



**Synapse**  
Energy Economics, Inc.

# Prudent Planning and New Coal Fired Power Generation

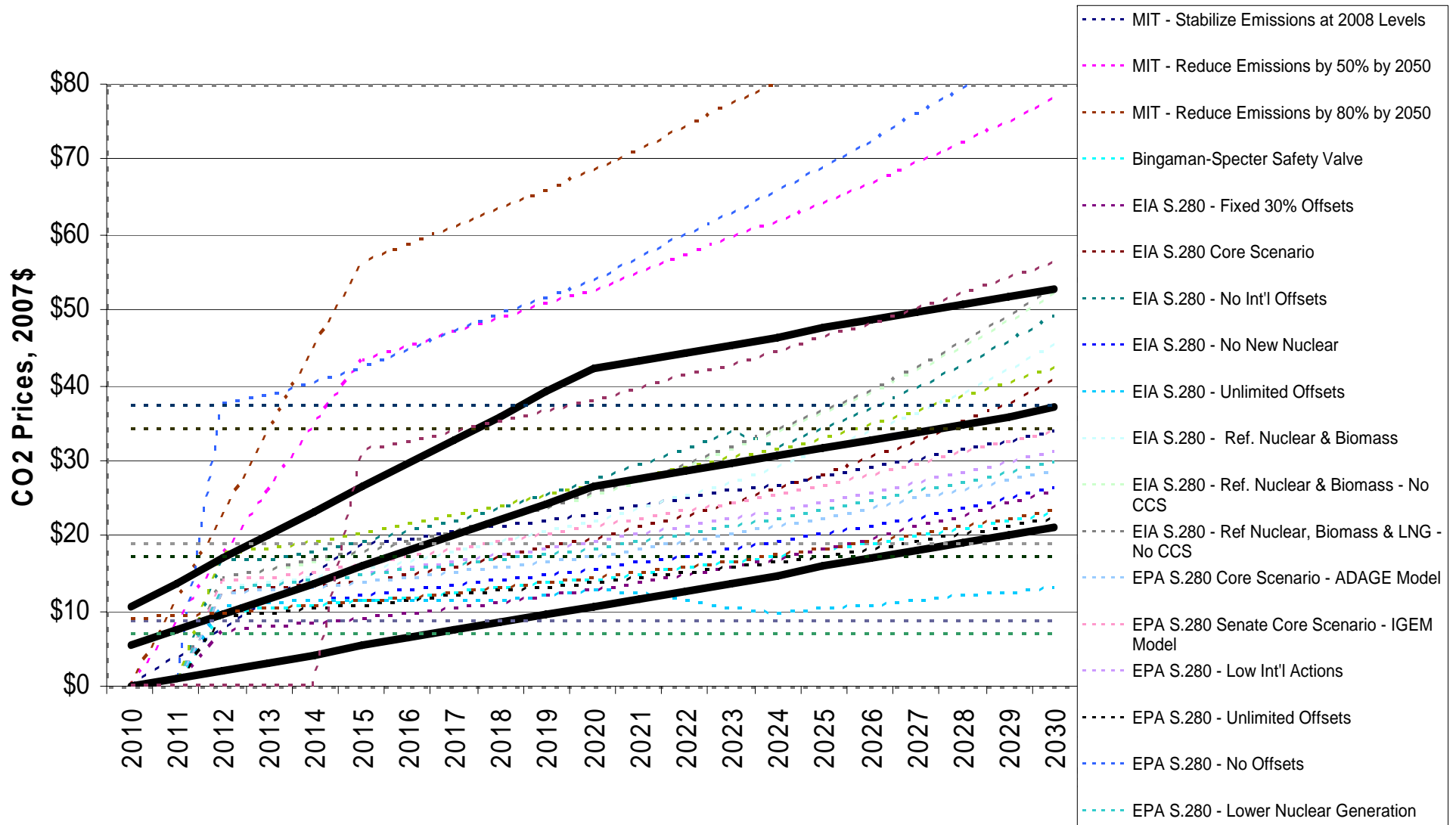
CERES Conference 2008

“The Coal Conundrum: Too Abundant to Ignore, or Too Risky to Pursue?”

