

Clean Coal Power Initiative – Round 3
Pre-Application Webcast
November 20, 2008

The Clean Coal Power Initiative (CCPI) Round 3 FINAL Funding Opportunity Announcement (FOA) was issued on August 8, 2008. In order to provide potential applicants with a venue to ask questions and discuss application requirements, a pre-application webcast was held on November 20, 2008. The following Q&A's provide a representation of the types of questions received during the webcast.

All page citations provided below are as of the Amendment 003 version of the Final FOA.

1. Q: Applicant will be proposing a retrofit ... Is the 35% increase in cost of electricity (COE) the target they are required to meet?
A: The project must make progress towards the 35% requirement. The project does not have to achieve the COE target increase of less than 35%. The applicant should show a path way to achieving the COE increase of less than 35% for the proposed technology, which may be for new construction or retrofit applications, regardless of the type of project being proposed (new construction or retrofit).
2. Q: What is the definition of a “project team”?
A: The applicant should organize a team with the necessary skills and resources. The FOA is intentionally vague in stating specific team requirements because the skill set and mix depends on the applicant’s specific project. The team may include internal resources provided by the applicant or resources provided by external organizations. It is noted that the structure of the project team should be clearly presented in the application so it can be properly evaluated.
3. Q: Is an Environmental Questionnaire required for each site?
A: Yes, an Environmental Questionnaire is required for each proposed site. This includes both the location of the plant(s) and sequestration site(s). Environmental Questionnaires should also be provided for any alternate plant or sequestration sites.
4. Q: Define “subrecipient” in the context of the cost detail requirements on page 28 of the FOA.
A: Reference Page 30 of the FOA under “Subaward Budget Files” which specifies the thresholds for cost detail requirements for subcontractors/subawardees. Subawardees may include commercial vendors and is not limited to technology/project partners.
5. Q: Under page 28, is the level of detail required for equipment costs only applicable to major equipment items?
A: DOE must see a list of all equipment to be purchased under the project.
6. Q: Explain the requirement that the technology can be scaled to capture 50% of plant CO₂ output.
A: The intent is to show the technology is scalable to the scale required for utility applications.

7. Q: Has the 70/30 funding allocation issue been resolved? Reference EPACKT 2005, P.L. 109-58, Title IV, Subtitle A, Sec. 402(b).
A: Our current direction is that 70% of the funds must be spent on gasification systems while up to 30% can be spent on other systems.
8. Q: Is there a time limit for the Project Definition Phase?
A: No. However, projects, which are more conceptual in nature, proposing a long duration Project Definition Phase, may lack information to fully address the evaluation criteria, and as a result be viewed less favorably than projects which are farther along the development path and are able to propose a shorter duration Project Definition Phase.
9. Q: Is there a specific date or goal to complete the construction phase and begin the demonstration phase of the project?
A: There is no specific date or requirement. However, projects with shorter time duration to completion because they are farther along in development, may receive more favorable ratings because they may be able to provide data and information in their application that more fully addresses the evaluation criteria. Projects more conceptual in nature may lack certain information and may not fully address the evaluation criteria. The Project Management Plan will be evaluated based on appropriate time allocation on the project so a reasonable time should be proposed.
10. Q: If there are two good applicants and DOE wants to select both applications but does not have enough money to fund both projects, will DOE negotiate with both applicants to accept a lower amount of DOE funding?
A: No, the evaluation process does not allow for this. DOE will select the highest ranked application or use Program Policy Factors to select an application. If a lower ranked project is next in line to be selected and DOE does not have the full amount of funding for the project, DOE may select the project for less than the full amount and the Applicant can either reject or accept the reduced funding.
11. Q: Does commercialization refer to the demonstration plant or the effort beyond the demonstration?
A: Commercialization refers to deployment of the demonstration technology in the utility marketplace following the demonstration.
12. Q: Will a copy of the presentation given at the webcast be available to the public?
A: The presentation is currently available on NETL's website and will be made available on the IIPS website where CCPI Round 3 is posted.
13. Q: If all co-funds are not accounted for in the funding plan, will the proposal be rejected before further review? For example, if the project is estimated at \$100M, we are asking for \$50M from CCPI and only \$20M of the remaining difference is committed at the time of proposal

submission, will the proposal be rejected? Would a plan for acquisition of the remaining funds be sufficient?

A: At the time of application submission, the applicant must have a plan to obtain the funding for the entire non-DOE share of the total project cost. The applicant must submit a funding plan that identifies all sources of project funds. In the case where an applicant is proposing a Project Definition Phase as Budget Period 1, the applicant must commit all funds required for the Project Definition Phase (Budget Period 1) at the time of award, and the remaining funds for the remainder of the project at the completion of the Project Definition Phase. As noted, in such a case, it is required that the applicant propose a plan at the time of application submission for obtaining the remaining funds. If the applicant is not proposing a Project Definition Phase, the applicant must commit all funds for the entire project at the time of award.

