSED POLLUTION CONTROL SYSTEMS
35 WILL NOT BE ABLE TO REACH ESTIMATED CONTROL EFFICIENCIES BECAUSE OF
36 THE RELIANCE UPON UNPROVEN POLLUTION CONTROL TECHNOLOGIES.”
37

38 A: The OGSES proposed air pollution control systems have not been demonstrated at
39 commercial scale with lignite fuel for NOx and Hg (mercury). A recent EPRI Journal article
40 titled “Mercury Control for Coal-Fired Power Plants”, Summer 2005, page 19 states:
41

42 **“No technology designed specifically to control mercury in coal plants is in use**
43 **anywhere in the world, or has even undergone long term testing.”**
44

1 The small scale testing with lignite that has been conducted with the proposed pollution control
2 systems for NOx and mercury indicate that significant problems need to be overcome in order to
3 meet the proposed emission standards.

4 The already high levels of emissions from the proposed OGSES plant can only be
5 obtained if: 1) problems with the pollution control systems operating with Texas lignite can be
6 overcome; 2) these systems can be successfully scaled-up to commercial sizes; and 3) the
7 additional costs for these systems are economically feasible.

8 Therefore, there are the additional risks that these plants will not be allowed to operate,
9 will operate at excessively high emission rates or will be too costly to operate. Good engineering
10 practice would indicate that these risks are not acceptable.

11
12 **III. COMMERCIALY AVAILABLE TECHNOLOGY EXISTS THAT WILL**
13 **PRODUCE SIGNIFICANTLY LOWER EMISSIONS THAN THE PROPOSED PC**
14 **COMBUSTION**

15
16 Q: IS THERE ANY COMMERCIALY AVAILABLE TECHNOLOGY THAT HAS
17 DEMONSTRATED SIGNIFICANTLY LOWER EMISSIONS OF MERCURY, NOx,
18 PARTICULATES AND CO2 WITH LIGNITE COALS?

19
20 A: Yes.

21
22 Q: WHAT IS THIS CONTROL TECHNOLOGY?

23
24 A: Intergrated Gasification Combined Cycle (IGCC) power plants and coal
25 gasification plants (CGP) that produce fuels and chemicals have been operating successfully for
26 over 10 years and have proven that Hg, NOx, particulates and CO2 can be economically
27 controlled to very low emission levels.

28
29 Q: PLEASE BRIEFLY EXPLAIN THE PROCESS OF USING LIGNITE COAL FOR AN
30 INTERGRATED GASIFICATION COMBINED CYCLE (IGCC) POWER PLANT AND A
31 COAL GASIFICATION PLANT (CGP) INCLUDING WHAT MAY HAPPEN WITH THE
32 RESULTING BYPRODUCTS AND POLLUTANTS.

33
34 A: In an IGCC plant, a gasifier converts any hydrocarbon such as lignite coal into gaseous
35 components by applying heat under pressure in the presence of steam and oxygen. A gasifier
36 differs from a combustor in the amount of air or oxygen available inside the gasifier which is
37 carefully controlled so that only a small portion of the fuel burns completely. This partial
38 oxidation process provides the heat. Rather than burning, most of the carbon-containing
39 feedstock is chemically broken apart by the gasifier's heat and pressure to produce the synthesis
40 gas. Synthesis gas or syngas is primarily hydrogen, carbon monoxide and other gaseous
41 constituents, the proportions of which can vary depending upon the conditions in the gasifier and
42 the type of feedstock. Minerals in the fuel separate and leave the bottom of the gasifier either as
43 an inert glass-like slag or other marketable solid products. Only a small fraction of the mineral
44 matter is blown out of the gasifier as fly ash and requires removal downstream. Sulfur impurities
45 in the feedstock form hydrogen sulfide, from which sulfur is easily extracted, typically as
46 elemental sulfur or sulfuric acid, both valuable byproducts. Nitrogen oxides, another potential

1 pollutant, are not formed in the oxygen-deficient (reducing) environment of the gasifier. Instead,
2 ammonia is created by the nitrogen-hydrogen reactions. The ammonia can be easily stripped out
3 of the gas stream.

4
5 In integrated gasification combined-cycle (IGCC) systems, the syngas is cleaned of its hydrogen
6 sulfide, ammonia and particulate matter and is burned as fuel in a combustion turbine to produce
7 electricity. The exhaust heat from the combustion turbine is recovered and used to create steam
8 for a steam turbine which is used to generate additional electricity. The use of these two types of
9 turbines - a combustion turbine and a steam turbine - in combination is known as a combined-
10 cycle. By integrating the gasification and combined-cycle power systems unprecedented power
11 generation efficiencies can be achieved. Currently, gasification-based systems can operate at
12 about 42% efficiency. In the future, these systems may be able to achieve efficiencies
13 approaching 60%. A new super-critical pulverized coal plant, by contrast, employs only a steam
14 turbine-generator and is typically limited to about 38% efficiency. Higher efficiencies mean that
15 less fuel is used to generate the rated power, resulting in better economics (which can mean
16 lower costs to ratepayers) and the emission of less pollutants.

17 In Coal Gasification Plants (CGP) all or part of the clean syngas can also be used in other ways
18 such as chemical building blocks to produce a broad range of liquid or gaseous fuels and
19 chemicals. This is possible by using processes that are well established in today's chemical
20 industry. This syngas can also be further processed to produce the hydrogen that is needed for
21 refineries, fuel-cells and the power plants of the future (Future-Gen). Another advantage of
22 gasification-based energy systems is that when oxygen is used in the gasifier (rather than air), the
23 carbon dioxide produced by the process is in a concentrated gas stream, making it much easier
24 and less expensive to separate, use and sequester.

