

FutureGen 2.0 Oxy-Coal Carbon Capture and Storage Project



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Introduction

The Babcock & Wilcox Company

*Leading technology innovator in power generation and nuclear components
with a legacy spanning more than 140 years*



***B&W Technical
Services Group,
Inc.***



***B&W Nuclear
Operations Group,
Inc.***



***B&W Power
Generation Group,
Inc.***



***B&W Nuclear
Energy, Inc.***

Government Operations

- **Supplies components for submarines and aircraft carriers**
- **Provides various other services to U.S. Government, primarily within the nuclear weapons complex of the DOE**

Power Generation Systems

- **Designs, engineers, manufactures and constructs large utility and industrial power generation systems**
- **Supplies fossil-fired boilers, commercial nuclear steam generators and components, and environmental equipment and related aftermarket parts and services**

Power Generation – Fossil and Renewables

Global Reach



Total Employees: ~ 8,700
Including JV employees

- Installed 38% of boilers in North American coal-fired power plants
- Supplied worldwide capacity of more than 300,000 MW in 800+ utilities in 90+ countries
- Manage operations and maintenance of North America power facilities

Product Line Portfolio



- Traditional Power
 - Steam Generation
 - Service and O&M (Operation & Maintenance)
 - Construction and EPC (Engineer-Procure-Construct)
 - Boiler Cleaning and Material Handling
- Clean Coal
 - Environmental Systems and Service
 - SO₂, NO_x, Carbon, Mercury, PM
- Renewables
 - Biomass
 - Solar
 - Energy-from-Waste
 - Auxiliaries

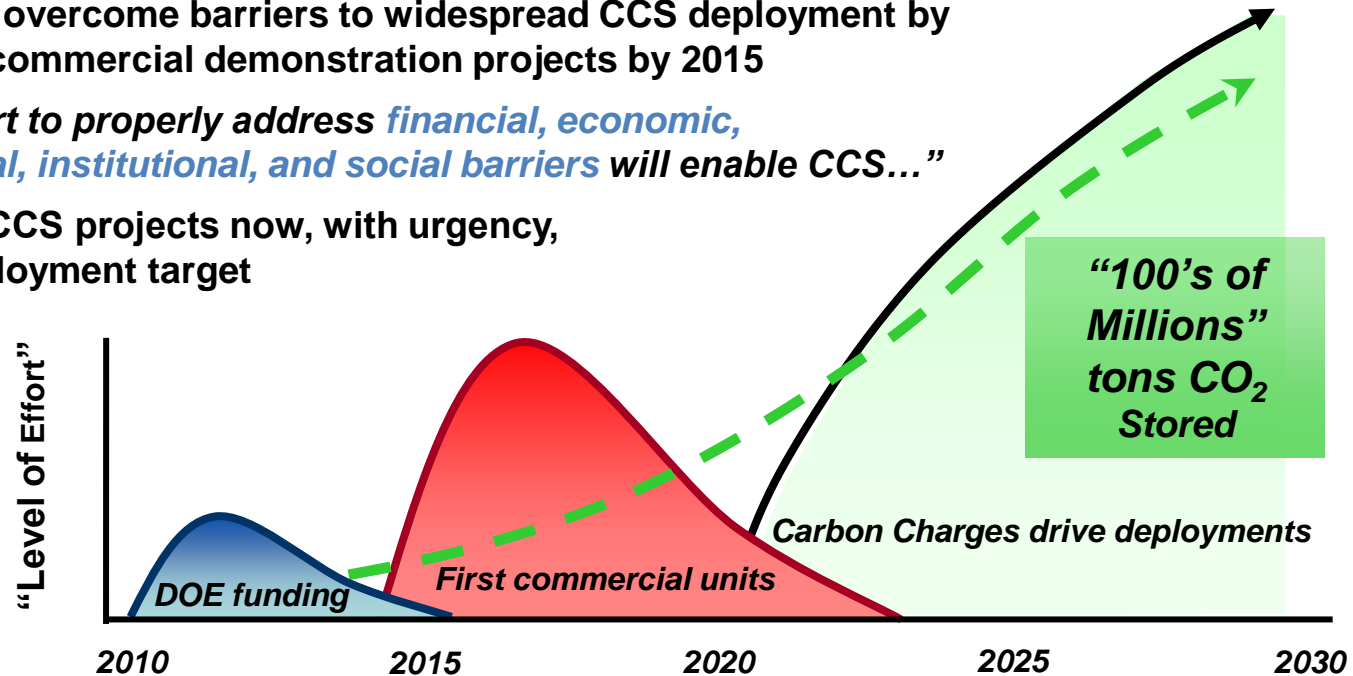
The CCS Imperative – Deploy Now to Meet 2020 Imperative

FutureGen 2.0 Project

- 200 MWe coal-fired carbon capture and geologic storage project, in cooperation with the FutureGen Alliance, largely funded by the DOE
- Will employ Oxy-coal technology; studies/pilots confirm higher efficiency, lower emissions, lower overall cost
- High value to future of Illinois coal and power industries

Addressing Coal

- Interagency Task Force on Carbon Capture and Storage (released August 2010)
 - Propose a plan to overcome barriers to widespread CCS deployment by 2020, with 5 to 10 commercial demonstration projects by 2015
 - “A concerted effort to properly address *financial, economic, technological, legal, institutional, and social barriers* will enable CCS...”
- Must launch “at scale” CCS projects now, with urgency, to reach DOE 2020 deployment target