14. Q: If the project is a slipstream of say 25% of syngas flow in an IGCC plant, will the entire plant input be subject to the 75% coal input requirement or will the requirement relate only to the amount of input related to the slipstream, i.e. 75% of 25%?

A: The entire plant is subject requirement that 75% coal input requirement.

15. Q: Is there any issue with starting the project prior to receiving the DOE CCPI funding?

A: An applicant may incur pre-award costs within 90 days prior to the start date of the project at their own risk. Should the project be awarded, these costs would be eligible for reimbursement by DOE. If the project is not awarded, DOE is under no obligation to pay those costs. The applicant must obtain prior approval for pre-award costs incurred more than the 90 days immediately preceding the award. It is noted that funds are not committed to the project until the cooperative agreement is signed by DOE. Also, applicants are reminded that pre-award activities are not a method to circumvent NEPA requirements.

16. Q: Would a project that puts out fires in coal mines, then creates a fuel from the coal that is recovered in said mine, be responsive to the project?

A: Mandatory eligibility requirements are contained on page 16 of the FOA. It is likely that the above mentioned project does not meet eligibility requirements.

17. Q: Is the \$440M funding spread out over the entire lifetime of the program or for the first year?

A: The \$440M is spread out over the entire lifetime of the program.

18. Q: Will the list of attendees to this webcast be made available to facilitate partnering?

A: No, DOE does not have a way to identify everyone who is attending the webcast.

19. Q: What is the definition of "Project Definition Phase"?

A: Project Definition Phase is defined on Page 47 of the FOA.

20. Q: In the absence of EPA rules or state regulations related to sequestration and associated liability, is the DOE willing or able to assume sequestration related liabilities?

A: No. Please reference the "Indemnity" clause on page 17 of the Model Cooperative Agreement.

21. Q: Are applicants restricted in any way from using technology developed outside the US or using private funding from sources outside the US?
A: No. The project must be located in the United States and comply with the conditions provided in Clause 21, "Notice Regarding the Purchase of American Made Equipment and Products - Sense of Congress", of the Model Cooperative Agreement.
22. Q: If a group of companies is joining together for the purposes of performing the demonstration project and expects to form some sort of formal alliance or partnership to conduct the project, how well defined does the alliance or partnership need to be at the time of submission?
A: Letters of commitment must be provided for each member on the project. If an alliance is formed, the application must be submitted by a single Applicant, whether that is one member of the alliance or by the alliance. Please reference Page 21 of the Funding Opportunity Announcement under Project Organization and Project Management Plan.
23. Q: To clarify the 70/30 comments made earlier - is there only a maximum of \$132M available for all post combustion capture or oxy coal projects?
A: Yes.
24. Q: Are there a limits on the duration and \$ amount of the project definition period?
A: No. See responses to Questions 8 and 9.
25. Q: If we are planning to propose CO₂ sequestration through advanced enhanced oil recovery and we have a suitable method identified in bench scale experiments, can the project definition period be used to determine exact methodologies on the use of the technology in a demonstration oilfield? Can the project definition period include probing a few reservoirs or a set of wells with new polymeric surfactants mixtures and/or CO₂, in order to identify the best reservoir/wells for the full-blown demonstration effort?
A: See page 15 of the FOA for information on Project Specific Development Activities. It is not appropriate to use Project Specific Development Activities to perform research and development activities. Proposed technologies must be ready for commercial demonstration at the time of application submission.
26. Q: Are projects that are intended to operate commercially (in CCS mode) after the demonstration period looked at differently than "demonstration period only" projects?
A: Projects that operate commercially after the demonstration period may more fully address evaluation criteria addressing Commercialization Potential than "demonstration only" projects.
27. Q: What are the usage of coal or MW electricity requirements for a project that is at a pilot scale?
A: CCPI does not fund projects that are at a pilot scale R&D phase. CCPI funds projects that are at a commercial scale in a commercial setting. A pilot-scale project would not meet the mandatory eligibility requirements identified on page 16 of the FOA.

28. Q: Has DOE considered combining the CCPI and Loan Guarantee program such that they are on the same schedule deadline-wise?
A: Projects must show financial suitability. The CCPI and Loan Guarantee program may not line up time wise, but applicants are not excluded from applying to both programs.
29. Q: Regarding the 70/30 funding allocation, is oxycoal included in the 70% funding category?
A: No. Oxycoal falls in the 30% funding category.
30. Q: Will higher scores be awarded for the following:
(1) Ability to commission demo earlier than competing proposals
A: Yes.
(2) Higher than 300,000 tpy CO₂ storage
A: Yes.
(3) Longer than 3 year demo operations
A: Not necessarily.
31. Q: Is it possible the 70/30 rule could be changed? If this happens after the submission of proposals, will this compromise the solicitation process?
A: The 70/30 funding split can only be changed through legislation. Applications will be selected based on laws prevailing at the time of selection.
32. Q: Will a list of the call participants be available to the public?
A: No, DOE does not have a listing of the participants to the call.