

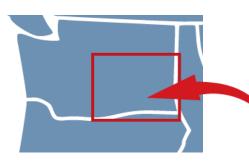
Mid-Columbia Region Clean Energy Opportunities

Clean Energy in the Mid-Columbia Region

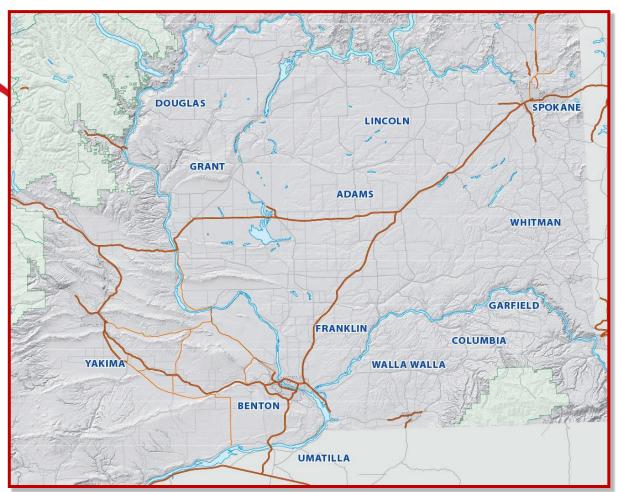
 The Mid-Columbia region of southeast Washington offers outstanding opportunities for creation of an industrial base for clean energy and other developments

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The Mid-Columbia Region of Southeast Washington



- Plateau terrain
 - Steppe
- Rich in agriculture
 - Wheat, corn, grapes, alfalfa
- Rivers run through it
 - Columbia, Snake, Yakima
- Rich heritage
 - Cultural
 - Historic
 - Geologic





Environmental Management

Clean Energy: Scoping some potential markets

- National needs fuel consumption
 - Forecast fuel use increased 3.1 million barrels per day by 2035
- Pacific Northwest region electricity use
 - Forecast 7,000 MW increase in electricity use through 2030
- U.S. Department of Defense regional consumers
 - 3 Air Force Bases, 2 major Army facilities, and 1 Naval shipyard in the Pacific Northwest Region
 - Columbia River provides access from inland areas to West Coast and Pacific commands
- U.S. Department of Energy Hanford Site
 - Forecast 60 MW increase in consumption by 2020
 - Required reductions in petroleum use and greenhouse gas production

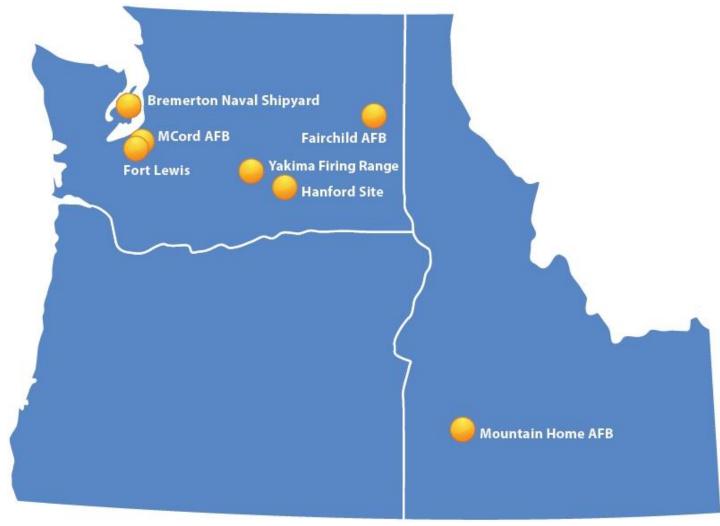








DOD and DOE Facilities in the Pacific Northwest



Regional Attributes

- Low cost of doing business
- Roads, Rails & Rivers
 - Diverse transportation infrastructure built up around DOE/DOD and agricultural needs
- Capable & highly educated workforce
- Available reserved water rights and clean, low cost electricity
- Robust community support



