MINUTES
Clean Coal Task Force Meeting
November 18, 2011
UW Conference Center
Following the ERC Meeting
1:30p.m. – 3:00p.m.

CCTF Members Present
Ron Harper, Tom Lockhart, Kit Jennings, Paul Lang, N. Maha Mahasenan, , Paul Matheny, Carl Bauer, and non- member, Rob Hurless as representative of the Governor’s office.

CCTF Members Absent
Jim Kleckner, Rob Wallace

SER Staff Present
Mark Northam, Mary Byrnes, Cath Harris, Diana Hulme, Nadia Kaliszewski

Others Attending
Jane Caton

Action Items from Meeting
• A motion was made by Paul Lang and seconded by Carl Bauer to approve Emery Energy’s request for budget redistribution (with no increase) for the WYO II project. The CCTF unanimously approved the request. The CCTF directed SER staff to issue a letter on behalf of the CCTF to Emery Energy notifying them of approval of their budget redistribution request for the WYO II project.
• The CCTF asked that Jane Caton make edits and prepare a final draft memorandum of understanding (MOU) for signature by both parties (Clean Coal Task Force and University of Wyoming).
• Carl Bauer offered to work with Mark Northam and SER staff to review the existing reporting requirements for the Clean Coal Technology Fund program and revise as necessary.
• Tom Lockhart offered to contact the co-chairs of the Joint Minerals, Business and Economic Development Committee of the Wyoming Legislature to let them know the CCTF does not support the draft bill titled, Advanced Conversion Technologies Study. The CCTF does not see this bill providing benefit to the state of Wyoming.

Agenda
1) Minutes – August 26, 2011 – for approval
2) Discussion on how SER should manage approved projects, interim review – Carl Bauer
3) Future of the Clean Coal Task Force (CCTF) – Discussion for legislative comment
4) Emery Energy – Discussion of project status
5) Progress on MOU with attorney general’s office and UW re: CCTF – Susan Weidel/Jane Caton
6) Other business
7) Adjourn

A motion was made, seconded and unanimously passed to reorganize the agenda to first address items #4 and #5 to make sure all members would be present as these items would likely require a vote.

**Approval of Minutes for August 26, 2011**
Senator Jennings moved approval of the minutes from the August 26, 2011 meeting with second by Tom Lockhart. The minutes were unanimously approved.

**Emery Energy – Discussion of project status**

**SUMMARY:**
The CCTF funds two projects for Emery Energy: 1) Novel Fixed-Bed Gasifier for Wyoming Coals awarded in 2007 (WYO I) and 2) Extended Operational Runs on Emery Hybrid Gasifier to Accelerate Commercial Adoption awarded in 2009 (WYO II). Emery Energy has submitted a request to the Clean Coal Task Force to redistribute the budget for the WYO II project to accommodate an increase in their federally negotiated indirect cost rate. Because their revised budget request does not ask for an increase in the overall project budget or a change in the project scope, SER recommended the CCTF approve Emery’s request.

**ACTION:**
A motion was made by Paul Lang and seconded by Carl Bauer to approve Emery Energy’s request for budget redistribution (with no increase) for the WYO II project. The CCTF unanimously approved the request. The CCTF directed SER staff to issue a letter on behalf of the CCTF to Emery Energy notifying them of approval of their budget redistribution request for the WYO II project.

**Progress on Memorandum of Understanding (MOU) between the CCTF and University of Wyoming (UW)**

**SUMMARY:**
Senior Assistant Attorney General, Jane Caton, who has been assigned as counsel to the CCTF, and UW General Counsel representative Susan Weidel, drafted an MOU between the CCTF and UW identifying each party’s role in managing the Clean Coal Technology Fund program. Jane Caton distributed a draft MOU to CCTF members at the meeting. Discussion about the MOU resulted in a request by the CCTF for some language clarification regarding reporting and additional edits to the MOU.

Part of the discussion centered on clarification of the types and frequency of reports that project PI’s should submit. This discussion was to be considered under item #2 on the agenda but the CCTF agreed to talk about it now as it relates to the language in the MOU.
Discussion about the reporting requirements focused on possibly requiring UW to provide the CCTF with quarterly financial reports regarding the projects along with periodic progress reports as specified in the CCTF solicitation or request for proposal (RFP). The CCTF agreed to keep the reporting requirement language in the MOU as broad as possible to avoid having to amend it should the solicitation language change.

