

Oct/Nov 2005

Energy Northwest Project Update

Pacific Mountain Energy Center

(Formerly IGCC News)

IGCC project officially named "Pacific Mountain Energy Center"

Port of Kalama chosen for Pacific Mountain Energy Center

Energy Northwest has selected the Port of Kalama in Southwest Washington for its Integrated Gasification Combined Cycle project. The selection was confirmed Oct. 27, 2005 when Energy Northwest's Executive Board approved a 50-year lease with the Port for an 80-acre industrial site on the Columbia River.

Construction of the complex, now officially named the Pacific Mountain Energy Center, is expected to employ several hundred construction workers and create approximately 100 permanent family-wage jobs.

Design and procurement costs for the power complex are estimated at \$1 billion including \$35 million to make the facility compatible with developing carbon dioxide capture and sequestration technologies, should they become commercially viable.

Project Manager Tom Krueger said the Port of Kalama was chosen from several sites studied in Western Washington. "The site offers an impressive mix of adequate space, appropriate industrial zoning, grid access, utility infrastructure, diverse feedstock transportation options, and highly professional Port management," he said.

Krueger said the next major step will likely be a 20-month process to secure environmental certification of the site by the Washington Energy Facility Site Evaluation Council (EFSEC). "The operating parameters of the proposed complex are all well within industry standards. We're looking forward to working closely with EFSEC to ensure they have a comprehensive view of the entire proposal and its expected benefits to the region," he said.

For more information please see the Energy Northwest website at <http://www.energy-northwest.com/gen/igcc/igcc.html>

Pacific Mountain Energy Center public meeting Nov. 9

Energy Northwest and the Port of Kalama will co-host a community meeting at the Kalama Community Building on Wednesday, Nov. 9 to share information about the Pacific Mountain Energy Center (PMEC) project. The meeting will begin at 7 p.m. and includes a short presentation by Energy Northwest. The Community Building is located at 126 North 2nd Street in Kalama.

"We believe this project is good for the community, the Port, and the ratepayers of the region," said Brad Peck, Energy Northwest communications officer. "We're looking forward to meeting community residents and answering any questions they may have about the project. It's never too early to begin sharing information."

Third PMEC participants meeting set for Nov. 18

A third meeting for prospective participants in the Pacific Mountain Energy Center project is slated for Nov. 18, from 9:30 a.m. to 2:30 p.m. The meeting will be held in the Walkley Room of Energy Northwest's offices, 3000 George Washington Way in Richland, WA.

The project management team will provide an update on IGCC developments and continued discussion of governance, power purchase concepts, financing alternatives, joint public/private participation in the project, and public and environmental community feedback.

The meeting is planned as an interactive discussion. Gary Krelloustein, Managing Director from J.P. Morgan's offices in New York will present the financial community's perspective of IGCC and conceptual financial structures to capture federal tax credits for both public and private utilities.

Nancy Nearas from Preston, Gates and Ellis will discuss the participation of Oregon public utilities and potential governance structures for that involvement. Ed Mount from Power Resource Managers will discuss management options for small utilities and desired operational characteristics of a power generation plant in the Northwest.

Nearly two dozen public utility representatives attended the last meeting on Aug. 12. Krueger said he anticipates interest will grow now that the project is gaining momentum.

Alternative Public Works Contracting hearing slated for Nov. 21

Energy Northwest will host a public hearing at the Port of Kalama on Nov. 21 to discuss potential use of the Alternative Public Works Contracting Procedures described in the Revised Code of Washington (39.10 RCW). The meeting will begin at 5:30 p.m. in the Commission Room of the Port's Administration Office. Energy Northwest is investigating potential use of the alternative contracting procedures to minimize costs and ensure quality of the work to be performed.

IGCC News is provided by Energy Northwest Corporate Communications. It is distributed monthly to share IGCC developments. Requests for information, and newsletter comments are always welcome at 509-377-8247 or lbpeck@energy-northwest.com