Source: Chart Courtesy of Dr. Jonathon Gibbins, UK

DOE Large Scale CCS Projects

<i>Project</i>	<i>Location</i>	<i>Capture Rate (tonnes/yr)</i>	<i>Repository</i>	<i>Start Date</i>
<i>Oxy-Combustion</i>				
FutureGen 2.0	Meredosia, IL	1,150,000	GS	2015
<i>Pre-Combustion Capture (IGCC)</i>				
Summit Texas Clean Energy	Odessa, TX	2,700,000	EOR	2014
Southern Company	Kemper County, MS	1,800,000	EOR	2014
Hydrogen Energy California	Kern County, CA	1,800,000	EOR/GS	2016
<i>Post-Combustion Capture</i>				
Basin Electric	Beulah, ND	450,000-1,360,000	EOR/GS	2014
NRG Energy	Thompsons, TX	400,000	EOR	2015
American Electric Power	New Haven, WV	1,500,000	GS	2015
<i>Industrial CCS Solicitation</i>				
Leucadia Energy	Lake Charles, LA	4,000,000	EOR	2014
Air Products	Port Arthur, TX	900,000	EOR	2013
Archer Daniels Midland	Decatur, IL	900,000	GS	2014

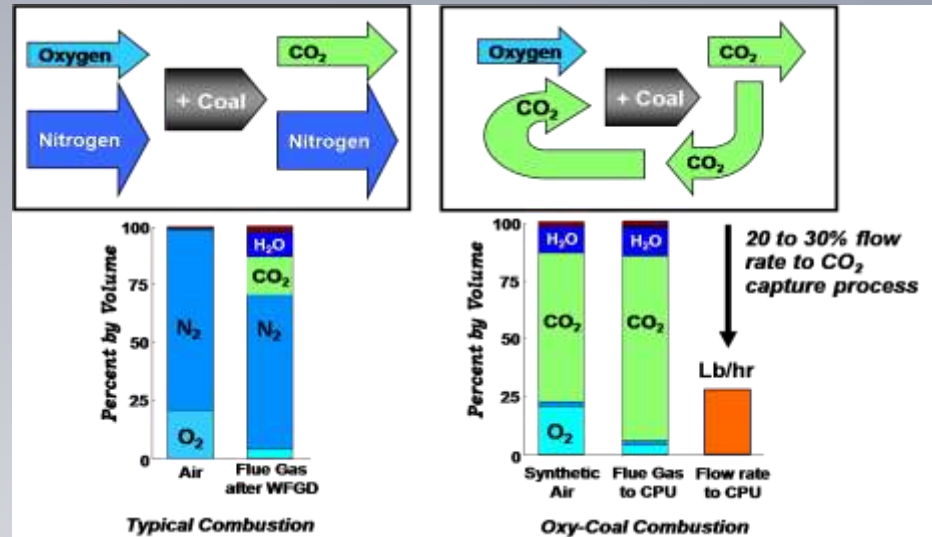
- Foundation for technology competition for new, retrofit and repowering scenarios
- Puts 1st generation commercial CCS technology in place by 2020

Oxycombustion

NZEP Oxy-Coal Technology

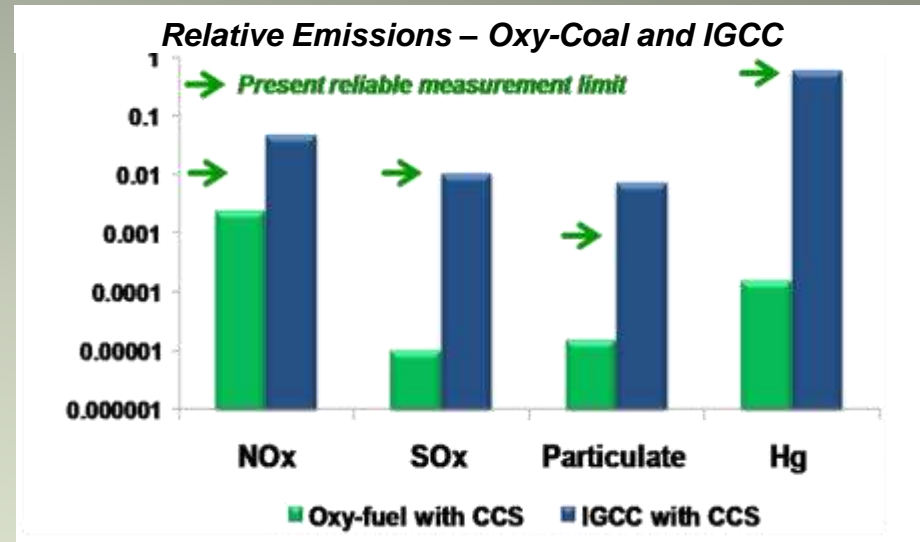
Oxy-Coal Combustion

- Nitrogen removed from the process
- Flue gas contains carbon dioxide and water (plus remnant emissions)
- Environmental control equipment cleans remnant emissions with remainder removed by CPU



