

FY 2003 Congressional Budget Request  
Clean Coal Technology

[(Deferral)] (Transfer of Funds)

[Of the funds made available under this heading for obligation in prior years, \$40,000,000 shall not be available until October 1, 2002: *Provided*, That funds] All balances under this heading are hereby transferred to the “Fossil Energy Research and Development” account for use in the Clean Coal Power Initiative: Provided, That all commitments to existing projects may be continued and executed under existing agreements: Provided further, That new projects undertaken with these funds shall comply with the requirements of 42 U.S.C. 5903d: Provided further, That no project may be selected for which sufficient funding is not available to provide for the total project: Provided further, That the Department may include provisions for royalties or other means of repayment of Government contributions to individual projects including repayments from sale and licensing of technologies from both domestic and foreign transactions: Provided further, That such repayments shall be retained by the Department, subject to appropriation in advance, for future coal-related research, development and demonstration projects: Provided further, That any technology selected under this program shall be considered a Clean Coal Technology, and any project selected under this program shall be considered a Clean Coal Technology Project for the purposes of 42 U.S.C. 7651n, and chapters 51, 52, and 60 of title 40 of the Code of Federal Regulations. Funds made available in previous appropriations Acts shall be available for any ongoing project regardless of the separate request for proposal under which the project was selected.

DEPARTMENT OF ENERGY  
FY 2003 CONGRESSIONAL BUDGET REQUEST

CLEAN COAL TECHNOLOGY

PROGRAM FUNDING PROFILE

(\$ in thousands)

<u>Sub-program</u>	<u>FY 2001 Enacted</u>	<u>FY 2002 Enacted</u>	<u>FY 2003<sup>1</sup> Request</u>	<u>Program Change Request vs. FY 2002</u>	
				<u>Dollar</u>	<u>Percent</u>
Clean Coal Technology					
Advance Appropriation	\$171,447	\$82,463	\$40,000	\$-42,463	-51%
Rescission - Operating Expenses	\$-20	\$0	\$0	\$0	0%
Deferred					
Operating Expenses	\$-67,000	\$-40,000	\$0	\$40,000	-100%
Transfer to Fossil Energy R&D (non-add)					
Operating Expenses	<u>\$-95,000</u>	<u>\$-33,700</u>	<u>\$-40,000</u>	<u>\$-6,300</u>	<u>19%</u>
<b>Total</b>	<u><b>\$104,427</b></u>	<u><b>\$42,463</b></u>	<u><b>\$40,000</b></u>	<u><b>\$-2,463</b></u>	<u><b>-6%</b></u>
Summary					
Operating Expenses	\$104,427	\$42,463	\$40,000	\$-2,463	-6%
Construction	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0%</u>
Total Program	<u><b>\$104,427</b></u>	<u><b>\$42,463</b></u>	<u><b>\$40,000</b></u>	<u><b>\$-2,463</b></u>	<u><b>-6%</b></u>
Staffing (FTEs)					
Headquarters	17	17	0		
Field	<u>49</u>	<u>49</u>	<u>0</u>		
Total Staffing	<u><b>66</b></u>	<u><b>66</b></u>	<u><b>0</b></u>		

Authorizations: P.L. 95-91, "Department of Energy Organization Act" (1997)

1/ Beginning in FY 2003 all balances from this account will be transferred to the Fossil Energy R&D account. Program Direction is included in the FER&D presentation.

DEPARTMENT OF ENERGY  
FY 2003 CONGRESSIONAL BUDGET REQUEST

CLEAN COAL TECHNOLOGY

CLEAN COAL TECHNOLOGY (CCT)

I. **Mission Supporting Goals and Objectives:**

Although the CCT Program has been ongoing for a number of years, the importance of developing technologies that improve the performance and extend the service of the Nation's reliable coal-based generating capacity is important for maintaining a diverse energy supply. The increased need for reliable power generation and the development of additional innovative technologies over the past decade have resulted in a new Clean Coal Power Initiative, described elsewhere in the budget, that builds on the success and lessons learned of the CCT Program.

