

DH2 Air Quality Control System Engineer, Procure, & Construct (E.P.C.) Ranking & Recommendation

Presentation to City Commission
October 23, 2006

Why are we here today?

- In May 2005 City Commission directed staff to retrofit DH2 with an Air Quality Control System to comply with EPA Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule (CAMR)
- In January 2006 Commission directed staff to proceed with the following technology conceptual design:
 - Dry Scrubber(FGD) with Fabric Filter(FF) for SO₂ and Particulates and, SCR for NO_x,
 - Co-benefits of FGD/FF and SCR for Hg

ACTIONS TAKEN

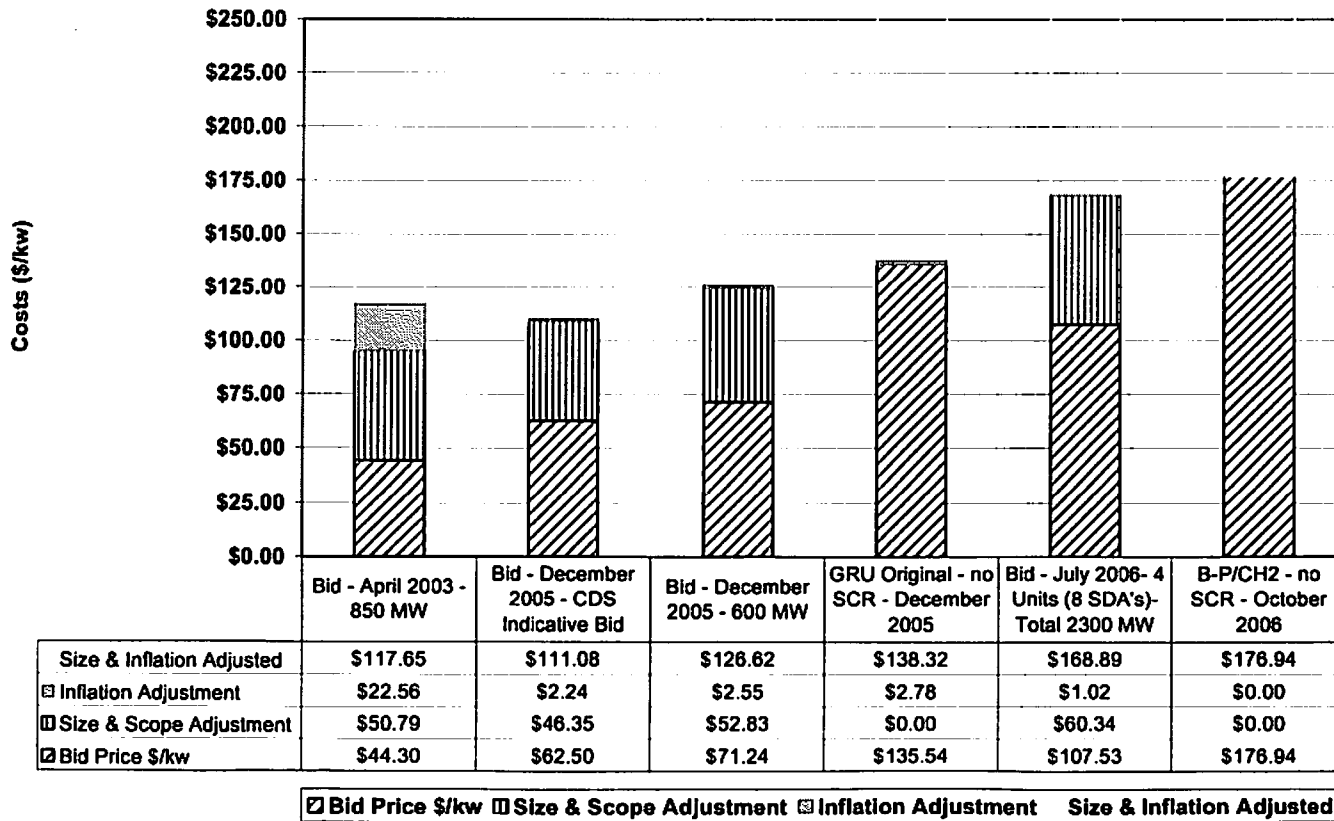
- Air Quality Control System Approval – January 5, 2006
- RFQ process -February 14, 2006
- Conceptual design – April 24, 2006
- RFP solicitation for engineering, procurement and construction (EPC) services – April 25, 2006
- Proposals received -August 25, 2006