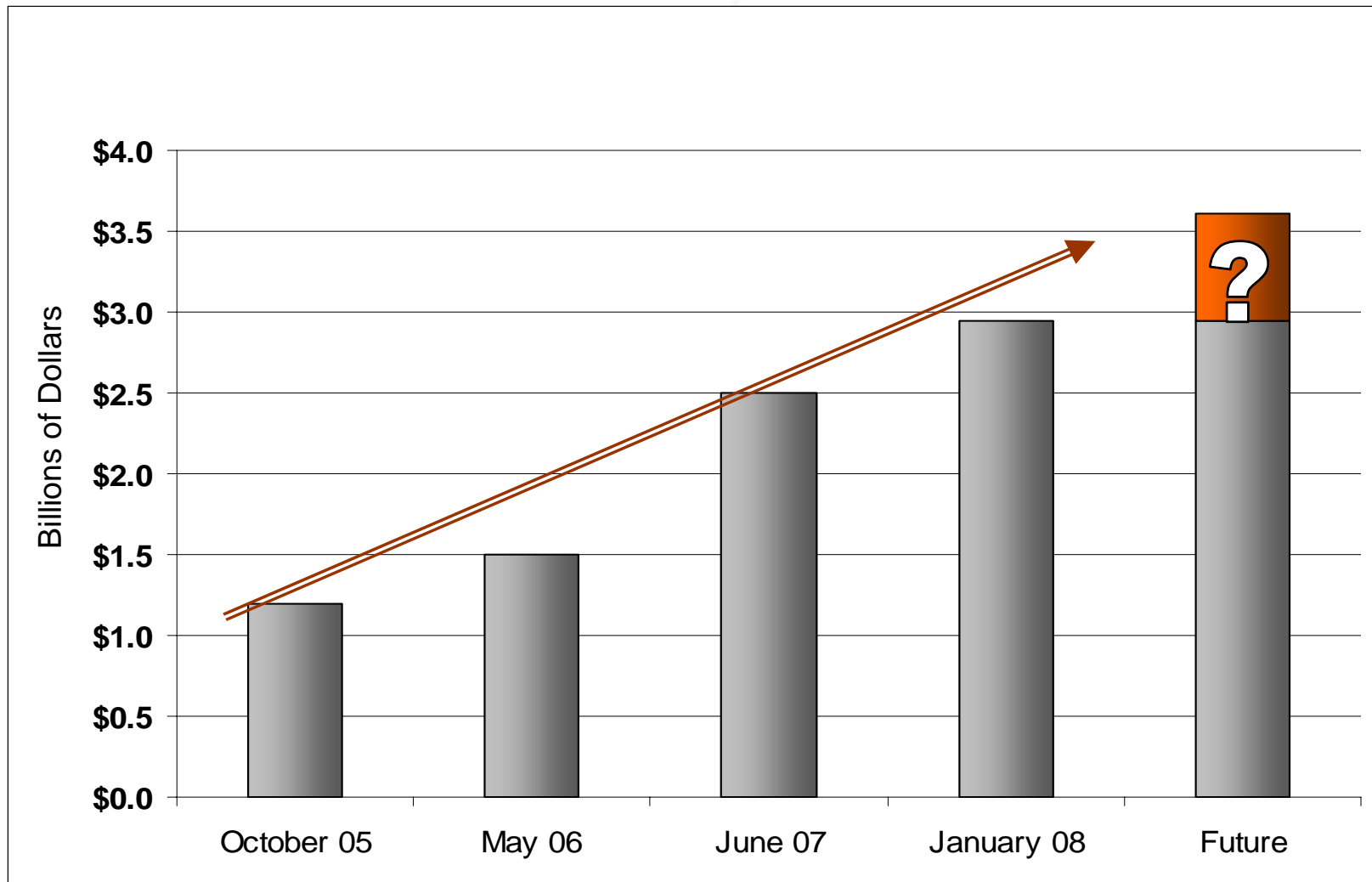
April 29, 2008

Presented by Bruce Biewald

