Clean Coal Task Force Meeting Minutes

Laramie Hilton Garden Inn

UW Conference Center, Salon F&G

May 27, 2011

11:10 a.m. – 2:25 p.m.

CCTF Members Present:
Tom Lockhart, Paul Matheny, Paul Lang, Rob Wallace, Kit Jennings, N. Maha Mahasenan

CCTF Members Absent:
Carl Bauer, Jim Kleckner, Ron Harper

SER Staff in Attendance:
Mark Northam, Mary Byrnes, Diana Hulme, Cath Harris, Sarah Schulmeyer

Others Attending:
Tom Buchanan
Dave Palmerlee
David Bell – Associate Professor, Chemical and Petroleum Engineering
Richard Garrett - Wyoming Outdoor Council
Colin McKee – Energy Policy Analyst, Governor’s Office

Action Items from Meeting:
• SER staff will draft a formal written request from the CCTF co-chairs, Ron Harper and Tom Lockhart, requesting Wyoming State Attorney General representation for the CCTF.
• The issue of a recordkeeping protocol for CCTF proposals and files will be added to the agenda for the August 26, 2011 CCTF meeting. Prior to this meeting, SER staff will draft a protocol on behalf of the CCTF to UW General Counsel requesting that copies of funded CCTF proposals and files be stored in the UW Office of Research and Economic Development vault.
• Current legislation regarding sunset dates has the Clean Coal Task Force ending on June 30, 2013, one year before the funds revert on June 30, 2014. In addition, there is likely to be some funding remaining after awards are made for this current round of proposals that cannot be distributed through another RFP process given the impending reversion date.
• One previous CCTF award recipient, Emery Energy, has asked if they can submit a proposal for supplemental funds to continue work on their CCTF project. A decision needs to be made by the legislature as to how remaining funds can be allocated. The following action
items will be taken to provide options for reconciling the sunset dates, allocating remaining CCTF funds, and determining the future of the CCTF program:

- Mark Northam will ask Emery Energy for a proposal describing their supplemental scope, schedule and budget. Mark will also ask Don Richards to approach the Wyoming Attorney General’s Office on May 30, 2011 for clarification of the legislative requirement for competitive evaluation of proposals in order to receive CCTF funds.
- Mark Northam will talk with President Buchanan to ask if UW is interested in continuing the CCTF program outside the UW block grant.
- Mark Northam will draft a summary of options for Tom Lockhart and Kit Jennings to address the inconsistent sunset dates and future CCTR funding, including the following: 1) Align the two sunset dates (for the CCTF and reversion of funds) and let the current funding run out and the existing projects end with no future funding for the program; 2) Align the two sunset dates and ask for more funding to continue the CCTF program; 3) Align the two sunset dates and broaden the focus from clean coal to advanced fossil fuel technologies, to include oil and gas as well as coal.

- In an effort to provide UW faculty the same competitive advantage as faculty from other universities in acquiring CCTF awards, Mark Northam will work with Don Richards to outline a draft document for the Wyoming Legislature to address the inability of UW faculty to use their state salaries as in-kind contribution toward the dollar-for-dollar match required for CCTF proposals. A determination needs to be made whether the Abandoned Mine Land (AML) funds used for the CCTF program are considered state or federal funds. Currently, state funds cannot be used as match for state grants, which precludes the use of UW faculty salaries as in-kind match for the CCTF program. This statute is a vestige of the original fund source which was state general funds.

**Agenda and Background information: (Appendix A)**

Meeting commenced at 11:10 a.m.
Tom Lockhart conducted the meeting. He thanked members for participating in the meeting.

Tom Lockhart requested a change in the flow of the agenda to reflect going to approving the minutes, legal issues and then into executive session for consideration of 2011 RFP proposals, and then review the CCTF budget and other business in an open session.

**Agenda Topics**

**Approval of the Minutes from November 19, 2010 – (Appendix B)**

**Action Taken:** The November 19, 2010 minutes were motioned to be accepted by Tom Lockhart and seconded by Paul Lang and unanimously passed.
Legal Issues

a. Attorney General – Legal Representation and Assistance

**Summary:** A discussion by Tom Lockhart with the Deputy Attorney from the Attorney General’s Office resulted in the Attorney General’s Office creating a form that will address the CCTF having legal representation from the State of Wyoming. The CCTF has standard representation at this time, but the Attorney General’s Office has been asked for more detail. Don Richards and UW General Counsel met with the Attorney General last week and were informed that a representative(s) would be assigned to the CCTF.

**Action Item:** SER will get a formal written request to the Attorney General from Ron Harper and Tom Lockhart for this representation.


**Summary:** A public records request was received by the University Of Wyoming School Of Energy Resources requesting information about a proposal from Ciris Energy addressing biogenic stimulation of coal bed methane. Ciris was fined by the Wyoming Oil and Gas Conservation Commission for failing to obtain a permit to inject chemicals into coalbed methane wells to stimulate biologic activity. Ciris was awarded funding from the CCTF in 2009 and has received the single largest amount of CCTF to date for an award.

UW legal counsel, Sue Weidel, advised SER to respond and handled the response for SER. SER disclosed everything except the confidential details of the project. UW believes the request has been satisfied. The CCTF will be updated if anything should change.

c. Record Keeping of Proposals – Discussion and Information

**Summary:** It was agreed that SER will follow the same rules as the UW Research Office does with all federally funded grants. SER is investigating whether AML funding requires any special record keeping guidelines, and will keep the CCTF updated as SER is informed. SER will keep the records until the project is completed and then transfer them to a secure vault located in the UW Office of Research and Economic Development for the duration of the seven years. It is required that all grants that originate from federal funds, (AML are considered federal funds) adhere to this procedure.
SER has signed a nondisclosure agreement with unsuccessful proposals which has a life of three years. SER proposes to keep these proposals for one year and then destroy them, which is customary with the procedure of the UW Research Office.