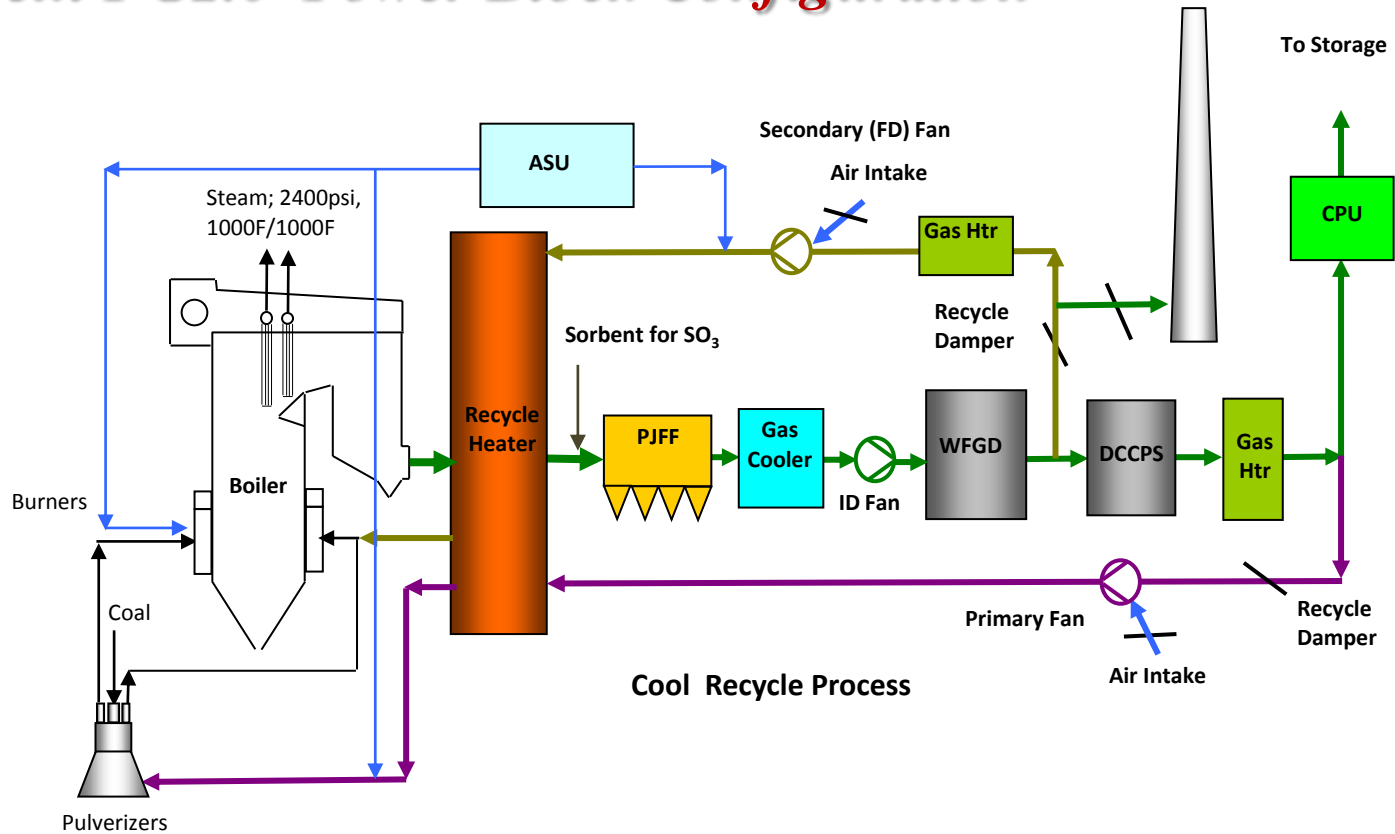
Near Zero Emission Plant (NZEP) Design

- ▶ Oxy combustion provides integrated emissions control for entire flue gas stream
- ▶ Oxy-Coal emissions predicted to be lower by several orders of magnitude

