

Alaska Coal The Misunderstood Fuel

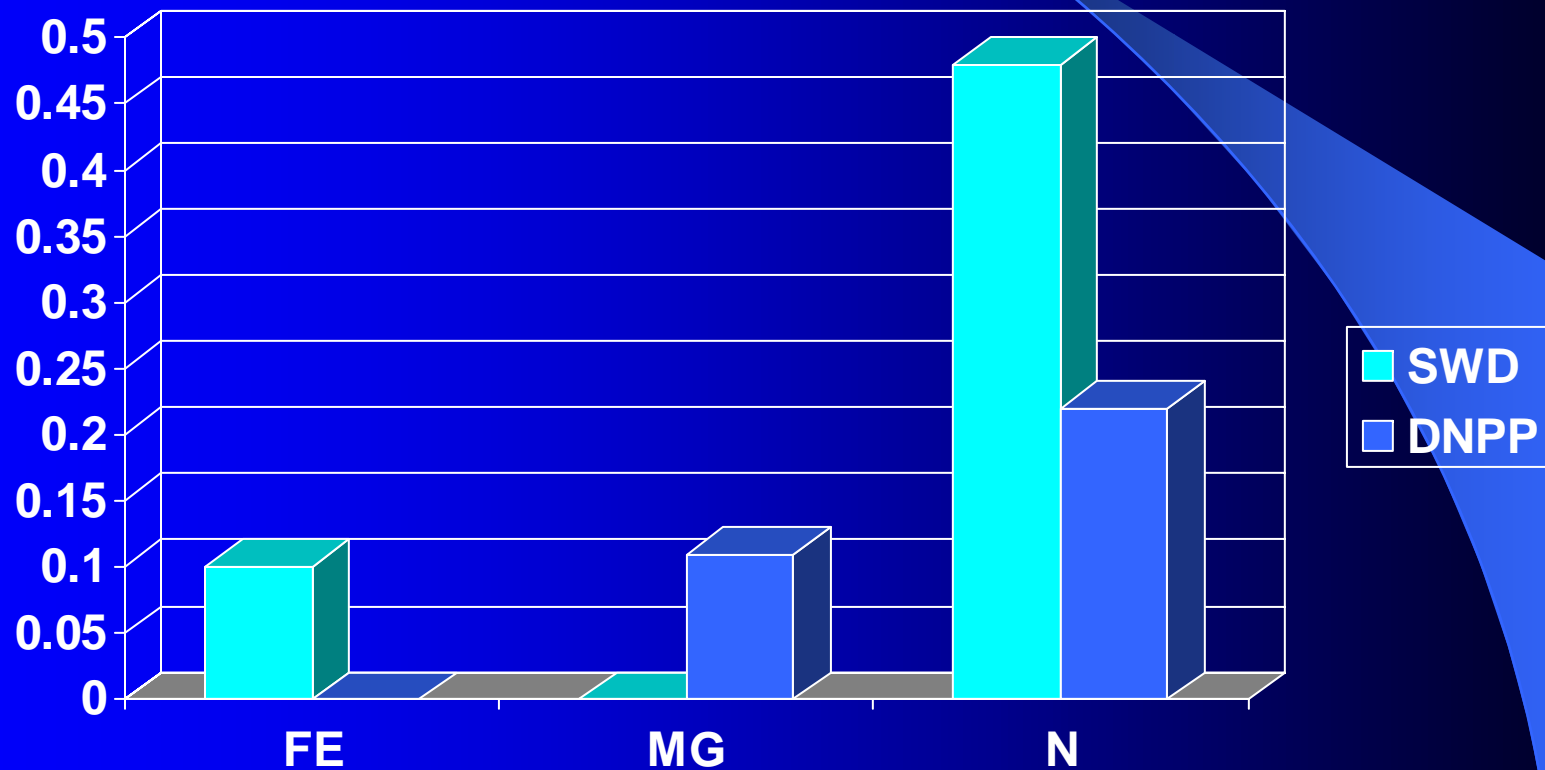
South Central Alaska
Energy Forum
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Myths About Coal

- Coal is not a clean fuel.
- Coal prices are tied to oil and gas prices.
- Coal plants are expensive to build and operate.
- Coal plants are only economical when base loaded.
- Healy Clean Coal Project is too expensive.