The 38 active projects in the Program have a total cost of \$5,203,707,000, of which DOE has committed \$1,755,832,000. As of December 31, 2001, 27 projects had completed operation and reporting requirements, five projects were in operation or were completing reporting requirements, and six projects were in design or construction. By law, the DOE cost share is restricted to no more than 50% of total project costs. However, the program has achieved significantly greater leverage of the Federal investment with an overall average non-DOE cost share of 66%.

In keeping with the goal of the President's Management Agenda to avoid duplication and reduce waste, the activities in the Clean Coal Technology program will be transferred to the Clean Coal Power Initiative activity in the Fossil Energy Research and Development program. This change will improve management and coordination by bringing all coal research under one umbrella, the President's Coal Research Initiative. In addition, all balances will be transferred from the Clean Coal Technology account to the Fossil Energy Research and Development account for continuation of the projects currently underway. Thus, all existing commitments will be honored, but if surplus funds become available, they will be available to the CCPI program.

For FY 2001, P.L. 106-291 deferred \$67,000,000 from available funds until FY 2002. In accordance with P.L. 105-277 and 106-113, \$171,000,000 of previously deferred funds were made available in FY 2001. In addition, \$95,000,000 were transferred to Fossil Energy Research and Development for the Power Plant Improvement Initiative and \$20,000 were rescinded.

I. **Mission Supporting Goals and Objectives:** CLEAN COAL TECHNOLOGY (Cont'd)

For FY 2002, P.L. 107-63 deferred \$40,000,000 from available funds until FY 2003 and transferred \$33,700,000 to Fossil Energy Research and Development.

For FY 2003, the Department proposes to transfer \$40,000,000 from available funds to Fossil Energy Research and Development. In accordance with P.L. 107-63, \$40,000,000 of previously deferred funds are to be made available in FY 2003.

FY 2003 performance measures include:

- C Continue construction of the fixed-bed slagging gasification and fuel cell demonstration project.
- C Initiate operation of the Circulating Atmospheric Fluidized Bed demonstration project.

II. A. **Funding Schedule:** (\$ in thousands)

<u>Activity</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$Change</u>	<u>%Change</u>
Cooperative Agreements .....	\$104,427	\$42,463	\$40,000	\$-2,463	-6%
Program Direction .....	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0%</u>
Total, Clean Coal Technology (CCT)	<u>\$104,427</u>	<u>\$42,463</u>	<u>\$40,000</u>	<u>\$-2,463</u>	<u>-6%</u>

II. B. **Laboratory and Facility Funding Schedule:**(\$ in thousands)

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>\$Change</u>	<u>%Change</u>
All Other .....	\$104,427	\$42,463	\$40,000	\$-2,463	-6%
Total, Clean Coal Technology (CCT) .....	<u>\$104,427</u>	<u>\$42,463</u>	<u>\$40,000</u>	<u>\$-2,463</u>	<u>-6%</u>

III. **Performance Summary:** CLEAN COAL TECHNOLOGY (Cont'd) (\$ in thousands)

<u>Activity</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Cooperative Agreements	<p>Overall Program:</p> <p>For FY 2001, P.L. 106-291 deferred \$67,000,000 until FY 2002. In addition, \$95,000,000 was transferred to Fossil Energy Research and Development.</p> <p>At the end of FY 2001, 27 projects were complete with three additional projects preparing final reports. Two projects were in operation, two in construction, and four in design. At the end of FY 2001, two projects had remaining obligation commitments.</p> <p>Adv. Power Gen. Sys:</p> <p>During FY 2001, McINTOSH 4A, McINTOSH 4B and KY PIONEER continued restructuring activities. The COAL DIESEL and JEA projects continued construction activities. TAMPA completed operation. AIDEA and SIERRA completed final reports.</p>	<p>Overall Program:</p> <p>For FY 2002, P.L. 107-63 deferred \$40,000,000 until FY 2003 and transferred \$33,700,000 to Fossil Energy Research and Development.</p> <p>At the end of FY 2002, 31 projects are expected to be completed with an additional project preparing final reports. One project is expected to be in operation, three in construction, and two in design.</p> <p>Adv. Power Gen. Sys:</p> <p>During FY 2002, McINTOSH 4A and McINTOSH 4B are expected to complete restructuring activities. KY PIONEER (\$74,220,000) is expected to request the obligation of remaining project funds and initiate construction activities. COAL DIESEL will continue with construction. JEA will initiate operation.</p>	<p>Overall Program:</p> <p>Department's proposal For FY 2003 is to transfer \$40,000,000 of previously deferred funds to Fossil Energy Research and Development, for a net of \$0.</p> <p>At the end of FY 2003, 32 projects are expected to be completed. Two projects are expected to be in operation, two in construction, and two in design. These projects will be transferred to the CCPI activity in Fossil Energy R&amp;D.</p> <p>Adv. Power Gen. Sys:</p> <p>Activity transferred to CCPI.</p>