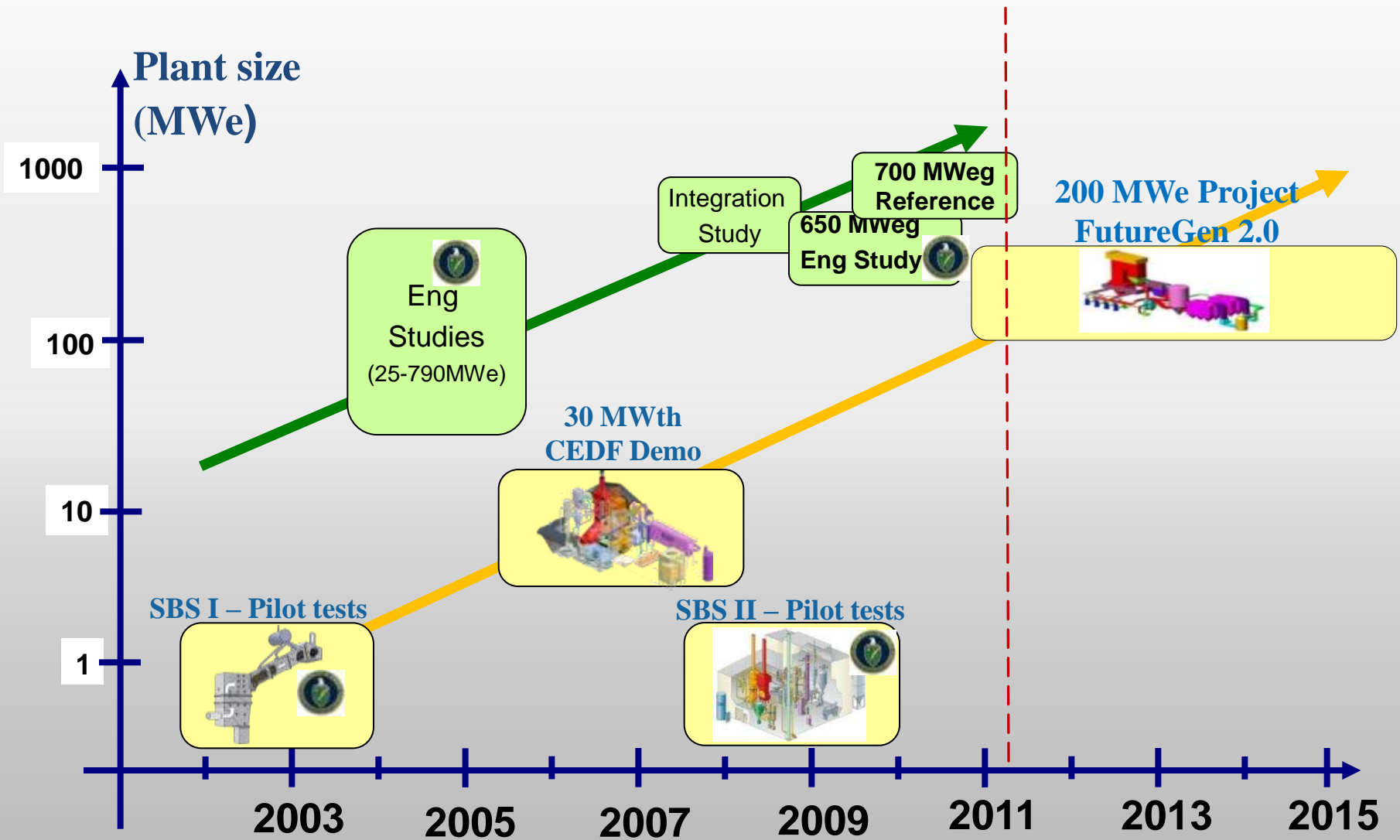


FutureGen 2.0 Oxycombustion Carbon Capture Plant

Current FG2.0 Power Block Configuration



B&W Oxy-Coal Combustion R&D Summary



Clean Environment Development Facility (CEDF)

Original Facility

- Large scale pilot plant for combustion and emission testing (30 MW_{th})
- Low NO_x burner development and HAPS testing

Oxy-Combustion Facility

- Tests conducted during Fall 2007 and Spring 2008
- Three fuels: bituminous, sub-bituminous and lignite
- “Wet” burner tests conducted in Summer 2008

CEDF Facility



Commissioned in 1994



2007 thru 2008



Today

Accomplishments:

- Developed XCL, XCL –HV and 4S coal burners
- Confirmed HAPS formation and fate
- Developed AireJet burner; first burner fully CFD developed and designed: without small scale pilot plant testing

Accomplishments:

- Combustion, Burner and Pulverizer Operation
- Boiler heat transfer characteristics
- Oxygen injection system
- Controls - air/oxygen, combustion, safety/interlocks
- Low NO_x operation w/o SCR
- FGD and ESP operating performance
- Flue gas moisture removal
- Forced oxidation of wet FGD slurry
- Ability to meet flue gas spec to CPU



