



# Coal Gasification Incentives “A State View”

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Development and deployment of advanced technologies aimed at providing needed baseload capacity such as ultra supercritical steam power plants, integrated gasification combined cycle power plants, coal gasification for end use, require incentives and/or special government support to accelerate their deployment during the immediate future



# Is \$ all that is needed

The 2005 EPAct has real money in the form of tax provisions

BUT that is not all: The Highway Reauthorization and Excise Tax Simplification Title of the Tax Code has provided a boost to fuels produced from gasification and,

DoD has a new time horizon for off-take contracts



DoD coined the gap between R&D and  
Deployment :

“ The Valley of Death”

But there are Actors which can help to bridge  
this gap and States have tools to assist



## **So what can States do?**

**Tax Incentives  
Fuel Adjustment  
R&D**

**Technology Assistance  
Bonds**

**Regulatory certainty for Siting  
Fuel purchasing**



A Governmental Structure that provides for  
a Business friendly environment and allows  
Agencies to work together

Ohio's example:

The Ohio Power Siting Board



The Board is comprised of 11 members, seven who vote and four who are non-voting members. The Chairman of the PUCO serves as the Chairman of the Board. In addition the other six voting members are:

Ohio EPA

Ohio DNR

Ohio DOD

Ohio DOH

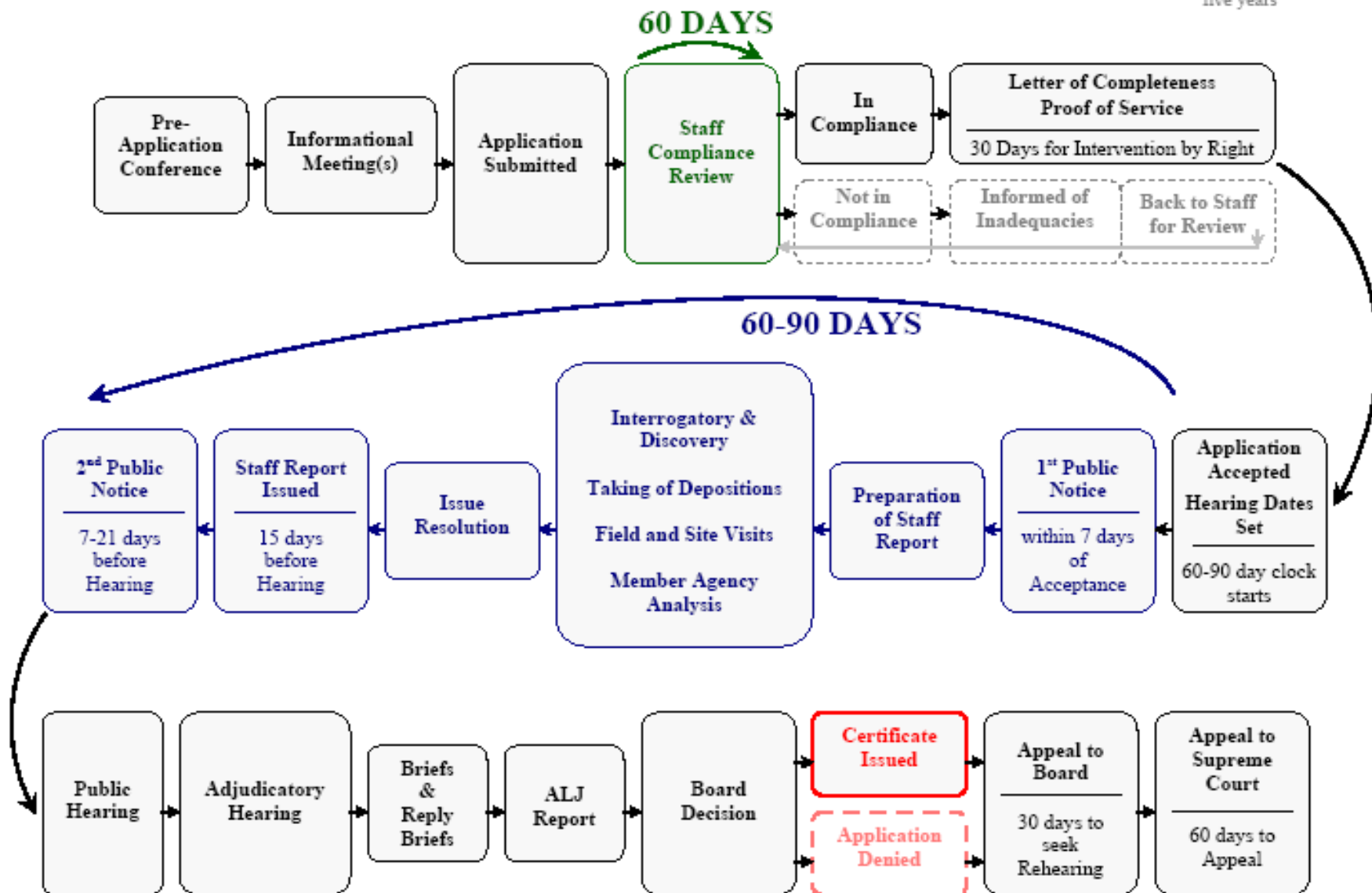
OHIO DOA

And a Public member

The four non-voting members are legislators,  
Two Senators and two House Representatives

# OHIO POWER SITING STATUTE PROCESS FLOWCHART\*

\* This is a working DRAFT which may be subject to administrative review every five years



**BOARD MONITORS CONSTRUCTION AND FIRST TWO YEARS OF OPERATION OF FACILITY**  
Conditions of Certificate Apply for Life of Facility



While this chart looks daunting it really helps to provide binding timelines assurance to the applicant; and cases do not linger for final judgment



Clearly.....

States can provide calmer waters and work in concert with Federal initiatives to provide the environment conducive for Industry to move forward on needed capital stock turnover and additions