

REPORT OF COMMUNICATIONS WITH THE ILLINOIS POWER AGENCY

This form must be completed and submitted to the Illinois Procurement Policy Board within 30 days for each communication report required by 30 ILCS 500/50-39. Submit reports to:

PROCUREMENT POLICY BOARD
511 W. CAPITOL AVENUE, SUITE 102
SPRINGFIELD, IL 62704

Or you may send a signed, scanned copy via email with "IPA Communication Report" in the Subject line to: ppb@illinois.gov

Date of Communication: 8/7/2012 Time of Communication: 9:00 am



Type of Communication:

- Telephone
- In Person
- Electronic (Email, Fax, Etc.) – Attach A Complete Copy of the Entire Communication String
- Written – Attach Copy
- Other

Initiator:

Initiator of Communication: Paul Champagne
Representing: FutureGen Industrial Alliance, Inc.
Location:
Email Address (if communication was via email) ptchampagne@verizon.net
Telephone Number (if telephonic): (610) 295-7268
Is this person a Lobbyist required to register under the Lobbyist Registration Act Yes No
Duration of Call or In-Person Communication: 2.5 hours

Recipient(s): *(If there are additional persons involved in the communication, attach an additional sheet that lists the other participants' names, job titles, which entity they represent, email address and/or telephone number, if applicable)*

Recipient One Name:
Recipient Title:
Representing:
Location:

Email Address (if communication was via email)
Telephone Number (if telephonic):

Recipient Two Name:
Recipient Title:
Representing:
Location:
Email Address (if communication was via email)
Telephone Number (if telephonic):

Recipient Three Name:
Recipient Title:
Representing:
Location:
Email Address (if communication was via email)
Telephone Number (if telephonic):

If any of these additional participants are lobbyists required to register under the Lobbyist Registration Act, they must submit a written report to be submitted with this communications report to the Procurement Policy Board that memorializes the communication that includes, but is not limited to (i) the date and time of each communication; (ii) the identity of each person from whom the written or oral communication was received, the individual or entity represented by that person, and any action the person requested or recommended; (iii) the identity and job title of the person to whom each communication was made; (iv) if a response is made, the identity and job title of the person making each response; (v) a detailed summary of the points made by each person involved in the communication; (vi) the duration of the communication; (vii) the location or locations of all persons involved in the communication and, if the communication occurred by telephone, the telephone numbers for the callers and recipients of the communication; and (viii) any other pertinent information.

Communication Details:

Provide a detailed summary of the points made by each person involved in the communication:
See attached addendum.

Was a response made? If so, complete the following for each person making the response *(attach an additional sheet that lists the other respondents' names, job titles, which entity they represent, email address and/or telephone number, if applicable)*:

Respondent Name:

Respondent Title:

Location:

Telephone Number (if telephonic):

Provide a detailed summary of the response:

Other pertinent information:

Location : Pittsburgh, Pennsylvania

SIGNATURE

DATE

Addendum to Communications Report with Illinois Power Agency for August 7, 2012 Meeting with Levitan and Associates

On August 7, 2012, representatives of the FutureGen Industrial Alliance and its project partners, as well as officials with the U.S. Department of Energy’s National Energy Technology Laboratory, participated in a meeting with representatives from Levitan and Associates, procurement administrator for the Illinois Power Agency, at the Airport Hyatt Hotel in Pittsburgh, Pennsylvania.

Meeting Participants:

Name	Employer	Party represented
John Bitler	Levitan & Associates	Illinois Power Agency
Sara Wilmer (via telephone)	Levitan & Associates	Illinois Power Agency
Philip Curlett (via telephone)	Levitan & Associates	Illinois Power Agency
Alexander Mattfolk (via telephone)	Levitan & Associates	Illinois Power Agency
Kyle Barry	McGuireWoods	FutureGen Industrial Alliance
Ken Humphreys	CEO, FutureGen Industrial Alliance	FutureGen Industrial Alliance
Paul Champagne	Acting Project Director, FutureGen Industrial Alliance, Inc., and President, PKM Energy Consulting, LLC	FutureGen Industrial Alliance
Bob Cassidy	Air Liquide	Air Liquide
Mark Estopinal	Air Liquide	Air Liquide
Keith O’Brien	URS	URS
Lyle Falla	Babcock & Wilcox	Babcock & Wilcox
Paul Detwiler	National Energy Technology Laboratory (DOE)	National Energy Technology Laboratory (DOE)
Jeff Hoffman	National Energy Technology Laboratory (DOE)	National Energy Technology Laboratory (DOE)

Summary of Substantive Content of Communication:

The participants discussed the following substantive matters/issues during the meeting:

- Mr. Champagne stated that the purpose of the meeting was to provide a project overview to Levitan & Associates to assist Levitan with the development of cost-based benchmarks to evaluate the FutureGen 2.0 project.

