

Coal issues at the forefront

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CHEYENNE — General Electric has signed a letter of intent with the University of Wyoming to develop a coal research plant in the state.

Although final details of the project are still being negotiated, company and state officials said Wednesday that the planned \$100 million facility could be operating by 2010.

Officials said no location has been chosen for the plant, although both the University of Wyoming and its School of Energy Resources are located in Albany County. Plans call for the state and the company to split the cost of the project, with the company contributing both cash and in-kind technical services.

Gov. Dave Freudenthal, who has signed off on the letter of intent, has proposed that the Legislature approve spending an initial \$20 million on the project.

Freudenthal proposes that the money would come from more than \$80 million the state stands to receive from the federal government this year for restoration of abandoned mine lands. He has said that only about \$30 million in reclamation projects are ready to proceed.

Freudenthal told reporters Wednesday that he hopes the research plant creates opportunities for UW students. He said the nation has only begun to address the issues of how to use coal more efficiently and manage the associated carbon emissions.

"I suspect that, in one form or another, research institutions, utilities and the private sector are going to be confronting this for at least a decade," Freudenthal said.

Freudenthal was harshly critical of the federal government over the recent decision by the U.S. Department of Energy to pull the plug on the planned FutureGen project, a proposed \$1.8 billion coal-research plant that had been planned for construction in Illinois.

Officials with GE said they intend to build a small-scale plant in Wyoming that would allow testing of how to transform coal from the state's vast reserves into gas.

The company has developed commercial coal gasification plants elsewhere, using the process it calls integrated gasification combined cycle technology. However, the existing plants use other coal that has lower water content and more sulfur than Wyoming coal.

John Lavelle, general manager of GE Energy's gasification business, told legislators in Cheyenne on Wednesday that building the test plant would allow research into the use of coal from Wyoming's Powder River Basin.

"This is a big venture — we've had interest from other countries and other states," Lavelle said. However, he said that the company believes it has found the right partner for the project in UW.

Monte Atwell, head of GE's technical team on the project, said the plant would be built on a one-one hundredth scale of commercial plant and could process about 30 tons of coal a day.

Atwell said the plant would allow engineers to gain experience in working on coal gasification processes. He said it's now hard to find experienced engineers.

UW President Tom Buchanan said the research plant would give students an opportunity to learn about coal gasification.

"This is precisely the kind of partnership that we hoped for when we created the Energy School," Buchanan said. He said the university has hired a lawyer who specializes in intellectual property matters to work on the final contract with the company to make sure the state's interests are protected.