

Responses to questions related to:
IRS Notice 2007-52, Qualifying Advanced Coal Project Program,
October 2, 2007

3. Heat rates for advanced coal-based electric generation

With regard to Appendix B. Application for DOE Certification:

a) Whether IGCC projects need to provide net heat rate correction calculations to demonstrate that the heat rate is less than or equal to 8,530 Btu/kWh requirement. Or does the requirement to provide net heat correction calculations only apply to other advanced coal-based generation technology (i.e. non-IGCC)?

b) Whether IGCC projects need to provide adjusted net heat rates as described in Section 48A(f)(2) as originally stated in 2005 EPACT in which there is an adjustment for coal heat content, elevation, and design temperature. What level of information is expected for the applicant "to provide evidence sufficient to justify the actual heat rate"?

Response 3a) IGCC projects need not provide heat rate correction calculations. The requirement of meeting the heat rate of 8530 Btu/kWh applies only to advanced coal-based electric generation projects that are not IGCC.

Response 3b) IGCC projects need not provide adjusted net heat rates.

4. EPACT 48A - 2-year deadline for obtaining all permits

With the increased emphasis on capture and sequestration of CO₂ (or carbon), will the EPACT 48A requirement for obtaining all permits within a 2 year deadline be relaxed? We note that few, if any, permanent sequestration in saline reservoirs have been done commercially. There is no basis for predicting what permits will be required, who would grant them, or an established timetable for obtaining permits.

Response 4) The 2-year deadline for completing permitting is included in the EPACT 2005 legislation, section 48A, and cannot be waived. Therefore, if a project includes capture and sequestration the applicant must show that the project can meet the deadlines by including a plan for obtaining the permits.