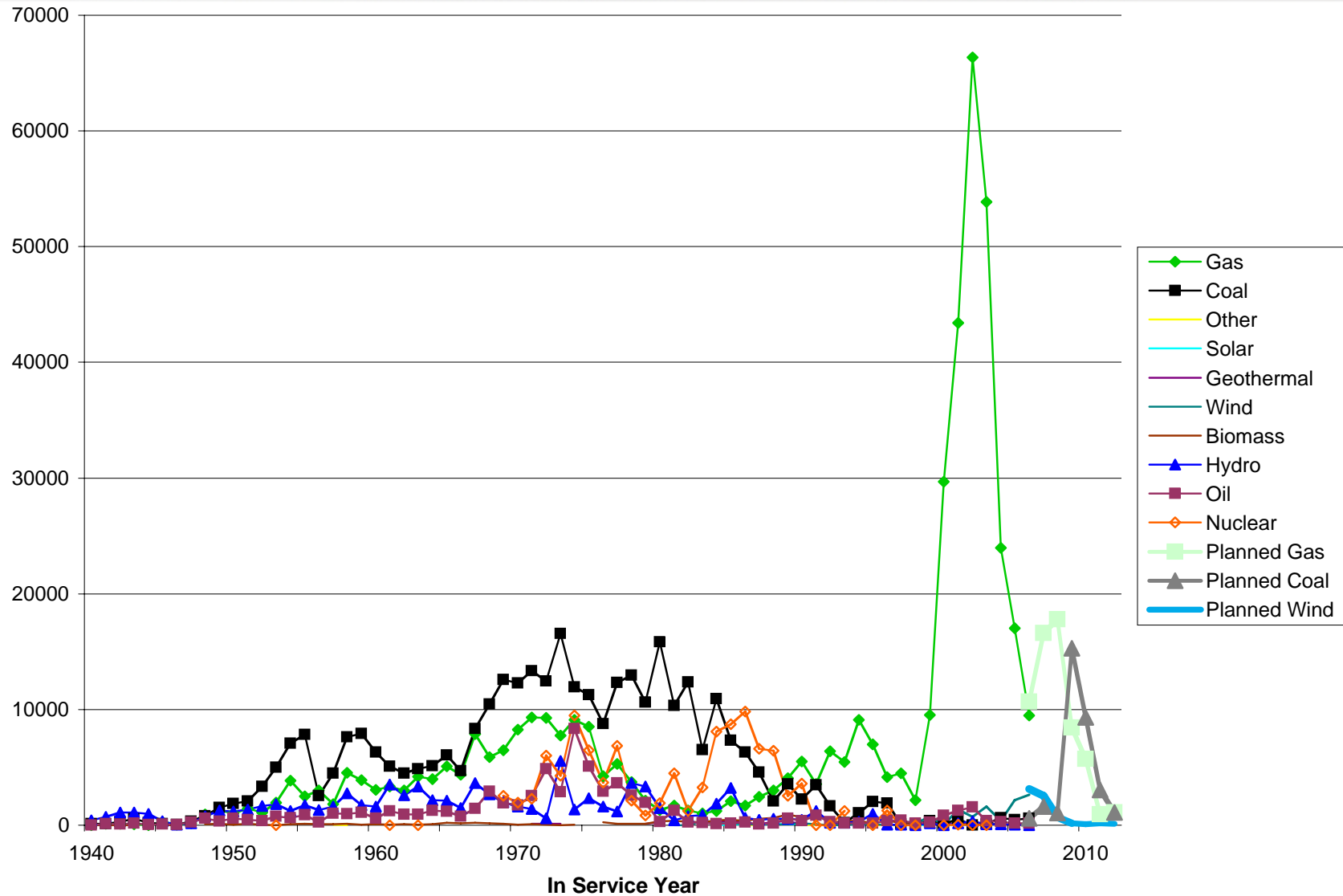
# Carbon Price Graph (\$/ton)