EPC Firm Ranking

- Babcock Power Environmental (Turbosorp® Circulation Dry Scrubber, SCR Technology & Hamon Fabric Filter Technology)) and CH2MHill in Consortium
- Kiewit Southern Co. (EPC Management & Construction), Bibb & Associates (BOP Engineering), Wheelabrator Air Pollution control (FGD & FF) and Mitsubishi Power Systems (SCR)

Project Cost Comparisons

Design & Supply Costs Dry FGD Systems



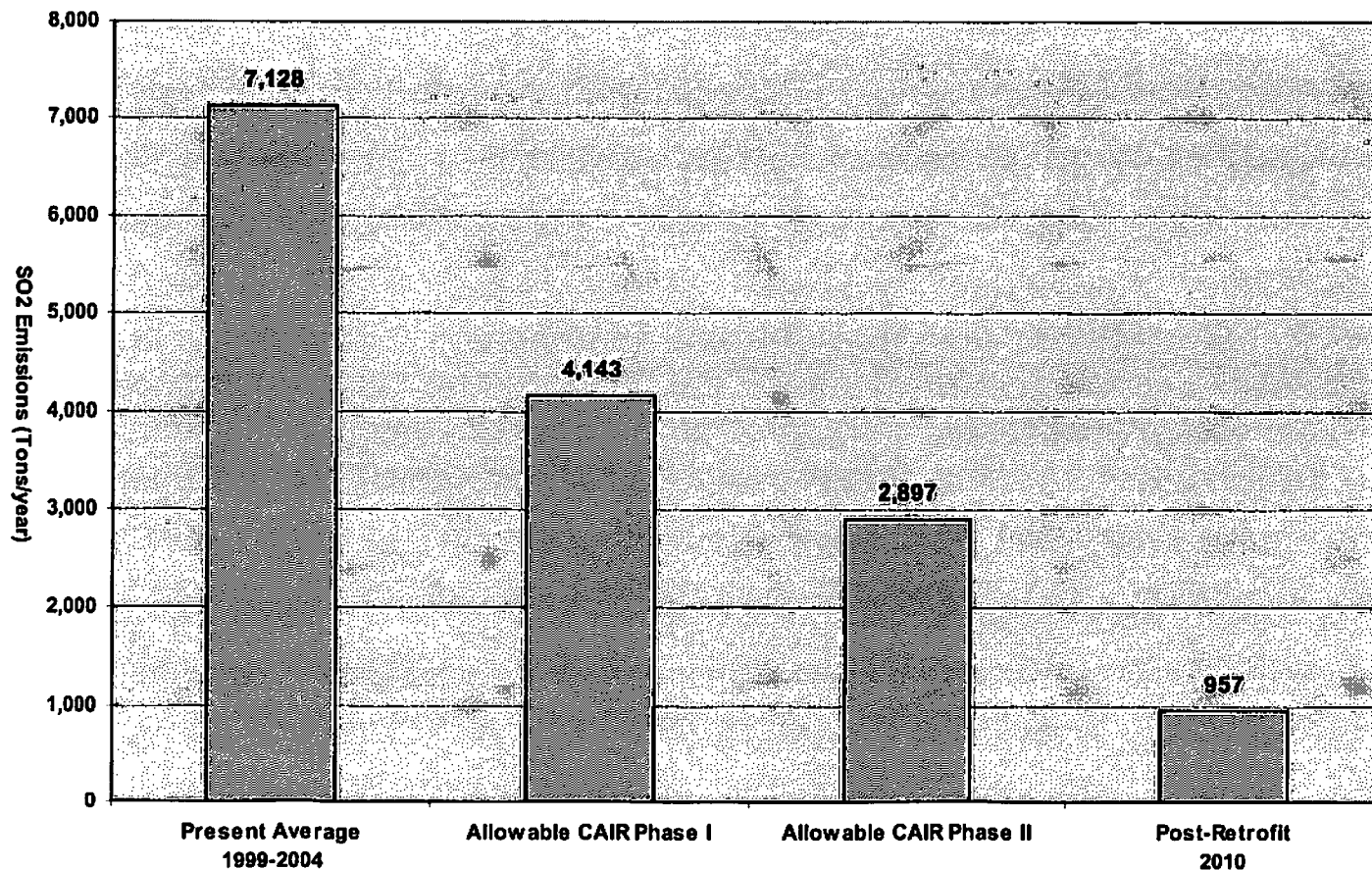
Air Quality Control System

- Environmental Benefit
- Operational flexibility
- Potential revenue stream
- Future regulatory risk
- System wide compliance with CAIR & CAMR