25 Q: ARE YOU AWARE OF EXAMPLES THAT DEMONSTRATE THE COMMERCIAL
26 SIZE OF IGCC AND COAL GASIFICATION PLANTS AND THEIR ABILITY TO
27 CONTROL EMISSIONS? IF SO, PLEASE DISCUSS.

28
29 A: Yes, the Great Plains Synfuels Plant in Beulah, North Dakota is a good example of a
30 lignite-fired gasification plant. It began operating on lignite in 1984 and today produces more
31 than 54 billion cubic feet of natural gas from 6 million tons of lignite per year.

32 Adjacent to the Great Plains Synfuels Plant is the Antelope Valley Station which consists
33 of two 440 MW lignite coal power plants that also started operation on lignite in the early 1980s.

34 Both plants are owned by the Basin Electric Power Cooperative. Al Lukes, Senior Vice
35 President and COO of the Dakota Gasification Company, recently presented a paper at the 2005
36 Gasification Technologies Conference entitled "Experience with Gasifying Low Rank Coals"
37 which showed the significantly lower emissions from the lignite-fired gasification plant than the
38 lignite-fired power plant. I recently asked Al Lukes which technology he would select today for
39 a power plant, and he said "**definitely the gasification technology**".

40
41 Q: CAN ADDITIONAL TECHNOLOGIES BE ADDED TO MAKE BETTER USE OF
42 THE EMISSIONS RATHER THAN JUST RELEASING THEM INTO THE AIR? IF SO,
43 PLEASE EXPLAIN.
44

1 A: Yes, in 2000, the Great Plains Synfuels Plant (the lignite gasification plant) added a CO2
2 recovery process to capture the CO2. It transports the CO2 by pipeline 200 miles to the
3 Weyburn oil fields where it is used for enhanced oil recovery (EOR). In this way, the CO2 does
4 not become a global warming emission source but is sold as a useful byproduct to recover
5 additional oil from depleted oil fields and the CO2 is sequestered underground. This CO2
6 recovery process is expected to help extract 130 million extra barrels of oil from this oil field.
7 This demonstrates the ability to use lignite coals in the gasification process and to efficiently
8 recover and use the CO2.

9
10 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
11 P-9. WHAT IS THIS DOCUMENT?

12
13 A: It is an excerpt from the book "The New Synfuels Energy Pioneers" by Stan Stelter,
14 Introduction by Former President Jimmy Carter, published by Dakota Gasification Co., a
15 subsidiary of Basin Electric Power Cooperative, page 48. It shows the Great Plains Synfuels
16 Plant and Antelope Valley Station in North Dakota.

17
18 Q: DID YOU PREPARE THIS EXHIBIT?

19
20 A: Yes.

21
22 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?

23
24 A: Yes.

25
26 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-9.**

27
28 Q: DO YOU HAVE ANOTHER EXAMPLE? IF SO, PLEASE EXPLAIN.

29
30 A: Yes, another example is the Coal Gasification Plant (CGP) of the Eastman Chemical
31 Company in Kingsport, Tennessee. It has been operating on a commercial scale for over 20
32 years. This plant uses activated carbon beds for removing more than 94% of the mercury from
33 the synthesis gas.

34
35 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
36 P-10. WHAT IS THIS DOCUMENT?

37
38 A: It is an excerpt from "Coal Gasification – When Does It Make Sense?" presented at
39 Power-Gen International 2005, in Las Vegas, Nevada by Bill Trapp, Eastman Gasification
40 Services Manager, page 25. It shows the Coal Gasification Plant (CGP) of Eastman Chemical
41 Company in Kingsport, Tennessee.

42
43 Q: DID YOU PREPARE THIS EXHIBIT?

44
45 A: Yes.

1 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
2

3 A: Yes.
4

5 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-10.**
6

7 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
8 P-11. WHAT IS THIS DOCUMENT?
9

10 A: It is an excerpt from "Coal Gasification – When Does It Make Sense?" presented at
11 Power-Gen International 2005, in Las Vegas, Nevada by Bill Trapp, Eastman Gasification
12 Services Manager, page 7. It shows the activated carbon beds used at the Coal Gasification Plant
13 (CGP) of Eastman Chemical Company in Kingsport, Tennessee that have been in commercial
14 operation for over 20 years and which remove over 94% of the mercury.
15

16 Q: DID YOU PREPARE THIS EXHIBIT?
17

18 A: Yes.
19

20 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
21

22 A: Yes.
23

24 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-11.**
25

26 Q: CAN YOU GIVE EXAMPLES OF OTHER EXISTING COMMERCIAL SCALE
27 COAL BASED IGCC PLANTS? IF SO, PLEASE DISCUSS.
28

29 A: Yes. Examples include four IGCC plants: Wabash in Indiana, Polk in Florida,
30 Puertollano in Spain and Buggenum in the Netherlands. These plants have been operating from
31 9 to 12 years. They have successfully integrated the gasification process with the combined
32 cycle power plant to enable more efficient use of coal while significantly reducing emissions.
33

34 Q: WHAT ARE THE SIZES OF THESE PLANTS?
35

36 A: These plants range in size from 250 to 318 MW per unit.
37

38 Q: COULD THE SAME TECHNOLOGIES BE USED FOR A LARGER PLANT? IF SO,
39 PLEASE EXPLAIN.
40

41 A: Yes, for larger size plants multiple units can be used which will improve system
42 availability and reduce costs by making use of standard, modular designs.
43

44 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
45 P-12. WHAT IS THIS DOCUMENT?
46

1 A: It is an excerpt from the “Gasification Combined Cycles 101” an EPRI Presentation by
2 Dr. Jeffrey Phillips, March 2, 2006, page 22 at the Workshop on Gasification Technologies in
3 Tampa, Florida. It shows pictures of the four existing commercial scale coal-based IGCC plants
4 previously discussed.