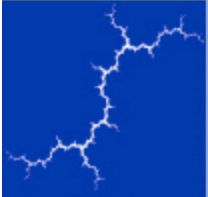


# Proposed AMP-Ohio Coal Plant - Increases in Estimated Construction Costs Since 2005



# US Generating Capacity by Vintage and Fuel Type



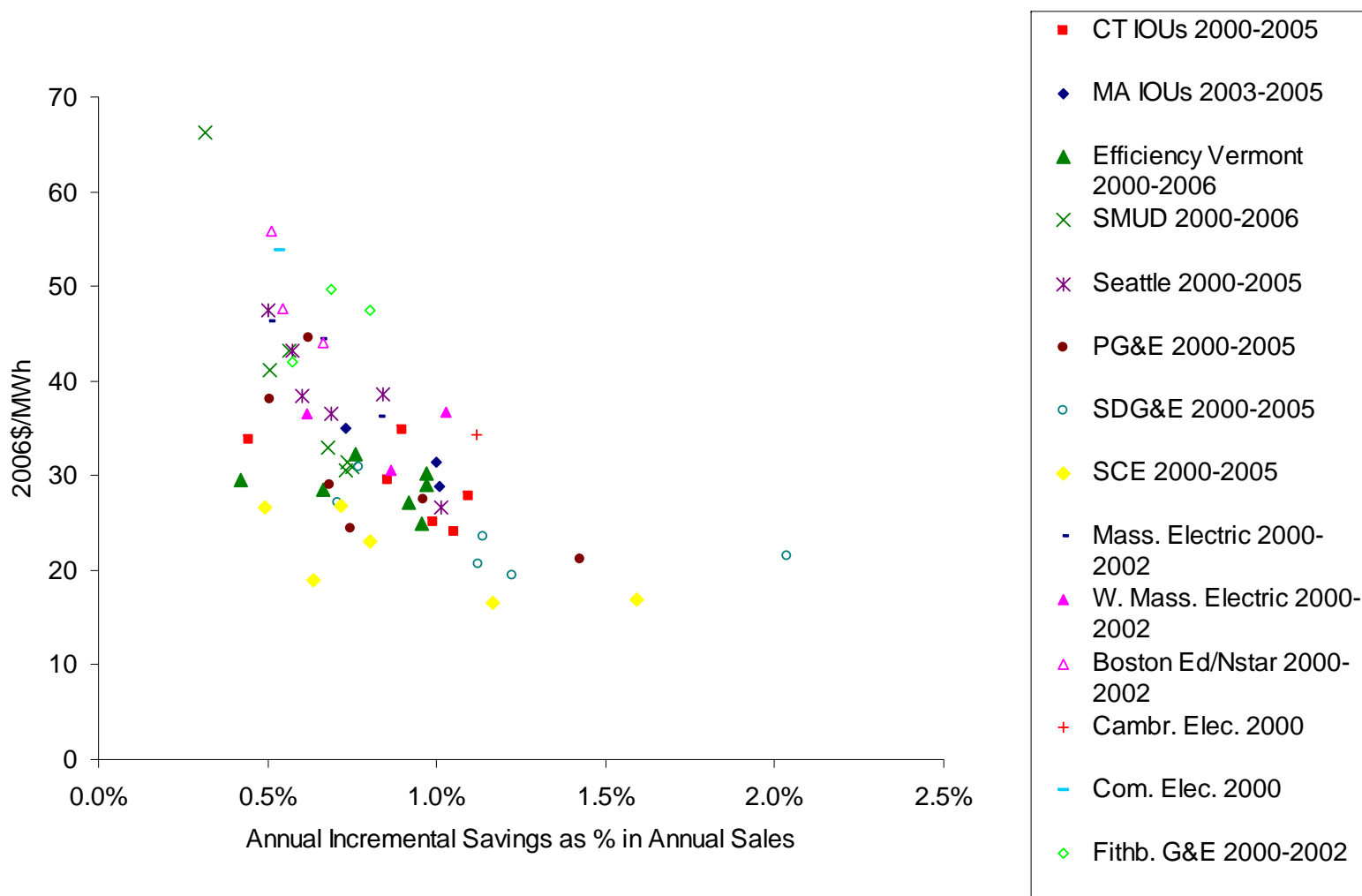


## Poor Electric System Planning Practice

- Passive attitude toward information
- Rely on out of date construction cost estimates
- Ignore CO<sub>2</sub> price, or treat it "at the end" as a sensitivity case
- Overly constrain alternatives such renewables and energy efficiency

**IMPRUDENT!**

# Electric Utility Energy Efficiency Costs



## Good Electric System Planning Practice

- Actively seek out relevant information
- Rely on up-to-date and realistic construction cost estimates
- Include reasonable CO2 price forecast in the reference case, and analyze high and low sensitivities
- Include full consideration of alternatives

PRUDENT





Questions, Comments



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