Message

From: Meacham, John M. [/O=NPPD/OU=CGO/CN=RECIPIENTS/CN=JMMEACH]
Sent: 1/11/2012 10:35:41 PM
To: Fehr, James R. [jrfehr@nppd.com]
CC: Phelps, Gerry E. [gephelp@nppd.com]; Spencer, Michael J. [Mick] [mjspenc@nppd.com]; Owens, Timothy J. [tjowens@nppd.com]; Nitsch, Bob B. [bbnitsc@nppd.com]; Citta Jr., Joseph L. [jlcitta@nppd.com]
Subject: FW: MPCE Costs Verification

Jim – With regard to your email to me on Monday, 1/9/2012, same subject, please reference the information provided below from Wayshalee Patel. The bottom line is that it is not very useful to try compare the two technologies on a $/MWh basis since the underlying assumptions for using each one are so different. If it is desired to develop the "$/ton removed" information mentioned by Wayshalee to better compare the two technologies, let me know and we will do so.

From: Patel,, Wayshalee A.- Sargent & Lundy
Sent: Wednesday, January 11, 2012 4:15 PM
To: Meacham, John M.
Cc: Nitsch, Bob B.; Holmstedt, Linda; Hoornaert,, Paul- S&L
Subject: Re: MPCE Costs Verification

John-

Per our call this morning, you had requested that I send a brief e-mail discussing the implications of showing the BACT Control Scenario versus the Bridge Control Scenario on a $/MWh basis. One issue with comparing these two scenarios on a $/MWh basis, is that the level of removal efficiency obtained with the various technologies is not captured. For example, a bridge technology, such as DSI although looks lower on a $/MWh basis, may look very different when viewed on a $/ton removed basis since that type of technology is not expected to provide the same level of removal efficiency as compared to a wet FGD. In addition, the bridge technologies assume a limited life span (typically less than 10 years) whereas the BACT technologies assume a 20+ year evaluation period. I believe these scenarios should be used independent of one another and not compared to each other, since they do not achieve the same level of performance.

Thanks.

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From: "Meacham, John M." <jmmeach@nppd.com>
To: "Hoornaert,, Paul- S&L" <paul.hoornaert@sargentlundy.com>, "Patel,, Wayshalee A.- Sargent & Lundy" <wayshalee.a.patel@sargentlundy.com>
Cc: "Nitsch, Bob B." <bbnitsc@nppd.com>, "Holmstedt, Linda" <lmholms@nppd.com>
Date: 01/10/2012 07:13 AM
Subject: FW: MPCE Costs Verification

Paul, Wayshalee - Please reference the email from Jim Fehr below. Some of the numbers in the attachments look odd to me, but I can't put my finger on the problem. Could you guys look at them this morning and be available later today to discuss them? If so, let me know a time this afternoon that might be convenient. If needed, I'm sure we have a day or two, but I would like to address this ASAP to get it behind us.

As always, thanks.

From: Fehr, James R.
Sent: Monday, January 09, 2012 6:14 PM
To: Meacham, John M.
Cc: Spencer, Michael J. [Mick]; Owens, Timothy J.
Subject: MPCE Costs Verification

John - Director Linstrom asked Traci for the costs associated with the MPCE & how it would impact the plants' $/MWh rate. In developing these costs (see Book3), the resulting $/MWh value for GGS bridging is lower than the $/MWh value for BACT. I believe this makes sense because we're assuming a lower S coal than what was used in the S&L analysis for the NDEQ, but wanted to run it by you in case I missed something. Sheldon's calculations & results are similar to GGS.

Please provide a sanity check for these values. I'll be in G.I. the next couple of days. If you can't reach me, please contact Tim w/ questions. Thanks.

Jim
[attachment "GOA - Existing Resource MPCE Options 2011-11-16.xlsx" deleted by WAYSHALEE A PATEL/Sargentlundy] [attachment "GOA - Sheldon MPCE Estimates rev2.xlsx" deleted by WAYSHALEE A PATEL/Sargentlundy] [attachment "Book3.xlsx" deleted by WAYSHALEE A PATEL/Sargentlundy]