5
6 Q: DID YOU PREPARE THIS EXHIBIT?
7

8 A: Yes.
9

10 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
11

12 A: Yes.
13

14 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-12.**
15

16 Q: ARE THERE A NUMBER OF PLANTS THAT GASIFY COAL? IF SO, PLEASE
17 EXPLAIN.
18

19 A: Yes, a 2004 survey of operating gasification plants indicates that there are a significant
20 number of plants that gasify coal and a significant number that produce electric power.
21 Specifically, the survey showed 117 operating plants consisting of 385 gasifiers and a capacity of
22 approximately 45,000 megawatts thermal.

23 Additionally, I have a chart listing the top 30 operating commercial gasification projects.
24 For example, the Sasol II and Sasol III plants in South Africa are ranked as the number one and
25 two largest commercial gasification projects and both use subbituminous coal. These plants have
26 been operating since 1977 and 1982 respectively. Also, the Dakota Gasification Co. (which
27 operates the Great Plains Synfuels Plant) is ranked number four and uses lignite. These three
28 plants have an output of 4130, 4130 and 1545 megawatts thermal respectively.

29 This chart provides the size of these plants and shows the use of lignite and other low
30 rank coals for the largest of these plants. What is remarkable about this chart is that three of the
31 four largest plants in the world are running on low rank coals.
32

33 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT’S EXHIBIT
34 P-13. WHAT IS THIS DOCUMENT?
35

36 A: It is an excerpt from the “Gasification: The Enabling Technology,” presented by James
37 Childress, Executive Director of the Gasification Technologies Council, presented at PowerGen
38 International, MegaSession, Intergrated Gasification Combined Cycle, on December 8, 2005,
39 page 4. It is a chart summarizing the 2004 operating plant statistics.
40

41 Q: DID YOU PREPARE THE EXHIBIT?
42

43 A: Yes.
44

45 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
46

1 A: Yes.

2

3 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-13.**

4

5 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
6 P-14. WHAT IS THIS DOCUMENT?

7

8 A: It is an excerpt from a DOE Report by SFA Pacific "Gasification – Worldwide Use and
9 Acceptance", January 2000, page 7. It is the chart listing the largest 30 operating commercial
10 gasification plants that I previously discussed.

11

12 Q: DID YOU PREPARE THE EXHIBIT?

13

14 A: Yes.

15

16 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?

17

18 A: Yes.

19

20 **PROTESTANT OFFERS PROTESTANT'S EXHIBIT P-14.**

21

22 Q: ARE MORE GASIFICATION PLANTS EXPECTED TO BE BUILT? IF SO, PLEASE
23 EXPLAIN.

24

25 A: Yes, there were at least twenty-four (24) gasification plants being planned in the United
26 States before the passage of the Energy Policy Act (EPACT) of 2005. Most of these planned
27 plants are IGCC plants.

28

29 Q: WHAT ROLE, IF ANY, DOES THE PASSAGE OF THE ENERGY POLICY ACT
30 (EPACT) OF 2005 HAVE ON THIS MATTER?

31

32 A: The Energy Policy Act (EPACT) of 2005 provides additional economic incentives to
33 companies to build gasification plants.

34

35 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
36 P-15. WHAT IS THIS DOCUMENT?

37

38 A: It is an excerpt from the "Gasification: The Enabling Technology," presented by James
39 Childress, Executive Director of the Gasification Technologies Council, presented at PowerGen
40 International, MegaSession, Intergrated Gasification Combined Cycle, on December 8, 2005,
41 page 16. It is a chart identifying the 24 pre-EPACT planned U.S. gasification plants.

42

43 Q: DID YOU PREPARE THE EXHIBIT?

44

45 A: Yes.

46

1 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
2

3 A: Yes.
4

5 **PROTESTANT OFFERS PROTESTANT’S EXHIBIT P-15.**
6

7 **IV. THE OGSES PROPOSED PC COMBUSTION TECHNOLOGY RESULTS IN**
8 **SIGNIFICANTLY HIGHER EMISSIONS COMPARED TO OTHER COMMERCIALY**
9 **AVAILABLE TECHNOLOGIES**
10

11 Q: HOW DO EMISSIONS FROM AN IGCC PLANT COMPARE WITH VARIOUS
12 TYPES OF COAL AND NATURAL GAS-FIRED POWER PLANTS?
13

14 A: Numerous studies and commercial plant data show that there are significantly lower
15 emissions of all pollutants and less water usage for an IGCC plant than Pulverized Coal (PC)
16 plants. The emissions from an IGCC plant are almost as low as the emissions from a Natural
17 Gas Combined Cycle (NGCC) plant
18

19 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT’S EXHIBIT
20 P-16. WHAT IS THIS DOCUMENT?
21

