

**FY01-XL-106
LIGNITE VISION 21 POWER PLANT PROJECT**

CONTRACTOR: Great River Energy

PRINCIPAL INVESTIGATOR:

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PARTICIPANTS

<u>Sponsor</u>	<u>Cost Share</u>
Great River Energy	
Phase I	\$2,857,750
Phase II	<u>\$728,039,250</u>
Total	\$730,897,000
ND Industrial Commission	
Phase I	\$2,857,750
Phase II	<u>\$7,142,250</u>
Total	<u>\$10,000,000</u>
Total Project Cost	\$740,897,000

Phase I Project Schedule – 20 months

Contract Date – 7/25/2001
Start Date – 4/15/2001
Completion Date – 12/31/2002

Project Deliverables

Quarterly Report – 7/18/2001 ✓
Quarterly Report – 10/15/2001 ✓
Quarter Report – 1/15/2002 ✓
Quarterly Report – 4/15/2002 ✓
~~Quarterly Report – 7/18/2002~~
~~Draft Final Report – 10/31/2002~~
Final Report – 12/15/2002 ✓

OBJECTIVE / STATEMENT OF WORK

The objective of this Lignite Vision 21 Program Project is the construction of a new 500MW, lignite-fired base load power plant in North Dakota. Phase I of the project submitted by Great River Energy (GRE) is a detailed feasibility study in the areas of: 1) Environmental / Siting; 2) Generation; 3) Transmission; and 4) Business Development activities. The Phase I

budget contains an estimated time frame of about two years. GRE outlines Phase II as project implementation including the areas of: 1) Permitting/Siting; 2) Plant Engineering; 3) Plant Construction; 4) Transmission Engineering; 5) Transmission Construction; and 6) Plant Startup. The Phase II budget contains an estimated time frame of about six years.

STATUS

On December 31, 2002, GRE notified the NDIC that it had completed its Phase I feasibility studies and that it had made a decision to withdraw from the LV21P. GRE indicated that its management team had re-evaluated GRE's more immediate needs; and whereas originally GRE thought that its needs were primarily base load, GRE now believes, based upon load projections, it has higher priority needs for intermediate/mid-range and peaking power energy sources. In addition, the transmission costs and regulatory uncertainty regarding transmission issues were cited as reasons for GRE's withdrawal from the project. GRE's project expenditures totaled \$1,575,354 and were within its approved budget. Of this amount, \$711,409 was state funds and the other \$863,945 was provided by GRE. In accordance with its contract with the NDIC, GRE returned \$500,000 in grant money for the studies to the NDIC.