Oxy-Coal Reference Plant

Coal: PRB, 8400 Btu/lb

Steam: 3500 psi, 1100F/1100F

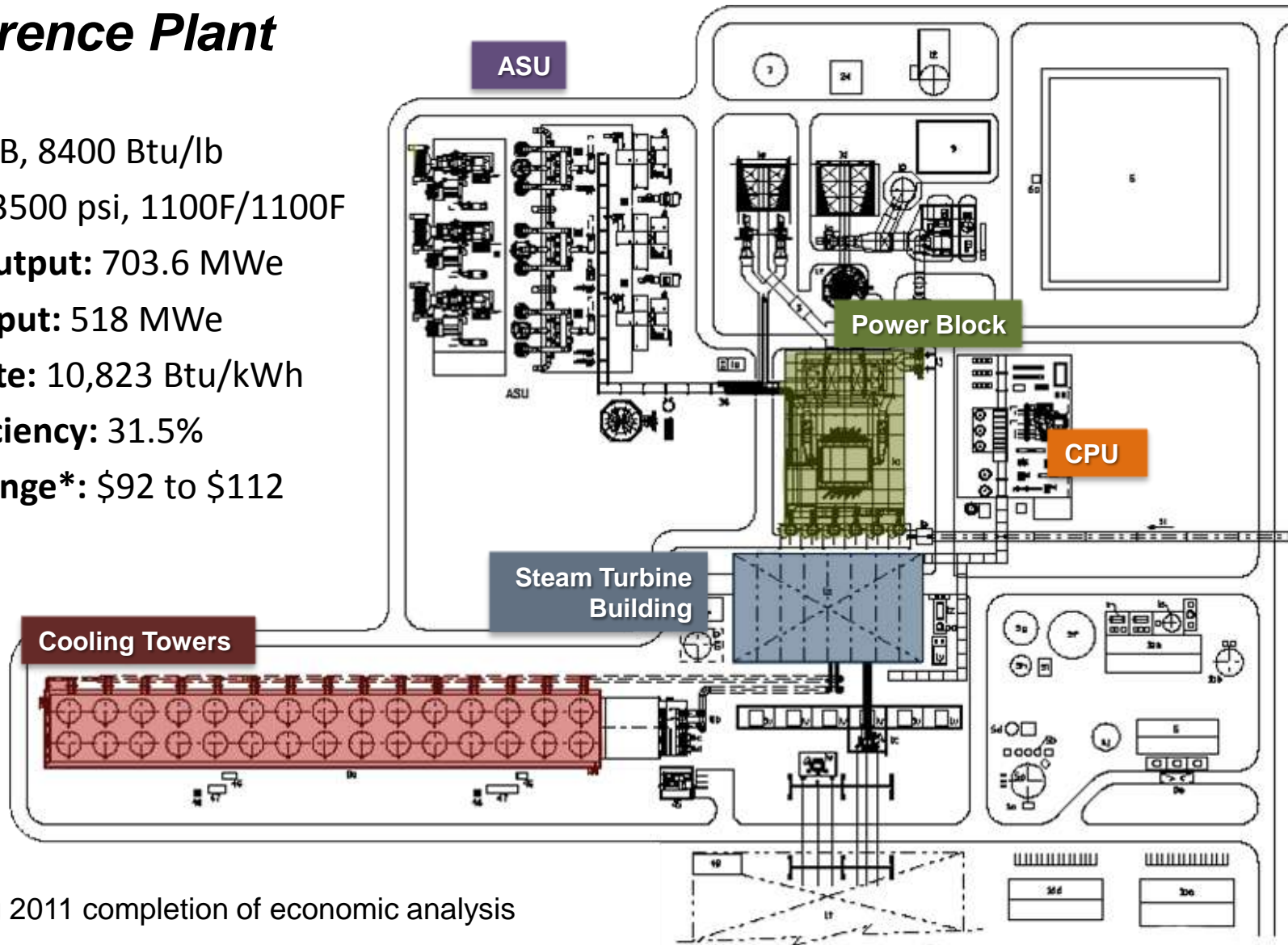
Gross Output: 703.6 MWe

Net Output: 518 MWe

Heat Rate: 10,823 Btu/kWh

Net Efficiency: 31.5%

LCOE Range*: \$92 to \$112



* Spring 2011 completion of economic analysis

Benefits of Oxy-Coal Combustion

- **DOE-NETL studies show oxy-combustion has the potential to be the highest efficiency and lowest cost CO₂ capture technology for coal fired plants***
- **Completes DOE programmatic goals of demonstrating future clean coal technologies**
- **Near Zero Emissions of criteria air pollutants (NZEP)**
- **>90% CO₂ capture at pipeline quality and purity specifications**
- **U.S.-developed technology for CO₂ Capture from coal combustion**
- **Low technology risk – plant components are primarily conventional equipment modified for operation in the oxy-mode. An oxy-plant will look and operate like a conventional power plant.**
- **B&W and Air Liquide America have led oxy-combustion development since 2001- both are experienced technology providers with a long history of successful large scale project execution**

* DOE/NETL 2007-1291 Rev. 2, August 2008, "Pulverized Coal Oxy-combustion Power plants"

DOE/NETL 2007-1281 Rev.1, August 2007 "Cost and Performance Baseline for Fossil Energy Plants"

Future Gen 2.0
200 MWe Oxycombustion

Project Structure

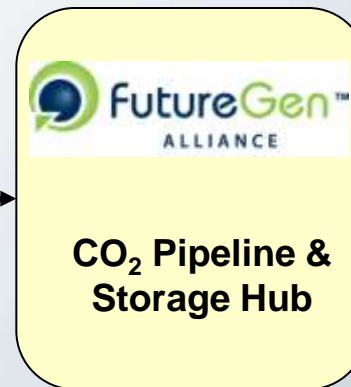
Project Organizational Structure



Project Oversight



Cooperation & Technology Agreement



Project Management & Execution

FutureGen 2.0 – Oxy-Combustion Project

Meredosia Power Station

- Meredosia, IL: Owned/operated by AER
- 3-coal fired units (2 retired)
- Unit 4, 200 MWe oil-fired built in 1975
- 160Bar / 540C / 540C