22 A: It is an excerpt from “Coal Gasification – When Does It Make Sense?” presented at
23 Power-Gen International 2005, in Las Vegas, Nevada by Bill Trapp, Eastman Gasification
24 Services Manager, page 30. It is a chart of typical power plant emissions by technology type.
25 It shows the much lower emissions of all the pollutants for IGCC versus PC combustion and the
26 lower costs for mercury and CO2 removal.
27

28 Q: DID YOU PREPARE THE EXHIBIT?
29

30 A: Yes.
31

32 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
33

34 A: Yes.
35

36 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-16.**
37

38 Q: HOW DO EMISSIONS FROM AN IGCC PLANT COMPARE WITH A
39 SUPERCRITICAL PULVERIZED COAL POWER PLANT?
40

41 A: A comparison of the permit emission data that has been submitted for a supercritical
42 pulverized coal (SCPC) power plant in Wisconsin compared with an intergrated gasification
43 combined cycle (IGCC) power plant in Wisconsin using the same coal shows that the IGCC
44 plant reduces NOx by 25%, SO2 by 72%, mercury by 67%, PM10 by 58% and CO by 82%.
45

1 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
2 P-17. WHAT IS THIS DOCUMENT?
3

4 A: It is an excerpt from the "Gasification: The Enabling Technology," presented by James
5 Childress, Executive Director of the Gasification Technologies Council, presented at PowerGen
6 International, MegaSession, Intergrated Gasification Combined Cycle, on December 8, 2005,
7 page 10. This table compares the permit emission data that has been submitted for a supercritical
8 pulverized coal (SCPC) power plant in Wisconsin with an intergrated gasification combined
9 cycle (IGCC) power plant in Wisconsin using the same coal. The IGCC plant reduces NOx by
10 25%, SO2 by 72%, mercury by 67%, PM10 by 58% and CO by 82%.

11
12 Q: DID YOU PREPARE THIS EXHIBIT?
13

14 A: Yes.
15

16 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
17

18 A: Yes.
19

20 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-17.**
21

22 Q: WHAT ARE THE AMOUNTS OF ADDITIONAL EMISSIONS FOR THE OGSES
23 PLANT BY CHOOSING TO USE THE PROPOSED PC COMBUSTION VERSUS IGCC?
24

25 A: The emissions of mercury using the proposed PC combustion are 6.4 times the
26 emissions if IGCC is used. The emissions of NOx using the proposed PC combustion are 1.4
27 times the emissions if IGCC is used. The emissions of SO2 using the proposed PC combustion
28 are 3.6 times the emissions if IGCC is used. The emissions of particulate using the proposed PC
29 combustion are 2.1 times the emissions if IGCC is used.
30

31 Q: HOW DID YOU REACH THE ABOVE CONCLUSIONS?
32

33 A: I obtained the proposed PC emissions from "Table B-2 Power Boiler Emission
34 Calculations, OGSES, Oak Grove Management Company LP, Revised 12/16/05". I then
35 calculated the IGCC emissions by using the emission factors from Exhibit P-16 for the IGCC
36 case with the highest emission factors. Then I divided the proposed PC emissions by the
37 possible IGCC emissions. The following chart summarizing my findings:
38

<u>Control Technology</u>	<u>Hg</u> lb/yr	<u>NOx</u> tons/yr	<u>SO2</u> tons/yr	<u>Particulate</u> tons/yr
PC Combustion	1,440	6,286	15,067	1,178
IGCC	224	4,478	4,165	550
<u>PC Combustion</u>	6.4	1.4	3.6	2.1

1 IGCC

2
3 Q: HOW IS GASIFICATION TECHNOLOGY ABLE TO OBTAIN SUCH
4 SIGNIFICANTLY LOWER EMISSIONS THAN PC COMBUSTION TECHNOLOGY?

5
6 A: Both combustion and gasification involve the reaction of coal with oxygen. The
7 differences between combustion and gasification are the temperatures, pressures and
8 concentrations of oxygen that exist during these reactions. In typical PC combustion, coal reacts
9 with the oxygen in air at about 1800 F and at atmospheric pressure (14.7 psi). In IGCC, the coal
10 reacts with more concentrated oxygen that has been separated from the air. In the typical IGCC
11 process, the reaction is controlled at about 2600 F and about 600 psi.

12 These differences in the reaction conditions between combustion and gasification create
13 the conditions to enable the enhanced removal of the pollutants in coal. Since gasification occurs
14 at a higher pressure, the volume of gas that is produced is much smaller. Since air is 79%
15 nitrogen and only 21% oxygen, the removal of the nitrogen significantly reduces the volume of
16 gas that is produced even more.

17 This makes the volume of gas that requires pollution control treatment to be 160 times
18 smaller for the IGCC process than the PC combustion process. This much smaller volume of gas
19 is also much more concentrated which enables much greater removal efficiency for all of the
20 pollutants.

21 The removal of the nitrogen from air in the IGCC process has the additional benefit of
22 significantly reducing the production of NOx. Since the nitrogen concentration is very low and
23 there is no excess oxygen in gasification, very little NOx is produced. The nitrogen that is
24 removed from the air is actually used in the combustion turbine to reduce temperatures and
25 further reduce NOx emissions.

26 Since there is no excess oxygen in gasification, the sulfur in the coal reacts to become
27 H2S and COS which are much easier to remove than SO2 and can be recovered as useful sulfur
28 or sulfuric acid byproducts. The higher removal efficiencies for these sulfur compounds produce
29 the much lower SO2 emissions for gasification.