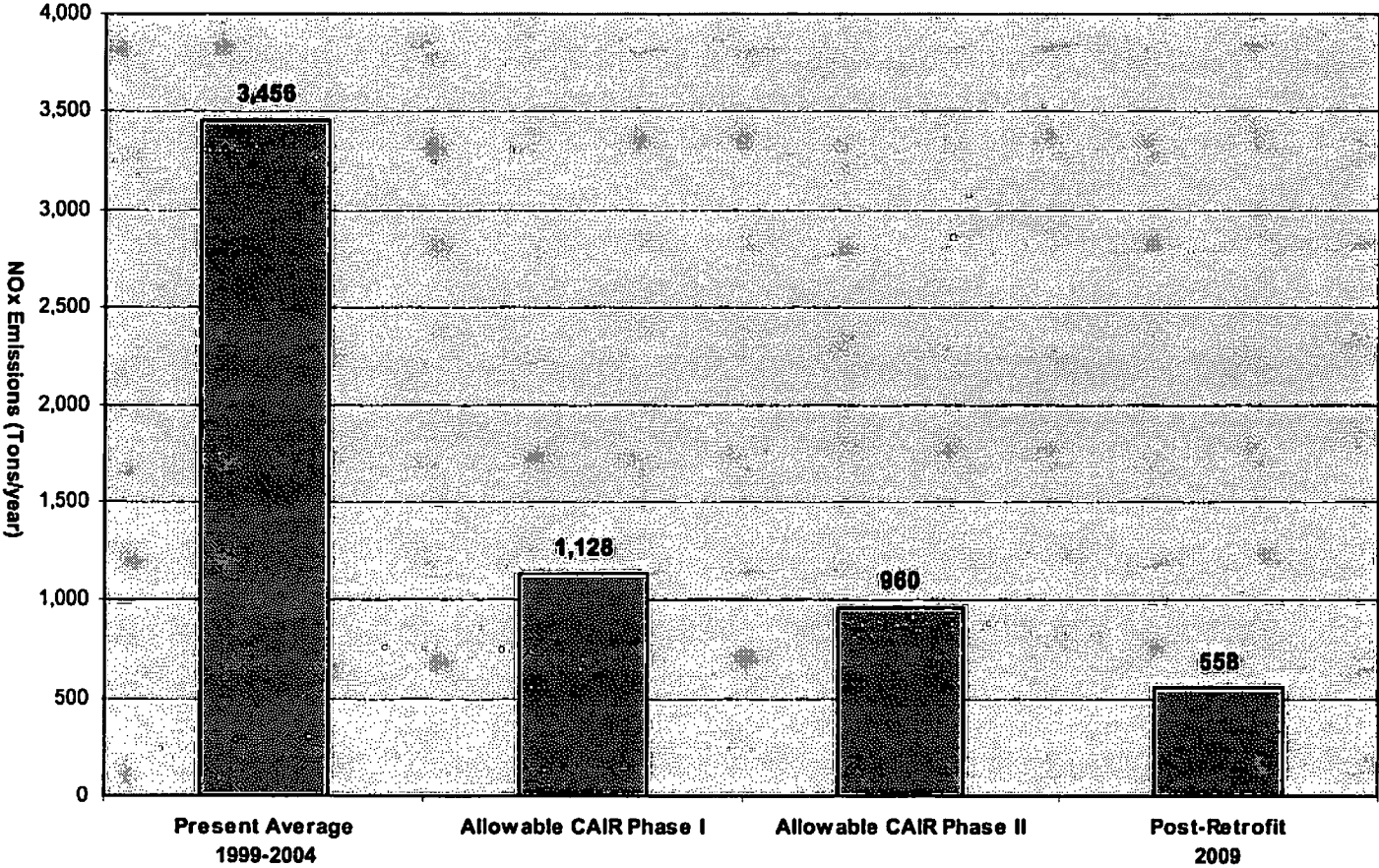
NEXT STEPS TO MEET DEADLINES

- Approval of EPC firm and budget – October 23, 2006
- Construction begins- 2nd quarter of 2007
- SCR/Dry Scrubber/FF Operational – 1st quarter of 2009

