Archived: Thursday, May 31, 2012 3:40:55 PM From: Eric M. Robeson Sent: Monday, February 27, 2012 10:02:00 AM To: Bob Berry; John Wolfram (jwolfram@insightbb.com) Subject: FW: BREC Fuel Switching for CSAPR Compliance Response requested: No Importance: Normal Attachments: Fuel Switch_Draft.pdf ;

=

From: TODD.M.HANSSEN@sargentlundy.com [mailto:TODD.M.HANSSEN@sargentlundy.com] Sent: Wednesday, February 22, 2012 10:59 AM To: Eric M. Robeson Cc: ADAM.C.LANDRY@sargentlundy.com; ANDREW.J.CARSTENS@sargentlundy.com; WILLIAM.DEPRIEST@sargentlundy.com Subject: BREC Fuel Switching for CSAPR Compliance

Eric,

Attached is a one page write up why fuel switching was not investigated in depth, in the report. It is a simple comparison of fuel costs and the NPV over a 20 year period. There would most likely be other capital improvements to switch fuels, which would only make our decision to modify the existing systems more advantageous economically.

Some items of note:

1. We used only capital and O&M in our NPV analysis to remove the unknown of allowance pricing from the evaluation.

2. We evaluated Green 2 SCR with the fuel switch because of the inherent co-benefit of reduced NOx with PRB fuels.

3. The O&M is the delta in fuel cost of \$1.00/MMBtu.

Please let me know if you have any questions.

Todd M. Hanssen Sr. Vice President, Fossil Power Technologies Sargent & Lundy, LLC 55 East Monroe Street Chicago, Illinois 60603 TEL: (312) 269-6874 FAX: (312) 269-1968 CEL: (312) 543-1225