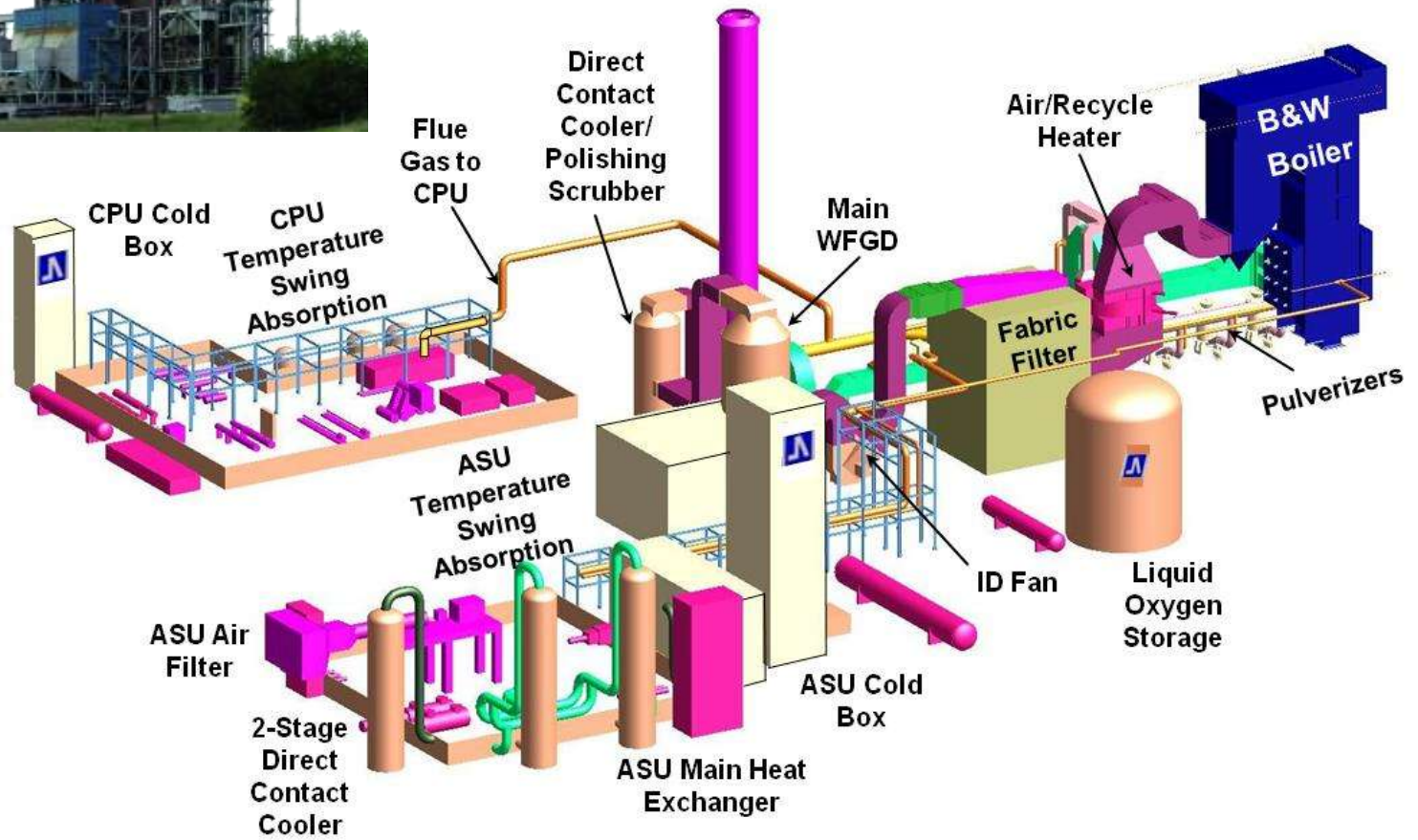
Project Structure

- Capture – Ameren Energy Resources (AER), teamed with B&W
- Transport & Storage – FutureGen Industrial Alliance
- Repower Unit 4 steam turbine
- Purpose-built Oxy-PC boiler
- Coal variations to be evaluated
- \$1.3B Investment w/ US-DOE

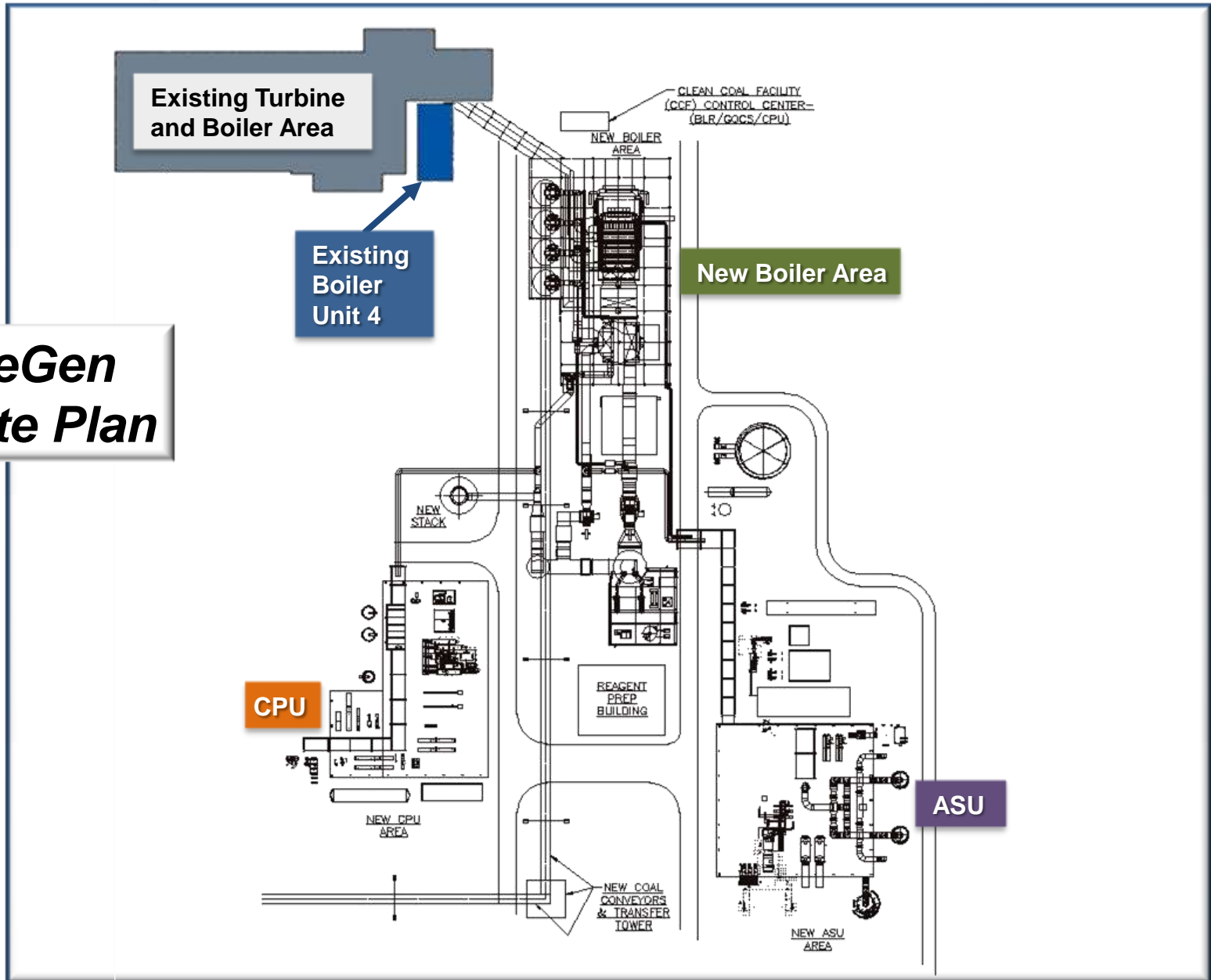
Project Timeline

- Project awarded Sept. 29, 2010
- FEED and NEPA complete 2012
- “Ready to test,” early 2016
- Transport/Storage solicitation in progress

