

***Contract for System-wide  
Gypsum Marketing  
Partner***

*Kingston Fossil Plant*

## **Background**

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- TVA solicited offers for a system-wide gypsum marketing partner in October, 2003
- Received four proposals
- Rebid RFP in September, 2004 based on significant changes in scrubber schedule for Colbert scrubbers
- Received three offers
- Formed an interdisciplinary team to evaluate offers

## **Outcome**

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- Team recommended award of a contract to Synthetic Materials for BRF, COF, KIF, PAF and WCF gypsum sources
- Based on recommendations of the Team, FPG management requested Delegation of Authority from the TVA Board of Directors to enter into a 20-year contract with Synthetic Materials for the dewatering and marketing of scrubber gypsum
- Board approval to enter into contract was received in December, 2004

## **Current Activities**

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- Fuel By-Products is initiating a series of briefings with Plant management teams
- Fuel By-Products is engaged in finalizing the contract with SynMat
- SynMat is scheduling site visits and working with Scrubber Team to develop siting plans and interface for dewatering facilities at each site

## **Next Steps**

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- Need Plant management to assign Plant contact for Fuel By-Products and SynMat to work with
- Develop conceptual plans for siting of dewatering facilities with concurrence of Plant management teams
- Siting may require grants of easements and/or licenses at Plant sites
- Initiate final NEPA review for each site as required
- Develop Operating Plan for each plant site

## **Kingston**

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- SynMat has guaranteed that they will market 100% of KIF production beginning in 2010 @ \$0.10/ton on a “take or pay” basis
- SynMat will design, construct and operate dewatering, storage and loading facilities capable of processing total KIF output at their sole expense (TVA does not subsidize)
- Depending on site specific constraints, SynMat will in most cases obtain all required permits and utilities from local municipal providers (KIF TBD)
- Typical layout will require 2-5 acres and barge access
- Gypsum must meet a specification which will address gypsum purity, chloride concentration, etc. (to be negotiated)