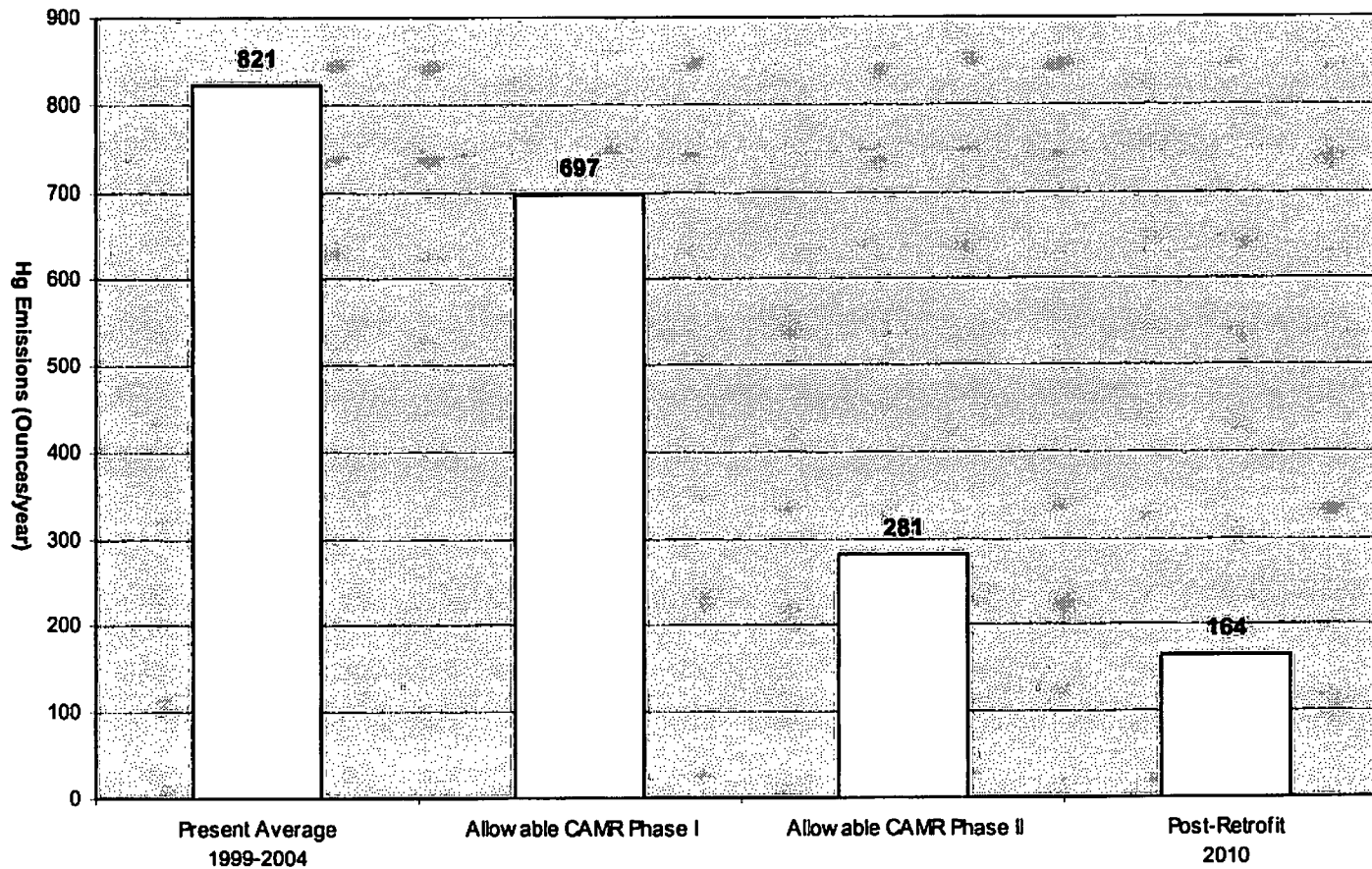
DH2 SO₂ Reductions Will Be Better Than USEPA Requirements