30
31 **V. COST BENEFITS OF IGCC OVER PC COMBUSTION TECHNOLOGY**

32
33 Q: ARE THERE COST BENEFITS OF IGCC COMPARED TO PC COMBUSTION
34 TECHNOLOGY? IF SO, EXPLAIN.

35
36 A: Yes, cost benefits of IGCC compared to PC combustion technology exists. For example,
37 the gasification reactions produce a synthesis gas consisting of mainly CO and H2 which can be
38 used as the fuel for a combined cycle power plant, as the building blocks for various chemicals
39 and as a raw material for producing alternative fuels. Since this synthesis gas is 0.006 of the
40 volume of the flue gas from PC combustion, it is more efficient and less costly to remove other
41 pollutants such as CO2.

42 Also, the higher reaction temperature for gasification also has a benefit because coal ash
43 has a softening temperature of about 2250 F. Therefore, the coal ash goes through a molten state
44 when gasified then cools to become an inert, vitrified slag that can be sold as a byproduct or
45 disposed of as a non-leachable material.

1 Q: ARE YOU AWARE OF OTHER COST BENEFITS OF IGCC OVER PC
2 COMBUSTION? IF SO, PLEASE EXPLAIN.

3
4 A: Yes, there are other cost benefits to consider. The proposed OGSES plant will have a
5 long operating life. Other electric generating utility companies take this into consideration when
6 planning new plants.

7 For example, American Electric Power (AEP) is the largest electric generating utility in
8 the U.S. and the largest coal-burning utility in the U.S. In a speech before the National Coal
9 Council in Washington D.C. on December 13, 2005, Michael Morris, President and CEO of
10 AEP, stated the reasons why AEP decided to use IGCC technology to remove pollutants.

11 Mr. Morris explains that when you plan for a new power plant that has a 40 year life you
12 must consider the future environmental regulations that this plant will be required to meet. Those
13 future environmental regulations will include greenhouse gas emissions (CO2) in addition to
14 more stringent emission standards for Hg, NOx and SO2. Therefore Mr. Morris said,

15 **“we are absolutely convinced that gasification technology is the**
16 **right way to use coal”.**

17 AEP’s economic analysis of PC combustion versus IGCC includes a cost and probability
18 of CO2 removal requirements in the future. When these costs and the probability of these CO2
19 emission standards happening are included in the economic analysis IGCC provides the lowest
20 cost of electricity.

21
22 Q: BASED UPON YOUR PROFESSIONAL EXPERTISE, DO YOU AGREE WITH THE
23 STATEMENTS MADE BY MR. MORRIS?

24
25 A: Yes.

26
27 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT’S EXHIBIT
28 P-18. WHAT IS THIS DOCUMENT?

29
30 A: It is an excerpt of the transcript of the speech of Mr. Morris before the National Coal
31 Council in Washington D.C. on December 13, 2005.

32
33 Q: DID YOU PREPARE THIS EXHIBIT?

34
35 A: Yes.

36
37 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?

38
39 A: Yes.

40
41 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-18.**

42
43 Q: HOW DOES THE COST OF MERCURY REMOVAL COMPARE BETWEEN A
44 COAL GASIFICATION PLANT VERSES A PULVERIZED COAL PLANT?

1 A: A recent DOE report by Parsons Infrastructure and Technology Group Inc. entitled “The
2 Cost of Mercury Removal in an IGCC Plant, Final Report, September 2002” shows that the cost
3 of mercury removal from a pulverized coal plant is almost 10 times the cost of mercury removal
4 from an IGCC plant. The Summary of this DOE Report states:

5 **“Mercury has been identified by EPA as the toxic substance of greatest**
6 **concern among all of the air toxics emitted from power plants. ... Meeting**
7 **these regulatory requirements without excessive costs is a significant**
8 **concern. Integrated gasification combined cycle (IGCC) plants offer the**
9 **capability of removing the mercury ... Currently, there is no single proven**
10 **technology that can uniformly control mercury from power plant flue gas in**
11 **a cost-effective manner ... The costs for mercury removal in PC plants can be**
12 **an order of magnitude higher than the removal costs in an IGCC plant.”**

13
14 Q: BASED UPON YOUR PROFESSIONAL EXPERTISE, DO YOU AGREE WITH THE
15 CONCLUSION REACHED IN THE DOE REPORT?

16
17 A: Yes.

18
19 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT’S EXHIBIT
20 P-19. WHAT IS THIS DOCUMENT?

21
22 A: It is an excerpt from the “Eastman Gasification Overview” dated March 22, 2005, page
23 36. The document can be found online at:
24 www.eastman.com/publicdocs/Gasification/Eastman_Gasification_Overview. It summarizes the
25 results from Parsons’ DOE report about the cost of mercury removal in an IGCC plant.

26
27 Q: DID YOU PREPARE THIS EXHIBIT?

28
29 A: Yes.

30
31 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?

32
33 A: Yes.

34
35 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-19.**

36
37 **VI. THE PROPOSED PC COMBUSTION TECHNOLOGY HAS GREATER RISKS**
38 **ASSOCIATED WITH IT THAN OTHER AVAILABLE TECHNOLOGIES**

39
40 Q: ARE THERE RISKS INVOLVED IN USING THE PC COMBUSTION
41 TECHNOLOGY OR THE IGCC TECHNOLOGY? IF SO, PLEASE GIVE AND EXPLAIN
42 YOUR OPINION AS TO WHICH TECHNOLOGY CARRIES THE GREATER RISK.