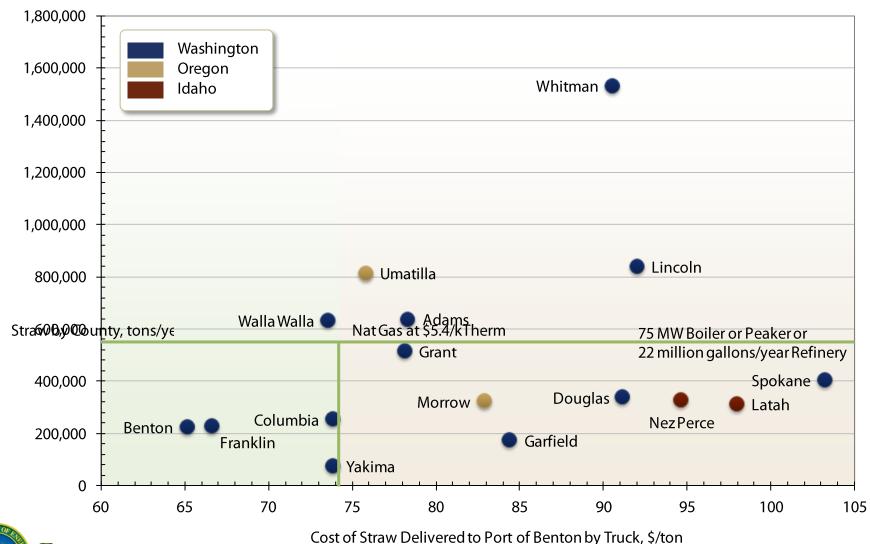
Mid-Columbia Region rich in agricultural waste resources

- Region within 150 road miles of Richland, Washington on the Columbia River grew 7.5 million tons of wheat straw in 2007
 - Enough to manufacture >300 million gallons of liquid fuel annually, or ~1,000 megawatts of electricity continuously
- Other crops produce usable smaller amounts
 - Alfalfa, grapes, corn
- Pacific Northwest economics conversion to liquid fuels and chemicals over electricity
 - Varies with market conditions, time of year, etc.



Environmental Management

Biomass Availability and Cost Delivery by truck

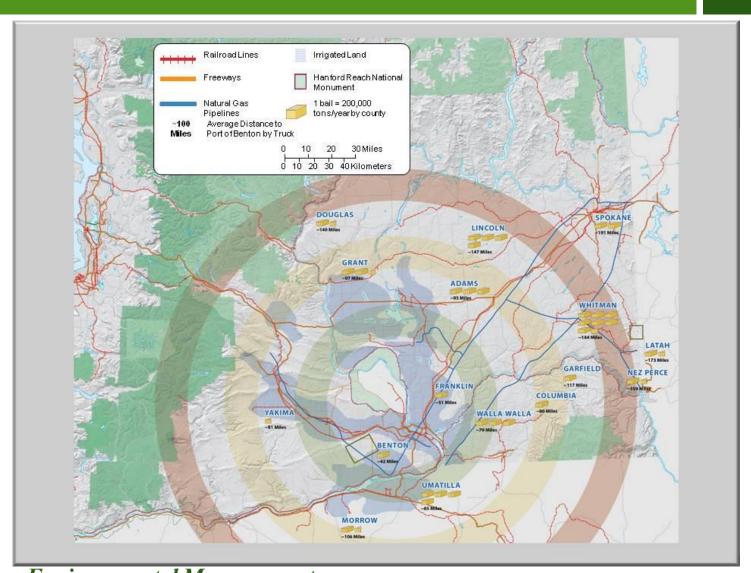


Feedstock Logistics

- Transportation of large amounts (>1M tons/yr) of biomass) to processing points will provide economic advantage for large developments through economies of scale
 - Feedstock logistics costs can represent up to one-third of the final end product cost, so minimizing cost throughout the supply chain is crucial.
- The DOE Biomass Program has invested \$21.3M in feedstock logistics demonstration projects to focus on commercial equipment availability
- Commercial development of lightweight, multimodal rail cars enables reduced cost for movement of large amounts of biomass
- The end result will be reduced delivered feedstock costs to bring the biomass industry into costcompetitiveness with conventional fuel production



Resource and Infrastructure Map



Solar Findings

- Large-scale concentrating solar generation in this region is a difficult commercial proposition
 - Concentrated Solar power not expected to be economically viable
 - Low Solar Factor
 - High costs vs. photovoltaic technology
- Photovoltaic solar deployment mature, modular and potentially cost effective
 - Costs have fallen sharply in past 2-3 years
 - Sites and interconnections to support photovoltaic deployment readily available
 - Commercial and government



Wind Findings

- Wind energy generation already widely deployed in the region
 - Most commercially developed renewable resource in the region
 - Springtime production was recently curtailed due to restrictions on grid integration with hydro
 - Wind resources in the immediate Tri-Cities area are limited
- Ancillary Services required to integrate existing and planned wind power to the grid may provide an opportunity to deploy energy storage and clean generation technologies



Conclusion: The Promise of the Mid-Columbia Region

- The Mid-Columbia region has a combination of attributes needed to become a leader in clean energy technology and industry
 - Resources
 - Infrastructure
 - Supportive Community
- A positive and supportive community environment exists in the region to help create new clean industries in the Mid-Columbia region



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