

Advanced Conversion Technologies Task Force Meeting

Minutes

Friday, August 21, 2015

University of Wyoming Energy Innovation Center

Laramie, Wyoming

ACTTF Members Present: Paul Lang (Chair), Representative Tom Lockhart (Vice-Chair), Senator James Anderson, Carl Bauer, Tom Botts, Jeane Hull, Rob Hurless

ACTTF Members Absent: Rob Wallace, Cindy Crane, David Emery, Senator Eli Bebout

SER Staff in Attendance: Mark Northam, Diana Hulme, Abby Scott, Kipp Coddington, Steve Carpenter

Others Attending: Dave True, ex-officio member, Energy Resources Council; Wendy Lowe, Peabody Coal; Chris Boswell, Vice President, UW Government and Community Affairs, Wyoming Representative Jim Blackburn; Judy Blackburn; Lynn Lockhart

Agenda:

- 1) Approval of Agenda
- 2) Approval of Minutes from the March 27, 2015 meeting
- 3) Maohong Fan 2012 project update
- 4) 2007 Clean Coal interest funds
- 5) Update on ITC – Rob Hurless and Carl Bauer
- 6) Clean Coal Research Fund Symposium – August 20, 2015
- 7) New business/Direction for next meeting
- 8) Adjourn

Summary of Action Items from Meeting:

1. Approval of Agenda – Carl Bauer moved to approve the agenda. Tom Lockhart seconded the motion. The motion passed unanimously.
2. Approval of Minutes from the March 27, 2015 meeting - A motion to accept the minutes from the March 27, 2015 meeting was made by Vice Chairman Tom Lockhart and seconded by Tom Botts. The motion passed unanimously.
3. Maohong Fan 2012 project update – Mark Northam and Carl Bauer will draft a letter on behalf of the Task Force to Dr. Fan, Dean Pishko, and Bill Gern asking them to work with SER to resolve the matching funds issue with Dr. Fan’s project. The Task Force will receive a status report on this effort by September 18, 2015.
4. 2007 Clean Coal interest funds – No action was taken. Mark and SER staff will come up with an idea of how to deploy the interest funds by the next Task Force meeting.
5. Update on ITC - Vice Chairman Tom Lockhart motioned to approve the MOU between SER and the WIA to oversee the ITC. Tom Botts seconded the motion, and it passed unanimously. Following an executive session, the Task Force made two formal recommendations for Governor Mead’s Office: Vice Chairman Lockhart moved that the Task Force recommend to Governor Mead that the most favorable, undisclosed locations in Wyoming host the ITC. Carl Bauer seconded the motion, which passed unanimously. Vice

Chairman Lockhart moved that the Task Force support the ITC project in Wyoming and draft a letter to Governor Mead stating that position. Senator Jim Anderson seconded the motion, which passed unanimously.

6. Clean Coal Research Fund Symposium – August 20, 2015 – No action taken.
7. New business/Direction for next meeting – No action taken.
8. Adjourn – Vice-Chairman Tom Lockhart moved to adjourn the meeting. Carl Bauer seconded the motion. The motion passed unanimously; meeting was adjourned at 1:51 p.m.

MEETING DETAILS:

1. Approval of Agenda

Summary: The Task Force voted to approve the agenda as presented.

Action Taken: Carl Bauer moved to approve the agenda. Vice-chair Tom Lockhart seconded the motion. The motion passed unanimously.

2. Minutes from March 27, 2015 Meeting

Summary: The Task Force voted to approve the minutes from the March 27, 2015 meeting.

Action Taken: A motion to accept the minutes from the March 27, 2015 meeting was made by Vice Chairman Tom Lockhart and seconded by Tom Botts. The motion passed unanimously.

3. Maohong Fan 2012 Project Update

Summary: At the March 27, 2015 meeting, Diana Hulme provided the Task Force with some background on Dr. Fan's Clean Coal project. Originally, some of the matching funds were to be provided by West Virginia University (WVU). WVU backed out as a collaborator and contributor to the project before the project got started. Dr. Fan was then able to work with Western Research Institute (WRI) and have them contribute additional matching funds to make up for what was lost when WVU left the project. After approximately 18 months of work on the project, the collaboration with WRI was terminated and as a result, Dr. Fan lost some of the matching funds required for the project. Since July of 2014, Dr. Fan has been trying to secure matching funds from other sources so that he can continue with the project. The Clean Coal Technology Research program requires that a dollar-for-dollar match be in place prior to expending any Clean Coal Technology Fund money; therefore, Dr. Fan has been forced to cease work on the project until appropriate matching funds can be found.