43
44 A: Yes, there are risks involved in both technologies. The risks to public health, to the
45 environment and to the cost of electricity are far greater if the proposed PC combustion
46 technology is used. There is the substantial risk that the proposed pollution control systems will

1 not be able to meet the proposed permit limits. Also, the risks to public health and the
2 environment are much greater because if the proposed pollution control systems are working
3 properly the emissions will still be significantly higher than with IGCC technology. The
4 following describes why, in my opinion, the risks to the public health, the environment and the
5 cost of electricity are much less by using the IGCC technology.

6 Added risks associated with the proposed OGSES control system for Hg are due to the
7 following:

- 8
- 9 1. Texas Wilcox lignite has one of the highest mercury concentrations of all the
- 10 U.S. coals.
- 11 2. The chemical composition of the mercury in this lignite makes it very difficult
- 12 for existing control technologies to remove this mercury.
- 13 3. No technology presently exists at the commercial scale to effectively control the
- 14 mercury from this coal.
- 15 4. Therefore DOE is funding a major R&D program to develop a mercury control
- 16 technology for both lignite and other western coals.
- 17 5. There are the risks that an effective mercury control technology will not be
- 18 developed in time, will not be scaleable to commercial size and will not be cost
- 19 effective.
- 20

21 Even if all of these problems can be successfully overcome, the proposed OGSES will
22 still have the highest emissions of mercury of any new power plant being proposed to be built in
23 the U.S.

24

25 In addition to mercury, added risks associated with the proposed system for NOx are due
26 to the following:

- 27
- 28 1. There is no commercial experience using Selective Catalytic Reduction (SCR)
- 29 with lignite.
- 30 2. The low volatility of this lignite interferes with the capability of the low NOx
- 31 burners and overfire air systems to control the generation of NOx in the boilers.
- 32 Therefore high levels of NOx are produced in the boilers.
- 33 3. The ash quantities and ash composition of this lignite create serious catalyst
- 34 fouling problems and therefore limits the performance of the SCR system to
- 35 reduce the high NOx emissions.
- 36 4. Therefore additional R&D, pilot plant and commercial scale testing are required
- 37 to develop an effective NOx control system for lignite.
- 38 5. There are the risks that an effective NOx control technology will not be
- 39 developed in time, will not be scaleable to commercial size and will not be cost
- 40 effective.
- 41

42 When we look at the risks to the public health and to the environment we need to realize
43 that in the IGCC process the coal is converted to a gas and the pollutants are removed first before
44 the fuel is used in the combined cycle power plant. If most of the pollutants are not removed
45 from the gas, the gas will not be of acceptable quality to be used in the combustion turbine
46 without causing damage to the turbine. This provides an additional check that most of the

1 pollutants have been removed in the IGCC process. If the gasification portion of the plant that is
2 producing and cleaning the gas is not operating properly, it is still possible to generate electricity
3 by using either natural gas or diesel fuel. Therefore, there will not be any risk to the public
4 health or the environment if the gasification portion of the plant is not operating properly.

5 The only risk with an IGCC plant is the cost difference between these alternative fuels
6 and coal if the gasification portion of the plant is not operating properly. When the IGCC plant
7 is operating on any of its fuels (coal, natural gas or fuel oil) it will be able to provide
8 significantly lower emissions than the proposed PC combustion technology.
9

10 **VII. THE FUTURE BENEFITS AND ECONOMIC ADVANTAGES OF USING** 11 **GASIFICATION TECHNOLOGIES.**

12
13 Q. HOW DOES THE FUTURE REQUIREMENT TO MEET CO2 REDUCTIONS
14 IMPACT THE COST OF ELECTRICITY FOR IGCC PLANTS AND PC PLANTS?
15

16 A. Studies performed by the Electric Power Research Institute (EPRI), American
17 Electric Power (AEP) and others all show that IGCC is more cost effective than pulverized coal
18 if carbon reductions are required. The use of a cost for carbon emissions in planning is
19 reasonable given the high likelihood that carbon will be regulated in the future. A recent EPRI
20 study shows the cost of electricity (COE) for both IGCC plants and PC plants in 2020. The
21 study demonstrates that at any carbon cost, IGCC will provide the lowest cost of electricity. It
22 further shows the most reasonable approach to obtain the lowest COE during the entire life of the
23 plant is to build an IGCC plant with CO2 capture capability. This is why Mr. Michael Morris,
24 President and CEO of AEP, explained that when you plan for a new power plant that has a 40
25 year life you must consider the future environmental regulations that this plant will be required
26 to meet. Those future environmental regulations will include greenhouse gas emissions (CO2) in
27 addition to more stringent emission standards for Hg, NOx and SO2. Therefore Mr. Morris said,
28

29 **“we are absolutely convinced that gasification technology is the**
30 **right way to use coal”.**

31 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT’S EXHIBIT
32 P-20. WHAT IS THIS DOCUMENT?
33

34 A: It is an excerpt from the EPRI Presentation – “Gasification Combined Cycles 101” by Dr.
35 Jeffrey Phillips, page 22, presented at the Workshop on Gasification Technologies, Tampa, FL
36 3/2/06. It shows the results of a recent EPRI study showing the cost of electricity in 2020 from
37 an IGCC plant and a PC plant by comparing the COE for plants designed with the capability to
38 remove CO2 and plants that will pay the CO2 allowance. It demonstrates that at any carbon
39 cost IGCC will provide the lowest cost of electricity.
40

41 Q: DID YOU ATTEND THIS PRESENTATION?
42

43 A: Yes.
44

45 Q: DID YOU PREPARE THIS EXHIBIT?
46

1 A: Yes.

2

3 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?