- Mr. Bitler provided an overview of the history of the Illinois Power Agency and the role Levitan has served in for the IPA. Mr. Bitler stated that Levitan serves as the procurement administrator for the Ameren portion of the IPA. He stated that Levitan would be developing cost benchmarks to assist the Illinois Commerce Commission with its evaluation of clean coal projects. Mr. Bitler stated that the benchmarks will be confidential.
- Mr. Champagne provided an overview of the FutureGen 2.0 project which included an overall project description; a description of project benefits; a description of the project team; a discussion of the project schedule; and an overview of the Illinois Clean Coal Portfolio Standard and the repowering and retrofit provision contained in the Illinois Power Agency Act.
- Mr. Falla provided an overview of the power block configuration to be employed at the repowered Meredosia Energy Center. Mr. Bitler asked why the project would use a dry scrubber. Mr. Falla stated that a dry scrubber was more economical, would remove sulfur better, would use less power, and is more reliable.
- Mr. Champagne described a layout of the repowered Meredosia facility: will include a new boiler, but the existing turbine deck and generator will be used. He said that all existing coal handling units will be use. He stated that the air separation unit (ASU) and compression unit (CPU) will be integrated in to the plant. He stated that transmission will be provided through an existing on-site Ameren electrical substation.
- Mr. Falla stated that the boiler island technology is not new but is existing, tested technology. He stated that the Gas Quality Control System (GQCS) is not new technology.
- Mr. Estopinal provided an overview of the ASU. Mr. Cassidy stated that lower pressure will be used for the FutureGen 2.0 ASU, which employs an oxy-combustion process, compared with IGCC, which makes the ASU less costly and uses less energy.
- Mr. Estopinal provided an overview of the CPU. He said the CPU will capture approximately 98% of the CO₂. He stated that the plant will produce near-zero emissions of dust, carbon monoxide, mercury, SO₂ and NO₂. He said the CPU is highly reliable design that has been proved out on other projects.
- Mr. O'Brien provided an overview of the Balance of Plant design.
- Mr. Humphreys stated that the learnings from Meredosia plant, though an older plant, will apply to other existing plants as well as Greenfield projects.
- Mr. Champagne discussed the permitting strategy for the project. He said that the Alliance is working closely with Ameren, which is taking the lead on permitting. He said that the MISO permit application had been submitted and that no system upgrade was required. He said the IEPA permits had also been submitted.
- Mr. Humphreys provided an overview of the pipeline and storage site portions of the project. He stated that the objective was to prove out the siting, permitting, and liability management approaches for a clean coal project. He said the project will also validate CO₂ storage costs. He said the project

would be applying for a permit under the Illinois CO2 Pipeline Transportation Act. He said the project will need a Class VI injection permit from USEPA. He said the pipeline would be about 30 miles long and will use a 10-12 inch pipe that will be buried at least four feet underground.

- Mr. Humphreys described the CO2 storage technology. He said the CO2 will be injected about 5,000 feet underground into the Mt. Simon formation. He stated that a characterization well had been drilled in December 2011. He stated that landowners are business partners with the Alliance on the project, and that the project has approximately 5,000 acres under control.
- Mr. Humphreys described the CO2 liability management framework. He said that an insurance market is emerging. He referenced the Clean Coal for FutureGen Act of 2011.
- Mr. Champagne provided an overview of the project budget estimates and discussed project financing options. Mr. Champagne described cost estimate methodologies for the project. Mr. Curlett asked whether CO2 monitoring costs were included in the project cost assumptions, and Mr. Champagne said yes.
- Mr. Hoffman stated that the project was a first-of-its-kind demonstration project with no analogue for cost comparison. He referenced previous CCS studies and compared and contrasted them with the FutureGen 2.0 project.
- Mr. Humphreys provided a summary and stated that the FutureGen 2.0 project leverages federal grant dollars with non-profit contributions from the members of the not-for-profit Alliance.
- Mr. Bitler closed by indicating that Levitan will do as directed by the ICC and IPA in terms of guidance for developing benchmarks.