

FY03-XLIX(49) – 123

“Lignite Vision 21 Feasibility Project Phase II – Permitting, Business Development & Engineering”

CONTRACTOR: Great Northern Power Development L.P.

PRINCIPAL INVESTIGATOR: Rich Voss

PARTICIPANTS

<u>Sponsor</u>	<u>Cost Share</u>
Great Northern Power Development, L.P.	\$687,500
NDIC	\$687,500

Total Cost	\$1,375,000

Project Schedule – 18 Months

Contract Date – 2/11/05
Start Date – 9/1/03
Completion Date – ~~12/31/05~~
Revised to – 9/30/05

Project Deliverables

Phase II Scope, Budget, & Milestones ✓
Six-month report – 3/1/04 ✓
Six-month report – 9/1/04 ✓
Six-month report – 3/1/05 ✓
Six-month report – 9/1/05 ✓
Final report – 9/30/05 ✓

OBJECTIVE / STATEMENT OF WORK

This application is to enter the second phase of a multi-phase program by Great Northern Power Development (GNPD) to develop a new 500 MW lignite-fired power plant in North Dakota. GNPD is nearing completion of its Feasibility Studies and has found no fatal flaws to date. It is committed to pursuing the necessary business development, transmission, permitting, and design work to allow the power plant to come on-line in the 2012 timeframe, assuming successful partnerships, permits can be obtained, and a transmission plan can be developed and implemented. This application applies for matching funds to further the necessary business development, transmission, permitting, and design work to move the project into the partnering, financing and pre-construction phases.

STATUS

Phase II of this project started on September 1, 2003 and is scheduled to be completed by December 31, 2005. GNPD has completed most of its feasibility studies. It has submitted an air quality impacts modeling protocol to the North Dakota Department of Health (NDDH) on May 3, 2005 and will be submitting an application to the NDDH by the end of May, 2005, for an air quality permit-to-construct. GNPD is currently developing a transmission plan and soliciting customers for the electricity the project would generate.

Final Report – During Phase II site-specific plant engineering costs were updated. Progress was made in developing GNPD’s transmission plan. The most significant activity during Phase II involved the submission of a partial air quality permit-to-construct application to the North Dakota Department of Health. Assessment of air quality impacts was a significant activity during Phase II and will continue into Phase III. Project business development continued with pursuit of GNPD’s marketing strategies, holding meetings with IOU’s and cooperatives, and pursuing RFP’s for response / updates, and updating project information for coalitions. Work continued in the refinement of business and marketing plans as well as the development of flexible business arrangements that entail structures ranging from complete ownership to power purchase agreements. GNPD has encountered no fatal flaws and is moving into Phase III of its plans to commission a 500 MW lignite-fired power plant in western North Dakota in the 2013-2015 timeframe.