

CAMP UPDATE:
October 14, 2007
IGCC's WOES

While CAMP supporters are watching and waiting for Excelsior Energy's next moves on the Mesaba Energy Project, there is more bad news regarding IGCC project financing.

Excelsior already has an uphill climb to revise its proposed power purchase agreement to satisfy the Minnesota Public Utilities Commission. Now an industry report says that IGCC costs have escalated between 30% and 50% since the beginning of 2006, and as much as 100% since 2004.

An energy industry research and analysis group (Emerging Energy Research) issued a report on October 5, 2007, saying that much of the momentum behind IGCC has waned because of rising capital costs, stabilizing natural gas prices, and an uncertain outlook for carbon policy.

On 9/18/07 a major Dutch utility (Nuon – "perhaps the world's biggest utility proponent of IGCC") after two years of deliberation and project evaluation, tabled its proposed 1,200 MW IGCC project in the Netherlands.

On 10/4/07 TECO (regional Florida utility Tampa Electric) announced that it is shelving its plans for a 630 MW IGCC project, even though in 2006 it was awarded over \$130 million in federal tax credits to build the project.

"These cancellations are a very clear indication of the widespread challenges facing IGCC over the next two to five years."

More detail is available in the three-page pdf version that can be downloaded at:
<http://legalectric.org/f/2007/10/igcc-cancellations-eer-oct-5-2007.pdf>