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Energy Northwest adjusting power plant plans

Energy Northwest's project development team is evaluating options for a new power plant at the Port of Kalama in Cowlitz County; with some changes to the project design.

The initial project proposal called for a modern integrated-gasification-combined-cycle (IGCC) power plant gasifying solid feed-stocks, like petroleum coke, to produce a hydrogen-rich synthesis gas. That gas, not the solid feed-stock would fuel the adjacent power plant. Petroleum coke is a waste product of refining oil into gasoline.

However, progress on the proposed project stalled in late 2007 when the state's Energy Facility Site Evaluation Council (EFSEC) decided the Energy Northwest application didn't meet carbon sequestration requirements of a new law passed several months after the project application had been submitted.

The council wanted Energy Northwest to demonstrate it could not successfully incorporate permanent carbon sequestration- an unproven technology with unknown environmental and legal risks - before it would approve the agency's site permit application. Only then would the council consider allowing the proposed project to move forward without a guarantee of permanent carbon sequestration.

Energy Northwest believes the EFSEC order would force dramatic increases in the costs and development risks associated with the project. Rather than challenge the council's decision, the agency has decided to pursue options that do not require carbon sequestration and pursue other fuel and plant design options that will meet emissions standards contained in the new law, now formally adopted as RCW 80.80.

In a Dec. 21 statement, Energy Northwest development officials said they intend to move forward with "an amended development plan for a power plant that provides reliable, affordable and environmentally responsible electric power without the sequestration option. We anticipate and regret that the amended plan will likely result in higher power costs for electric ratepayers than our original proposal.

"We also regret the necessity to eliminate the potential for carbon sequestration believing that PMEC could have contributed a great deal to the advancement of permanent geologic sequestration of greenhouse gases in the U.S. and abroad."

Energy Northwest is consulting with potential project participants this month and anticipates delivering the amended application to EFSEC by the end of February.

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