**Action Item:**
The issue of a recordkeeping protocol for CCTF proposals and files will be added to the agenda for the August 26, 2011 CCTF meeting. Prior to this meeting, SER staff will draft a protocol on behalf of the CCTF to UW General Counsel requesting that copies of funded CCTF proposals and files be stored in the UW Office of Research and Economic Development vault.

d. **Sunset Date of the Clean Coal Task Force: One year Prior to the Funding Expiration Date – (Appendix D)**

**Summary:** The State of Wyoming legislation requires a sunset date for the CCTF of June 30, 2013 and a sunset date for funding of projects by June 30, 2014. It is a concern that the sunset date for the CCTF be one year after the sunset date for fund reversion to ensure projects are completed as required. Legislation should be amended to change the sunset date of the CCTF. Several questions arose from this discussion:

- Should funding continue to be requested from the State for the Clean Coal Technology Fund to continue in moving forward with awarding clean coal projects?
- If so, the sunset dates would need to be pushed further into the future. Funds were not appropriated by the State to the Clean Coal Technology Fund for 2012.
- If not, the appropriate sunset dates for the CCTF should be changed from June 30, 2013 to June 30, 2015.

**Action Item:** Northam to draft something addressing the sunset date issue. Tom Lockhart and Kit Jennings will take on addressing the issue of the sunset dates with the legislature.

**Legal Issues – Other Business**

e. **Fund Source & Comparative Disadvantage**

**Summary:** Legislation states that clean coal awards are to be awarded competitively with a 50% outside match and cannot be state funds. It was proposed that a consideration be made to change the wording to reflect that some funds could be state funds to allow Wyoming state agencies (UW) to be able to compete in the process. For example, when a Wyoming state agency uses in-kind work or facilities as part of their outside match; it is state funds. If a university from another state, such as BYU, uses in-kind work or facilities, it is not considered state funds and puts Wyoming state agencies at a disadvantage in
competing. Legislation would need to determine if changing the language meets the original intent. Originally SER was funded by state funds and it was not an issue in the first round of clean coal proposals, as the intent was not to match state funds with state funds. A suggestion was made to examine whether this is an equitable situation and if there is cause to modify the legislation.

**Action Item:** Northam will work with Don Richards to put together a concrete outline of something the legislature could consider to address the issue.

**Executive Session - 2011 RFP Review and Selection**

**Summary:** The CCTF moved into executive session due to proprietary information in the 2011 Clean Coal Technology Fund proposals. Lockhart requested all who were not a member of the CCTF to leave the meeting.

**Action Taken:** A motion to go into executive session was made by Kit Jennings and seconded by Paul Lang. It was unanimously accepted.

Kit Jennings made a motion to end the executive session and Maha Mahasenan seconded it. It was unanimously accepted.

**Other Business**

a. **Emery Energy Request – (Appendix E)**

**Summary:** Emery Energy sent Northam a letter requesting additional funding for a proposal to scale up their gasifier which was funded by the Clean Coal Technology Fund. The gasifier they currently built is housed at Western Research Institute and is used in a test bed of other technologies, adding value as the research is completed. They are getting ready to apply for a $1,000,000 DOE grant, but need a 20% match and have asked if the Clean Coal Technology Fund would consider providing the match. If funded, it would fall into the category of continued support to funding a project the Technology Fund has awarded twice competitively. It is on the pathway of commercialization; it would be using a small amount of clean coal funds to leverage a large amount of DOE funds, but does not fall under the guidelines of our current state legislation for the CCTF or the fund. SER would like to use this as a test case to go to the Attorney General to request funds be used as a continuation to a current project.

**Action Items:** SER to request full proposal from Emery Energy to review. Northam is to ask Don Richards to make the request of the Attorney General on Tuesday, May 31, 2011 in order to receive a timely answer on the issue.
b. Future Funds

Summary: The CCTF was posed with the question from President Buchanan as to whether the CCTF felt the Clean Coal Technology Fund program has been successful and should a specific amount of funding be requested for the Clean Coal Technology Fund in the future. Additionally President Buchanan requested the taskforce also consider the question of funding to be requested from the general fund should AML funding not be available.

Northam proposed the idea of posing a request to the Governor to expand the scope of the Clean Coal Technology Fund to include oil and gas and other projects, to be called an “Advanced Fossil Energy Technology Fund”. The CCTF determined this was not a plan to undertake at this time.

Action Item: The CCTF would like Northam to discuss the idea of continuing the Clean Coal Technology Fund and asking the State for more funds with President Buchanan and report the outcome to the CCTF of the discussion at the August 26 meeting.

Action Taken: A motion was made by Kit Jennings and seconded by Maha Mahasenan for Northam to talk with UW President Buchanan to see if there is an interest for UW to continue the work of the Clean Coal Technology Fund with funding by the state once the outcome of AML funding occurs.

Next Meetings
a. August 26, 2011 – will include a CCTF symposium on August 25, 2011. Lockhart requested that SER consider holding the symposium and the meeting on the same day.
b. November 18, 2011

Meeting adjourned at 2:25 p.m.

Respectfully Submitted:

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Ron Harper           Tom Lockhart