**ACTION:**
The CCTF asked that Jane Caton make the requested edits and prepare a final draft MOU for signature by both parties.

**Discussion on how SER should manage approved projects, interim review**

**SUMMARY:**
This discussion is a continuation of what was presented above regarding reporting requirements to be listed in the CCTF/UW MOU. Reporting requirements are important in establishing oversight and ensuring CCTF awardees are conducting research and using funds as proposed, and if not, appropriate action can be taken.

Previous CCTF solicitations require semi-annual progress reports be submitted on June 1st and December 1st of each project year along with both a final summary and final technical report. Awardees must also present their project results in a public forum convened by SER. Discussion generated other reporting and project management ideas as follows:

- Quarterly progress reports for projects lasting two years or less.
- Stage the funding allocation in accordance with the achievement of project phases or milestones; i.e., an awardee will get the next installment of funding only when the previous stage or phase of work is complete.
- Require progress reports every four months instead of every three or six months.

One consideration related to reporting is whether SER would have the time and expertise to adequately review periodic progress reports. The group talked about SER hiring consultants to help with report review.

**ACTION:**
Carl Bauer offered to work with Mark Northam and SER staff to review the existing reporting requirements and revise as necessary.

**Other Business**

**SUMMARY:** Advanced Conversion Technologies Study
An Advanced Conversion Technology Study bill has been drafted for the 2012 Wyoming legislative session providing for the issuance of proposals for a mineral to liquid fuel commercial facility feasibility study. The bill designates an appropriation of $10 million to be awarded competitively to academic institutions and private industry. Each award is to
be matched dollar-for-dollar by the applicant. Proposals will be evaluated based on their anticipated benefits to the state of Wyoming and the probability that funding of the proposal will result in the construction of one or more commercial scale minerals to liquid fuels conversion facilities within the state. Applicants must demonstrate their financial and operational ability to begin construction of a commercial scale facility within two years of completion of the engineering study.

This bill was created in response to a request from a Wyoming company interested in constructing a natural gas to liquids plant in Wyoming. This company already approached the Joint Minerals Committee of the Legislature for $5 million to assist with a feed study.

The CCTF had concerns that this bill would not provide much benefit to the state of Wyoming. It was pointed out that $10 million would not be enough funding to generate useful data on facility engineering and economics. It's likely that this small amount of money will not be of any benefit to industry or the state of Wyoming. The CCTF brought forth other ideas to incentivize construction of a minerals to liquids facility, such as the promise of expedited permitting, royalty holidays, production credits, etc.

ACTION:
Tom Lockhart suggested that the co-chairs of the Joint Minerals, Business and Economic Development Committee of the Wyoming Legislature be contacted and told the CCTF does not support this bill. The CCTF does not see this bill providing benefit to industry or the state of Wyoming.

SUMMARY: Future of the CCTF – Discussion for legislative comment
Concern was voiced about the future availability of Abandoned Mine Land (AML) funds to provide support for SER operations. For the immediate future, it would be helpful if the remaining CCTRA funds (roughly $5 million) could be used to fund a new Advanced Conversion Technology Fund. A bill has been drafted to change the name of the CCTF to the Advanced Conversion Technology Task Force but at this point, no revenues have been appropriated to support a research program.

ACTION:
None taken.

SUMMARY: Update on GE Coal Gasifier
Mark Northam has been working with the principals associated with the proposed DKRW coal to liquids plant in Medicine Bow, WY. After the GE gasifier project was put on hold, Mark approached Bill Gern about signing an MOU between DKRW, GE and UW to build a research facility in Medicine Bow, provided DKRW goes forward. DKRW would provide a feed and return synthesis gas slip stream line to a UW research facility. In return, DKRW would like some funds from GE and GE would like to set up one of their gasifiers at the research facility. DKRW and GE are working on financial commitments and licenses for gasifiers. We think we can salvage what we were going to get with the original GE proposal and more - mostly because UW could get access to a continuous slip stream. Bill Gern is
now on board 100% and GE seems excited as well. We might be able to announce finalization of the MOU before the legislative session.

**ACTION:**
None taken.

**Next Meetings**

- March 30, 2012 at the College of Business
- May 18, 2012
- August 24, 2012
- November 16, 2012

**Meeting Adjourned at 3:00p.m.**