FutureGen 2.0 Clean Coal Plant







**FutureGen
2.0 Site Plan**

Project Structure

Alliance's International Participation

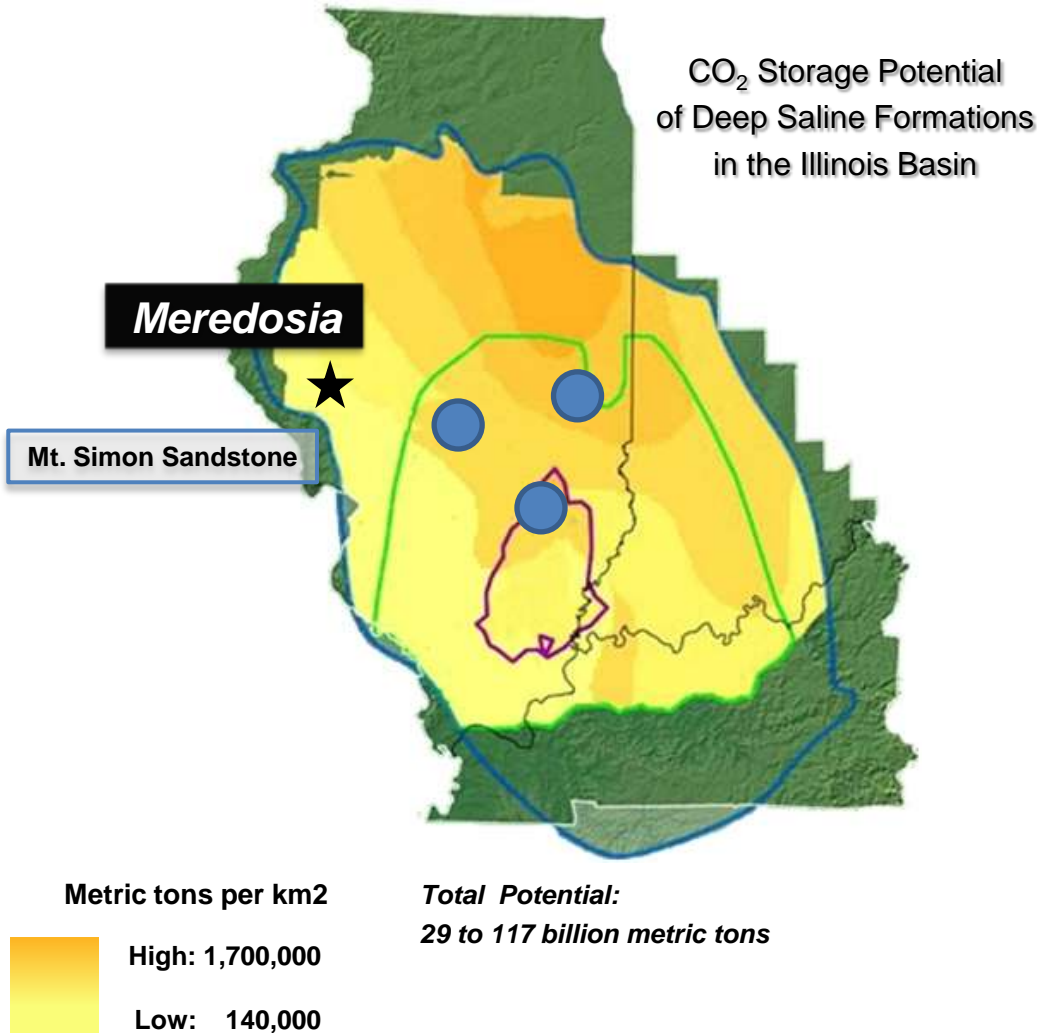


Project Structure

Alliance Background

- Formed in 2005 as a non-profit organization with a mission of advancing clean coal technology in partnership with the U.S. Department of Energy
- Non-profit consortium of coal production companies, coal trading companies, mining equipment suppliers and coal-fueled utilities
- Alliance is expanding its membership
- Balance of the funding is derived from:
 - U.S. Department of Energy
 - Power purchase agreement with associated CO₂ services agreement
 - Modest Financing

Potential CO₂ Storage Resource



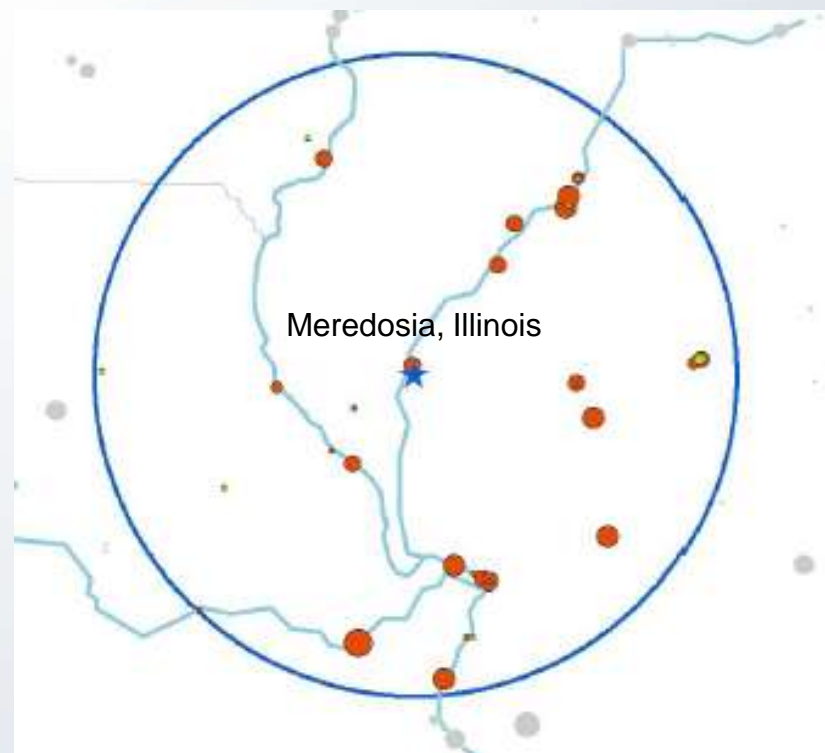
Enabling Regulatory Environment

- Clean Coal Portfolio Standard Law
- Clean Coal FutureGen for Illinois Act
- NEPA/EIS experience and success by FutureGen Alliance
- State of Illinois Coal Development and Research Programs
- Subsurface rights defined, significant resource development history