Dr. Fan continues to seek matching funds to complete his project. Dr. Fan's original award was \$1,000,000 in Clean Coal Technology Fund (CCTF) money, with \$1,000,000 in match. Currently, Dr. Fan has spent \$826,231 of CCTF funds, with \$173,769 remaining. Referring to a handout provided at the meeting, Diana Hulme explained that Dr. Fan has only spent \$577,232 of matching funds to date. According to the legislation establishing the CCTF, CCTF and matching funds should be spent in tandem; therefore, Dr. Fan must spend another \$249,029 in matching funds to make his project "whole." Dr. Fan has \$203,000 in matching funds secured, but until he can find \$46,049 in additional matching funds to match his already-spent CCTF funds, he cannot continue work or correct the balance of matching to

CCTF funds. If Dr. Fan wishes to spend the entire \$1,000,000 of his CCTF award, he will have to secure funds to match his remaining CCTF balance of \$173,769 *in addition to* the \$46,049 needed to make his project viable. Mark Northam expressed his desire to see Dr. Fan correct the situation and recommended that the Task Force not terminate the project.

Action Taken: Mark Northam and Carl Bauer will draft a letter from the Task Force to Dr. Fan, Dean Pishko, and Bill Gern asking them to work with SER to resolve the issue. The Task Force will receive a status report on this effort by September 18, 2015.

4. 2007 Clean Coal Interest Funds – Carbon Engineering

Summary: Diana Hulme reiterated that approximately \$247,000 of interest funds remain in the 2007 Clean Coal Fund account. The interest funds have accrued from state of Wyoming funds originally appropriated to the CCTF in 2007. The fund has no legislatively designated reversion date. Guidance from the Wyoming Attorney General's Office's recommends spending the 2007 interest funds in the same manner as the principle funds. This means that the funds need to be awarded competitively and awardees must provide a dollar-for-dollar match in non-state of Wyoming funds. In addition, the Attorney General's Office said the interest funds would sunset on the same date that the Task Force sunsets, which at this time is June 30, 2017. The Task Force has considered several options for deployment of these funds, including using the interest money toward the carbon engineering effort, or to release a very targeted request for proposal (RFP) on a small-scale research project that doesn't require significant equipment purchases or graduate student time.

Action Taken: No action was taken. Mark and SER staff will come up with an idea of how to deploy the interest funds by the next Task Force meeting.

5. Results from ITC RFI

Summary: Carl Bauer provided an overview of progress on the Integrated Test Center (ITC) project. Matching funds (\$5 million) and funds from Governor Mead's Office (\$15 million) are in place. A concept design and cost estimate have been generated, and the results show that with a small amount of additional funding and a 20% contingency budget, the ITC can operate for at least 6 years. Many of the logistics of setting up the legal and technical parameters for testing have been settled and from responses to the Request for Information released earlier in the year, host sites have identified test bay users that are compatible with their site. The Wyoming Attorney General's Office drafted a Memorandum of Understanding (MOU) between Mark and the executive director of the Wyoming Infrastructure Authority to oversee the ITC construction and operation. Once the host site is selected, testing units will enter into a separate contract with the host site. The Task Force approved the MOU, fulfilling its legal obligations under the ITC effort.

Executive Session: The Task Force moved into Executive Session to discuss issues of real estate and contracting related to the final selection of a host site for the ITC. Carl Bauer motioned to enter executive session and Vice Chairman Tom Lockhart seconded the motion. The executive session was ended by a motion from Carl Bauer and second by Vice Chairman Tom Lockhart.

Following the executive session, the Task Force made two formal recommendations for Governor Mead's Office:

Recommendation 1: Vice Chairman Lockhart moved that the Task Force recommend to Governor Mead that the most favorable, undisclosed location in Wyoming host the ITC. Carl Bauer seconded the motion, which passed unanimously.

Recommendation 2: Vice Chairman Lockhart moved that the Task Force support the ITC project in Wyoming and draft a letter to Governor Mead stating that position. Senator Jim Anderson seconded the motion, which passed unanimously.

Action Taken: Vice Chairman Tom Lockhart motioned to approve the MOU between SER and the WIA to oversee the ITC. Tom Botts seconded the motion, and it passed unanimously.

6. Clean Coal Research Fund Symposium

Summary: Diana Hulme reminded the Task Force that the Clean Coal Research Fund Symposium held prior to the meeting, on August 20, 2015, was the final symposium. It was attended by approximately 55 people. Diana and Abby Scott have been surveying researchers funded through the CCTF research program to gather data about the outcomes of their research. Diana and Abby will continue gathering such metrics and will submit a final legislative report on the program next year.

Action Taken: No action taken.

7. New business/Directions for next meeting

Summary: No new business or direction for next meeting was discussed.

Action Taken: No action taken.

8. Adjourn

Summary: The next meeting will be held in November 2015 in Laramie.

Action Taken: Vice Chairman Lockhart motioned to adjourn, and Carl Bauer seconded the motion. The motion passed unanimously.

Meeting adjourned at 1:51 p.m.

Respectfully submitted:

Paul Lang
Chairman

Tom Lockhart
Vice-Chairman