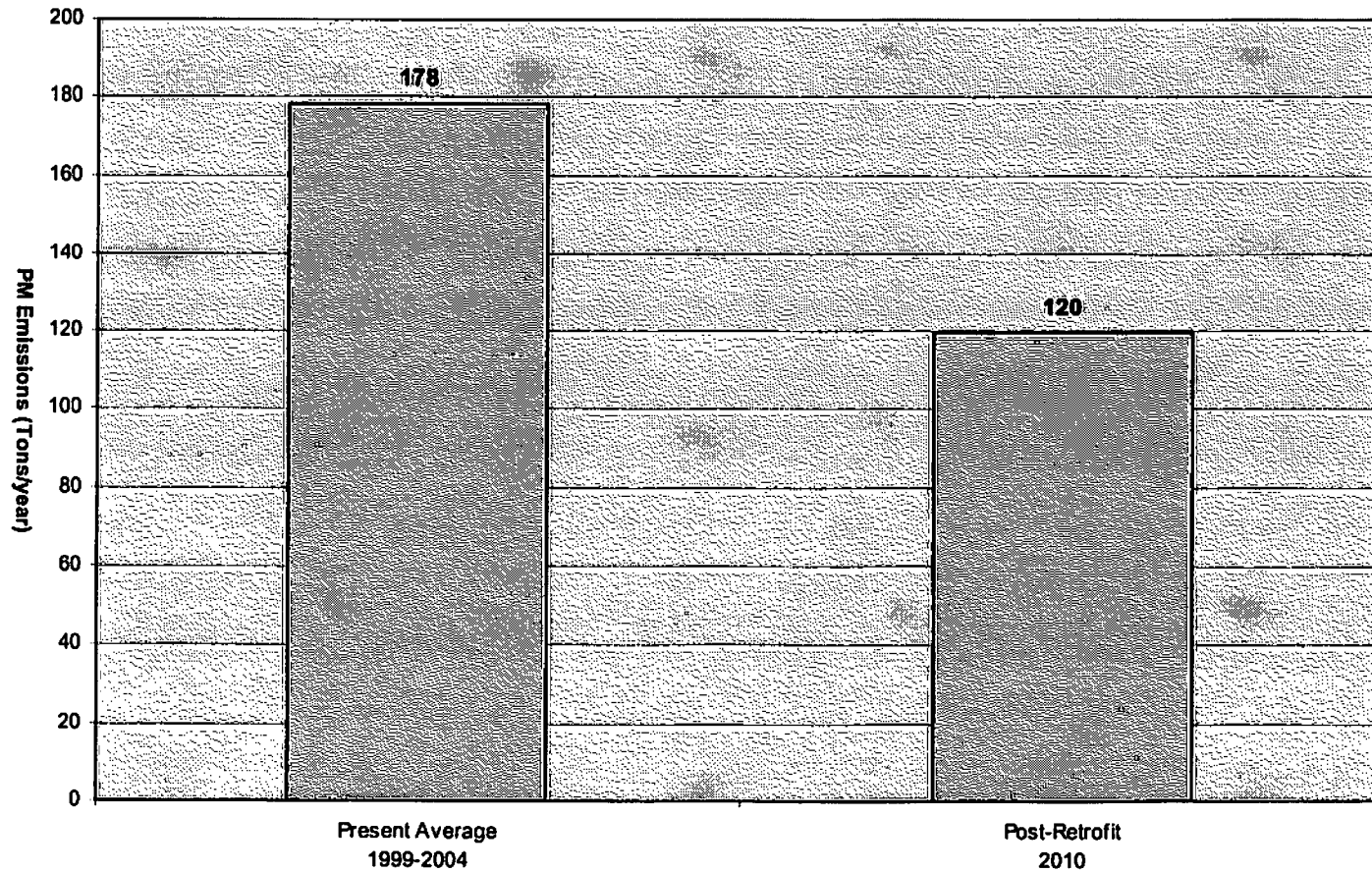
DH2 NO_x Reductions Will Be Better Than USEPA Requirements



DH2 Mercury Reductions Will Be Better Than USEPA Requirements



DH2 Particulate Emissions Will Be Better Than Present Levels



TODAY'S ACTION

Recommended Motion:

The City Commission: 1) approve the final ranking of the EPC firms; 2) authorize the Interim General Manager for Utilities, or her designee, to initiate contract negotiations in accordance with the Consultants' Competitive Negotiations Act (CCNA) for EPC Services for the DH2 Retrofit 3) authorize the Interim General Manager or her designee, upon successful negotiations, to execute a contract subject to approval of the City Attorney as to form and legality, in an amount not to exceed \$123,207,869 and 4) authorize staff to procure other services, equipment and materials, as required, to complete the project as budgeted.