Project Description

CO₂ Pipeline and Storage Hub

- Develop a deep saline regional storage facility that would sequester CO₂ from Meredosia and other sources
- The concept of CO₂ hubs is not new
 - Included in Australian CCS Roadmap
 - Common in European discussions
 - CO₂ pipeline networks used in enhanced oil recovery applications
- Multiple major CO₂ sources within 100+ miles of Meredosia



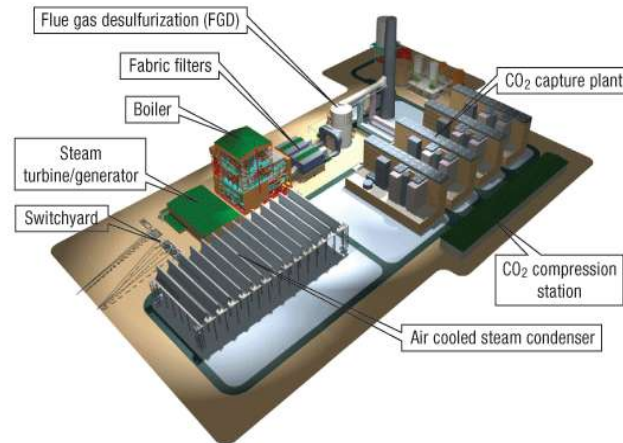
Post-Combustion Capture

Post Combustion Capture (PCC) for CO₂

- Partial capture solutions considered essential for creating options for existing fleet transition to reduced CO₂ emissions
- RSAT solvent tests at National Carbon Capture Center
- Advanced solid sorbents and solvents program



B&W Reference Plant



Tenaska, Trailblazer Project



Advanced Capture

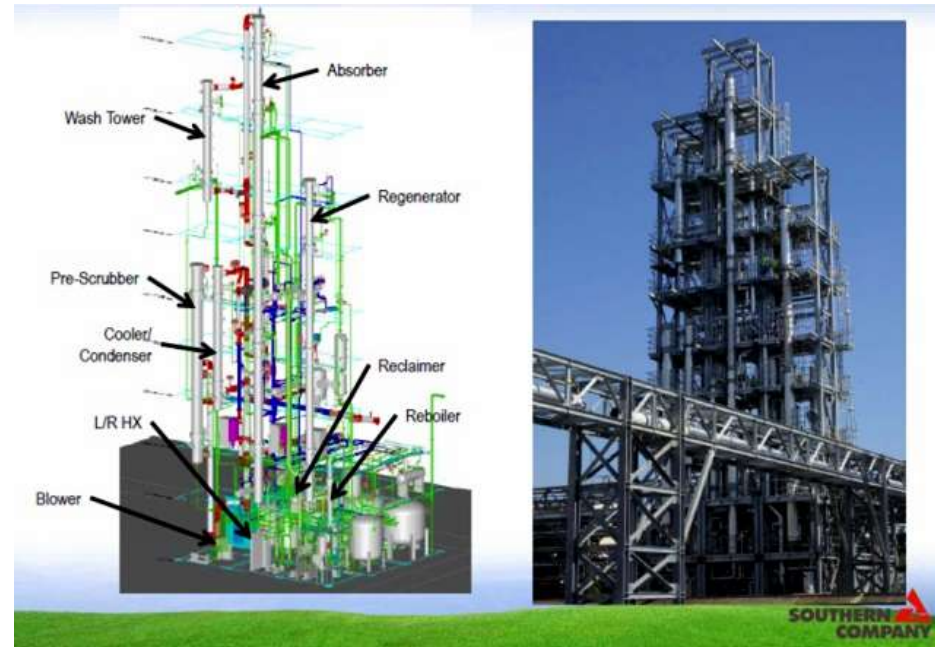
U.S. Department of Energy National Carbon Capture Center

at the Power Systems Development Facility

PARTICIPANTS:



Managed by Southern Company Services, Inc.



- NCCC is the DOE supported post combustion capture test center with multiple test units using flue gas from operating boiler at SoCo Plant Gaston
- B&W won competition to be first to test in Pilot Solvent Test Unit, ~10 tpd pilot plant that is full “replica” of deployable system – the key next step
- Testing to be completed on OptiCap solvent and run for ~90 days to test durability and determine operating characteristics in power plant environment

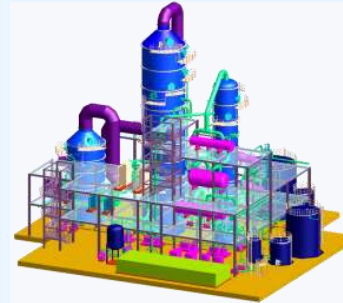
Our Commitment to CCS Innovation Remains Strong

Oxy-Combustion Innovations



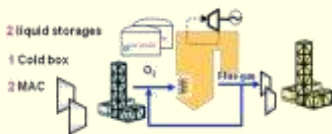
- Target LCOE increase to <35%
- Larger single train ASU
- Advanced USCPC for efficiency to ~39% with CCS

Chemical Solvent Evolution



- Reduce energy use 20%
- Optimized and new formulas
- Solvent “enhancers” (e.g., enzymes)
- Market-ready 2015?

Oxy-Combustion Adaptive Plant



ASU – 1 x 5100 mtpd
Boiler CPU – 7300 mtpd

- Make LOX off-peak
- Higher output on-peak
- Reduced CAPEX

Chemical and Physical Sorbents



- Reduce energy use >>20%?
- Enhanced natural materials
- Man-made molecules
- Market-ready 2020?

Thank You



B&W R&D Facility
Barberton, Ohio