Coal Gasification Incentives
“A State View”

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Gasification Technologies Workshop
Tampa, Florida
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Development and deployment of advanced technologies aimed at providing needed baseload capacity such as ultra supercritical steam power plants, integrated gasification combined cycle power plants, coal gasification for end use, require incentives and/or special government support to accelerate their deployment during the immediate future.
Is $ all that is needed

The 2005 EPAct has real money in the form of tax provisions

BUT that is not all: The Highway Reauthorization and Excise Tax Simplification Title of the Tax Code has provided a boost to fuels produced from gasification and,

DoD has a new time horizon for off-take contracts
DoD coined the gap between R&D and Deployment:

“The Valley of Death”

But there are Actors which can help to bridge this gap and States have tools to assist.
So what can States do?

Tax Incentives
Fuel Adjustment
R&D
Technology Assistance
Bonds
Regulatory certainty for Siting
Fuel purchasing
A Governmental Structure that provides for a Business friendly environment and allows Agencies to work together

Ohio’s example: The Ohio Power Siting Board
The Board is comprised of 11 members, seven who vote and four who are non-voting members. The Chairman of the PUCO serves as the Chairman of the Board. In addition the other six voting members are:

Ohio EPA
Ohio DNR
Ohio DOD
Ohio DOH
OHIO DOA

And a Public member

The four non-voting members are legislators, Two Senators and two House Representatives
OHIO POWER SITING STATUTE PROCESS FLOWCHART*

60 DAYS

- Pre-Application Conference
- Informational Meeting(s)
- Application Submitted
- Staff Compliance Review
- In Compliance
- Letter of Completeness
  - Proof of Service
    - 30 Days for Intervention by Right
  - Not in Compliance
    - Informed of Inadequacies
    - Back to Staff for Review

60-90 DAYS

- 2nd Public Notice
  - 7-21 days before Hearing
- Staff Report Issued
  - 15 days before Hearing
- Issue Resolution
- Interrogatory & Discovery
  - Taking of Depositions
  - Field and Site Visits
  - Member Agency Analysis
- Preparation of Staff Report
- 1st Public Notice
  - within 7 days of Acceptance
- Application Accepted
  - Hearing Dates Set
  - 60-90 day clock starts

- Public Hearing
- Adjudicatory Hearing
- Briefs & Reply Briefs
- ALJ Report
- Board Decision
- Certificate Issued
  - Application Denied
- Appeal to Board
  - 30 days to seek Rehearing
- Appeal to Supreme Court
  - 60 days to Appeal

BOARD MONITORS CONSTRUCTION AND FIRST TWO YEARS OF OPERATION OF FACILITY
Conditions of Certificate Apply for Life of Facility

* This is a working DRAFT which may be subject to administrative review every five years.
While this chart looks daunting it really helps to provide binding timelines assurance to the applicant; and cases do not linger for final judgment.
Clearly......................

States can provide calmer waters and work in concert with Federal initiatives to provide the environment conducive for Industry to move forward on needed capital stock turnover and additions.