4

5 A: Yes.

6

7 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-20.**

8

9 Q: ARE THERE ECONOMIC EVALUATIONS THAT HAVE BEEN CONDUCTED
10 SPECIFICALLY FOR THE GASIFICATION OF TEXAS LIGNITE? PLEASE EXPLAIN
11 YOUR RESPONSE.

12

13 A: Yes. A recent DOE report entitled "Polygeneration of SNG, Hydrogen, Power and
14 Carbon Dioxide from Texas Lignite" by Mitretek, December, 2004, is a good example of the
15 economic opportunities that presently exist to use Texas lignite and protect the public health and
16 the environment.

17

18 Q: PLEASE SUMMARIZE YOUR FINDINGS CONCERNING THIS REPORT.

19

20 A: The purpose of this study was to investigate the feasibility of siting a lignite gasification
21 plant in Texas at the mine mouth of the Wilcox lignite deposit. The concept is to co-produce at
22 least three products: electric power, hydrogen or synthetic natural gas (SNG), and carbon
23 dioxide. The electric power is to be sold to the grid, the hydrogen is to be sent by pipeline to the
24 Gulf Coast petroleum refineries, the SNG is to be sold as a natural gas supplement, and the
25 carbon dioxide is to be pipelined to the West Texas oil fields for enhanced oil recovery (EOR).

26

27 For this study, the coal gasification plant (CGP) is sited in Texas at a mine mouth
28 location above the Wilcox lignite seam. This is shown in Exhibit 15. The Texas site was
29 selected because it fulfilled all major requirements. It is roughly 340 miles from the West Texas
30 oil fields, 20 miles from interstate natural gas pipelines that run to the U.S. East Coast and
31 Midwest, and 180 miles from the existing U.S. gulf coast hydrogen pipeline. In addition, electric
32 power is already produced at mine mouth locations along the seam.

33

34 Since multiple products are produced from each of the two configurations, the product
35 price for electricity was set at 3.56 cents/ KWH and the price for carbon dioxide was set at \$12 /
36 ton. Then the required sales price (RSP) for the SNG or hydrogen was calculated to provide the
37 necessary 15% return on equity (ROE). The economic analysis in this report investigated two
38 polygeneration configurations. The first of these used Texas lignite to produce electric power,
39 SNG, and carbon dioxide in a polygeneration facility. The second polygeneraion configuration
40 used the Texas lignite to produce electric power, hydrogen, and carbon dioxide. Seven
41 gasification systems were examined to convert the lignite into synthesis gas.

42

43 Q: DOES YOUR REVIEW OF THIS STUDY ALLOW YOU TO PROVIDE COST
44 COMPARISONS TO RECENT ENERGY PRICES?

45

46 A: Yes.

1
2 Q: PLEASE PROVIDE THIS COST COMPARISON.
3

4 A: The following table compares the polygeneration product costs for SNG and hydrogen
5 with recent prices. The range of values shown in the following table for polygenerated SNG and
6 hydrogen is due to the different gasification systems evaluated.
7

8 **GASIFICATION OF TEXAS LIGNITE FOR PRODUCTION OF ELECTRICITY,**
9 **SNG, HYDROGEN AND CARBON DIOXIDE VERSUS RECENT PRICES**

10 (Dollars per Million BTU)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	
11 Polygen SNG¹							5.00-6.90
12							
13 Natural Gas²	3.68	4.00	2.95	4.88	5.49	7.05 ⁴	
14							
15							
16							
17							
18 Polygen Hydrogen¹							5.20-6.20
19							
20 Hydrogen³	6.35	6.75	5.44	7.85	8.61	10.57 ⁴	
21							
22							

23 1 "Polygeneration of SNG, Hydrogen, Power, and Carbon Dioxide from Texas Lignite"
24 NETL, DOE, Dec. 2004

25 2 EIA, DOE – Natural Gas Wellhead Prices, Annual and Monthly Averages

26 3 Cost of hydrogen based upon steam reforming of natural gas

27 4 Jan. thru Oct. 2005 Prices
28

29 This table shows that the polygeneration of SNG would have been competitive with
30 natural gas from 2003 to the present. The polygenerated hydrogen would have been competitive
31 with hydrogen produced by the steam reforming of natural gas from 2000 to the present.
32 The present price for CO2 in Texas makes it profitable to recover the carbon dioxide for sale.
33 This study demonstrates the economic feasibility of gasifying Texas lignite where the addition of
34 carbon capture and sequestering can improve the economics.
35

36 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
37 P-21. WHAT IS THIS DOCUMENT?
38

39 A: This is an excerpt from a DOE report by Mitretek, "Polygeneration of SNG, Hydrogen,
40 Power, and Carbon Dioxide from Texas Lignite", NETL, Dec. 2004, page 8. It shows the
41 location of the mine-mouth gasification plant and the proximity to oil fields, natural gas pipelines
42 and refineries.
43

44 Q: DID YOU PREPARE THIS EXHIBIT?
45

46 A: Yes.

1
2 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
3

4 A: Yes.
5

6 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-21.**
7

8 Q: THE GREAT PLAINS GASIFICATION PLANT HAS DEMONSTRATED THE
9 COMMERCIAL SCALE GASIFICATION OF LIGNITE COALS FOR OVER 20 YEARS.
10 ARE THERE ANY OTHER GASIFICATION TECHNOLOGIES AVAILABLE
11 SPECIFICALLY FOR TEXAS LIGNITE? IF SO, PLEASE DISCUSS.
12