Pollutant Concentrations

Which is the Coal Plant ?

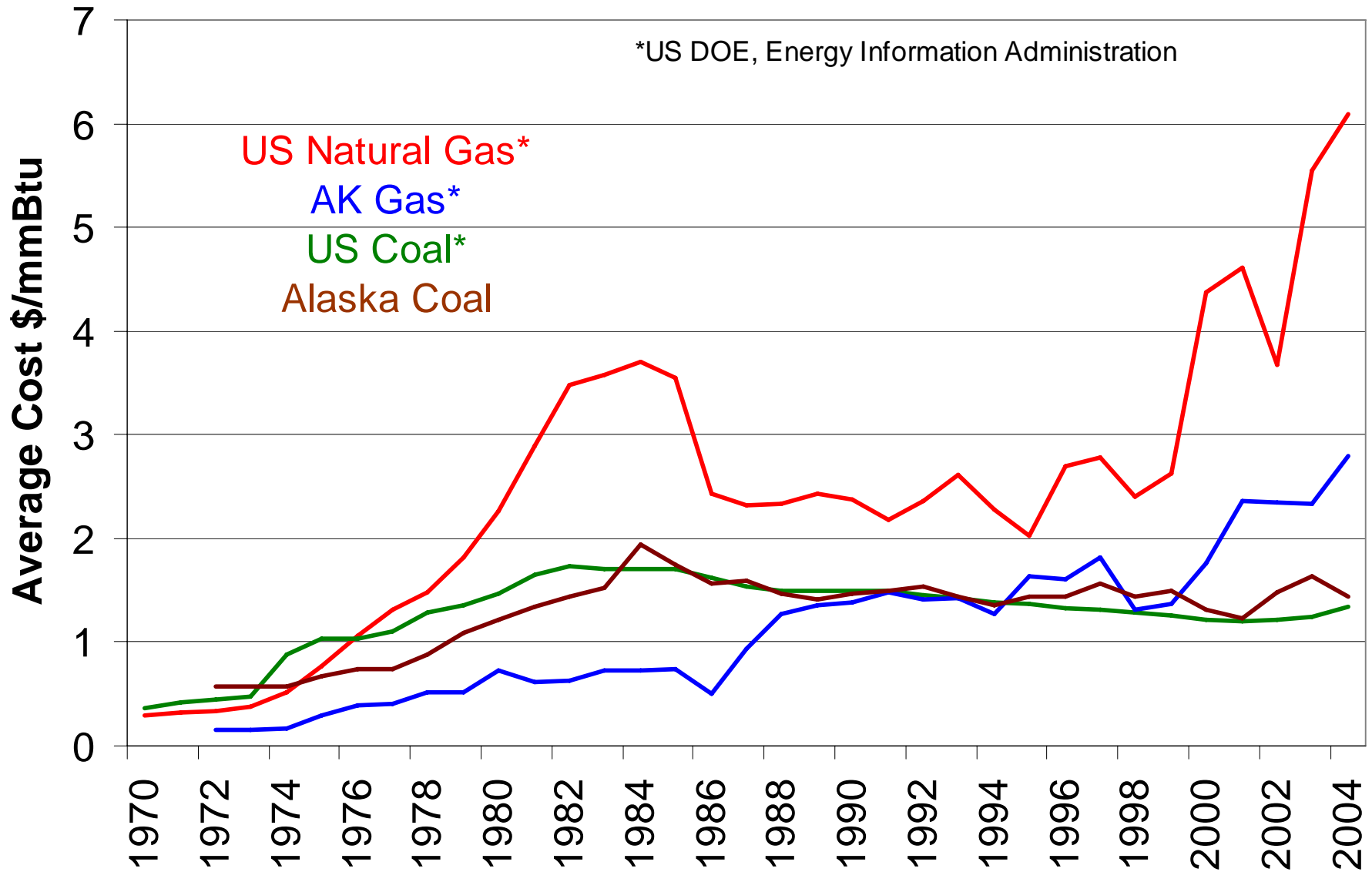


Coal and Natural Gas Emission Comparison

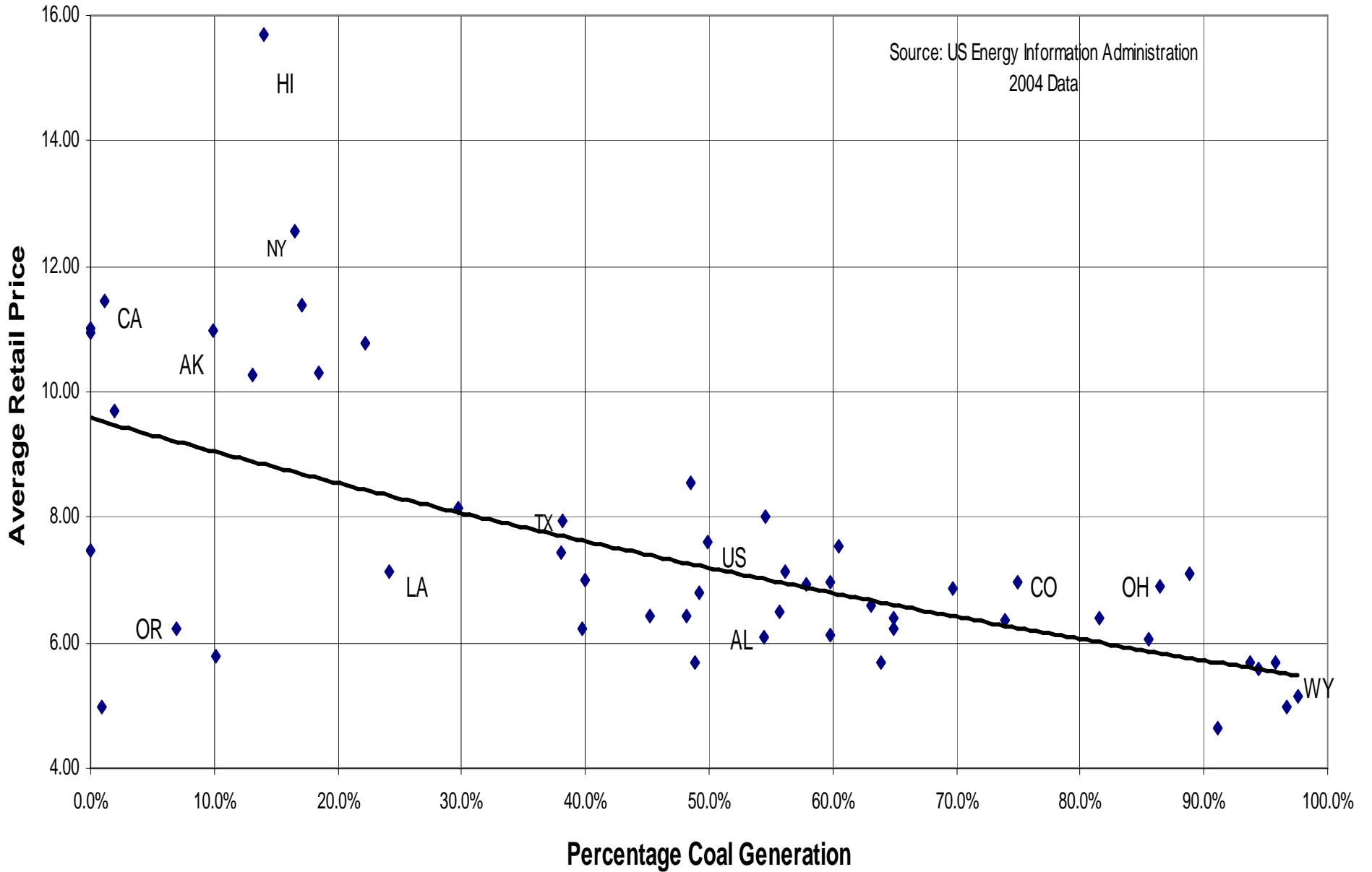


Historical Electric Utility Fuel Prices

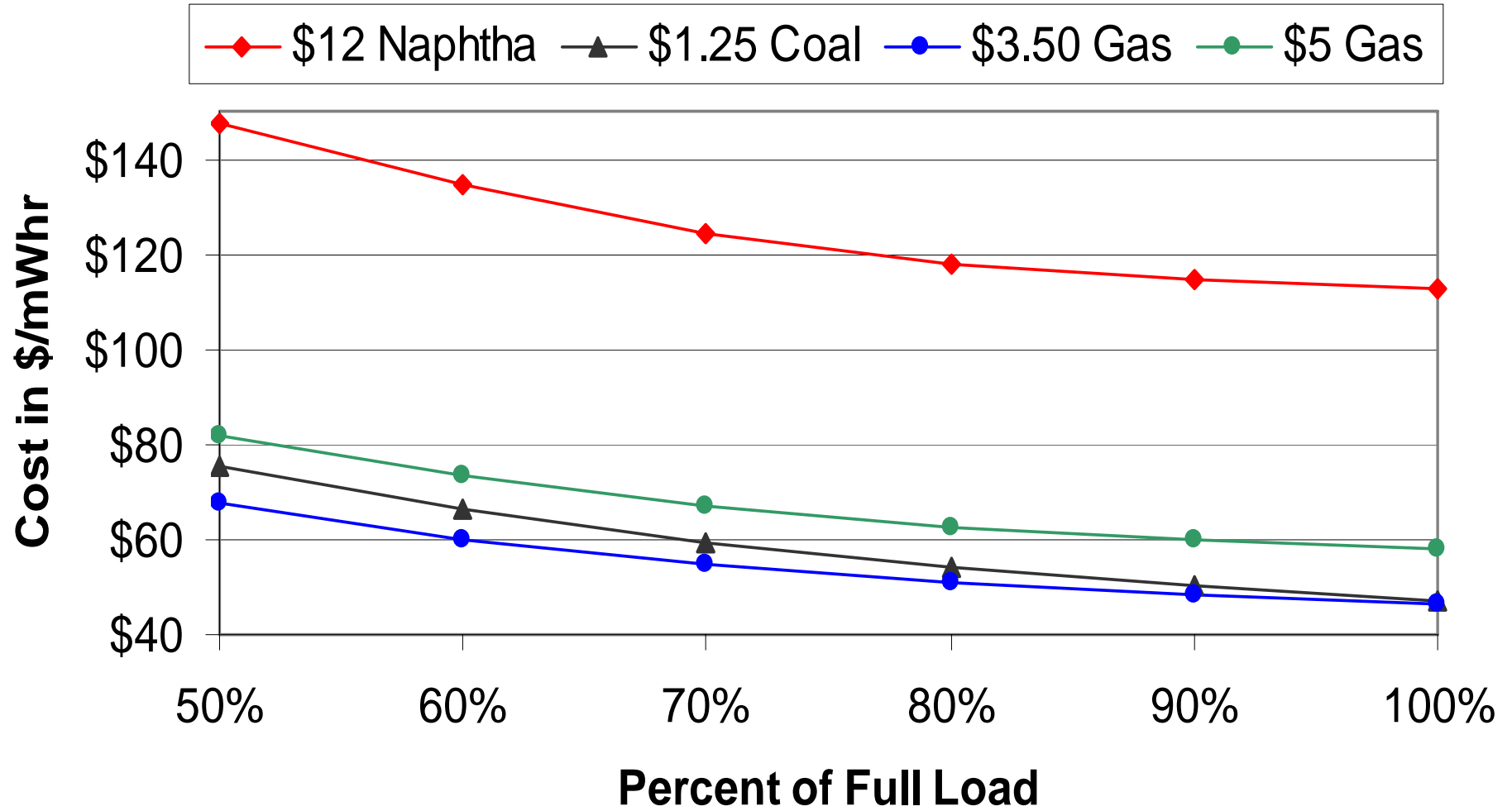
*US DOE, Energy Information Administration



Coal Effect on Electricity Rates By State



Coal to Combined Cycle Comparison for Load Following



HCCP could be saving consumers money today!

- 2001 Duke Engineering & Services Study
 - Limited retrofit – reliable and safe.
 - Estimated year 6 cost - \$0.0626/kWh
- Current estimated fuel only cost of displaced generation. (Aug 06 CPAC filing)
 - Diesel (HAGO), N. Pole - \$0.2143/kWh
 - Naphtha, N. Pole - \$0.1213/kWh
- Potential savings for 380,000 mWh
 - Approximately \$31 million

Which Fuel is Best ?

- All fuels can and should be used in a manner that minimizes environmental impacts.
- All sources of “fuel” for electricity production have a place where they provide unique benefits.
- The choice should be based upon the mix of fuels that provides the best combination of:
 - Cost
 - Reliability and Security
 - Benefits to consumers and the local economy.