13 A: During the past 30 years since the Great Plains Gasification Plant was originally
14 designed, there have been significant developments in gasification technology that provides
15 improved economics and reduced emissions. The Shell Coal Gasification Process (SCGP) has
16 demonstrated its capabilities to handle a wide range of coals, biomass and waste products. The
17 Shell Coal Gasification IGCC Plant in The Netherlands that has been gasifying various coals and
18 biomass since 1994. Also, a recent paper by Shell demonstrates the gasification efficiencies of
19 various coals including Texas lignite with the SCGP. This paper demonstrates that the efficiency
20 of gasification with Texas lignite is similar to other coals. Other coal gasification processes have
21 also demonstrated the ability to gasify Texas lignite. Furthermore, I spoke with Piet L.
22 Zuideveld, with Shell Global Solutions, about his paper and the feasibility of gasifying Texas
23 lignite. Mr. Zuideveld told me that the SCGP has demonstrated its capability to gasify Texas
24 lignite.
25

26 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
27 P-22. WHAT IS THIS DOCUMENT?
28

29 A: This is an excerpt from an EPRI Presentation – “Gasification Combined Cycles 101” by
30 Dr. Jeffrey Phillips, page 22, presented at the Workshop on Gasification Technologies, Tampa,
31 FL, 3/2/06. This exhibit shows the Shell IGCC plant that has been operating with various coals
32 and biomass that I mentioned earlier.
33

34 Q: DID YOU ATTEND THIS PRESENTATION?
35

36 A: Yes.
37

38 Q: DID YOU PREPARE THIS EXHIBIT?
39

40 A: Yes.
41

42 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
43

44 A: Yes.
45

46 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-22.**

1
2 Q: I AM SHOWING YOU WHAT HAS BEEN MARKED AS PROTESTANT'S EXHIBIT
3 P-23. WHAT IS THIS DOCUMENT?
4

5 A: This is an excerpt from a presentation by Shell Global Solutions, "Shell Coal Gasification
6 Process Using Low Rank Coal", by Piet L. Zuideveld, presented at the Gasification Technologies
7 Conference, San Francisco, CA, October, 2005, page 4. This exhibit demonstrates the
8 gasification efficiency of the SCGP for various coals including Texas lignite.
9

10 Q: DID YOU PREPARE THIS EXHIBIT?
11

12 A: Yes.
13

14 Q: IS THIS A TRUE AND CORRECT COPY OF THE EXCERPT YOU MENTION?
15

16 A: Yes.
17

18 **PROTESTANT OFFERS OAK GROVE EXHIBIT P-23.**
19
20

21 **VIII. CONCLUSIONS**
22

23 Q: IN YOUR EXPERT OPINION, DO YOU BELIEVE THAT IT IS TECHNICALLY
24 PRACTICABLE AND ECONOMICALLY REASONABLE TO FURTHER REDUCE OR
25 ELIMINATE THE AMOUNTS OF NO_x, MERCURY, CO₂, SO₂ AND PARTICULATE
26 EMISSIONS FROM THE PROPOSED OGSES PLANT IF IGCC OR CGP TECHNOLOGY
27 WERE USED INSTEAD OF PC COMBUSTION TECHNOLOGY?
28

29 A: Yes. The pollution control systems that are proposed for the OGSES for both mercury
30 and NO_x have not been demonstrated with lignite coal and serious problems with these systems
31 presently exist. These proposed systems have not been proven to provide protection for the
32 health of people or the environment. There is the substantial risk that the proposed pollution
33 control systems will not be able to meet the proposed permit limits.
34

35 Q: IN YOUR EXPERT OPINION DO YOU BELIEVE THAT THE EMISSIONS FROM
36 THE PROPOSED OGSES PLANT IS REASONABLE CONSIDERING THE TECHNICAL
37 AND ECONOMIC REASONABLENESS OF OTHER AVAILABLE TECHNOLOGIES SUCH
38 AS IGCC AND CGP TECHNOLOGIES?
39

40 A: No. The gasification of lignite coal has been commercially operating for over 20 years.
41 The removal of mercury, NO_x, SO₂, particulates and CO₂ have also been commercially
42 operating for many years and has demonstrated much lower emissions than the proposed PC
43 combustion.
44

45 Q: WHAT DO YOU BASE YOUR OPINIONS ON?

1 A: My opinion is based upon an evaluation of other available commercial scale technologies
2 which compares the amount emissions, the costs for removing pollutants, my experience and my
3 review of the proposed OGSES plant draft permit and application.
4

5 Q: IN THE COURSE OF YOUR TESTIMONY, YOU HAVE REFERRED TO A
6 NUMBER OF REPORTS, STUDIES, AND THE LIKE TO SUPPORT YOUR OPINIONS
7 AND CONCLUSIONS. IS EACH OF THESE A DATA SOURCE UPON WHICH
8 AUTHORITIES IN THE FIELD OF ENERGY TECHNOLOGY, GASIFICATION
9 TECHNOLOGY AND POLLUTION CONTROL EQUIPMENT WOULD REASONABLY
10 RELY IN FORMULATING OPINIONS AND CONCLUSIONS?
11

12 A: Yes.
13

14 Q: DOES THIS CONCLUDE YOUR TESTIMONY?
15

16 A: Yes.