III. **Performance Summary:** CLEAN COAL TECHNOLOGY (Cont'd) (\$ in thousands)

Activity	FY 2001	FY 2002	FY 2003
Cooperative Agreements (Cont'd)	Emission Control Systems:	Emission Control Systems:	Emission Control Systems:
	During FY 2001, SCS-WF continued operation.	During FY 2002, SCS-WF will complete operation and reporting requirements.	No activity.
	Coal Proc. for Clean Fuels:	Coal Proc. for Clean Fuels:	Coal Proc. for Clean Fuels:
	During FY 2001, LPMEOH continued operation. WESTERN completed operation and initiated efforts on final reports.	During FY 2002, LPMEOH will complete operation. WESTERN will complete final reports.	Activity transferred to CCPI.
	Industrial Applications:	Industrial Applications:	Industrial Applications:
	During FY 2001, CPICOR continued design activities.	During FY 2002, CPICOR (\$135,662,000) will initiate construction activities.	Activity transferred to CCPI.
	Funding Activities:	Funding Activities:	Funding Activities:
	Continue operation of US/China Center for Energy and Environment.	Continue operation of US/China Center for Energy and Environment.	Activity transferred to CCPI.
	Obligations for FY 2001 were \$258,000.	Obligations scheduled for FY 2002 total \$209,882,000.	No obligations scheduled for FY 2003.
	\$104,427	\$42,463	\$40,000

III. **Performance Summary:** CLEAN COAL TECHNOLOGY (Cont'd) (\$ in thousands)

Activity	FY 2001	FY 2002	FY 2003
Program Direction	Continue to monitor progress on the active projects, including development of independent performance assessments on the projects scheduled to complete the operating phase during FY 2001.	Continue to monitor progress on the active projects, including development of independent performance assessments on the projects scheduled to complete the operating phase during FY 2002.	Activity transferred to Fossil Energy R&D Program Direction account.
	Continue to review project status at key decision points to ensure projects are fully satisfying the criteria to proceed to the next major phase of activity.	Continue to review project status at key decision points to ensure projects are fully satisfying the criteria to proceed to the next major phase of activity.	Activity transferred to Fossil Energy R&D Program Direction account.
	Continue to monitor and evaluate the status of program funding.	Continue to monitor and evaluate the status of program funding.	Activity transferred to Fossil Energy R&D Program Direction account.
	Maintain a detailed information base on project activity and status, that is used to provide key program inputs to the planning, budgeting, and management activities of the Department.	Maintain a detailed information base on project activity and status, that is used to provide key program inputs to the planning, budgeting, and management activities of the Department.	Activity transferred to Fossil Energy R&D Program Direction account.
	Continue to compile, evaluate and model project performance and cost data, and publish results. Continue expansion of a CCT Database Compendium.	Continue to compile, evaluate and model project performance and cost data, and publish results. Continue expansion of a CCT Database Compendium.	Activity transferred to Fossil Energy R&D Program Direction account.

III. **Performance Summary**: CLEAN COAL TECHNOLOGY (Cont'd) (\$ in thousands)

<u>Activity</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Program Direction (Cont'd)	Continue technology transfer and outreach activities as the availability of technical and economic performance data increases.	Continue technology transfer and outreach activities as the availability of technical and economic performance data increases.	Activity transferred to Fossil Energy R&D Program Direction account.
	Continue technology assessments for SOx and NOx control, advanced power generating systems, coal fuels technology, and industrial applications.	Continue technology assessments for SOx and NOx control, advanced power generating systems, coal fuels technology, and industrial applications.	Activity transferred to Fossil Energy R&D Program Direction account.
	Subject to direction from the Administration and Congress, continue activities to implement Section 1332 of the Energy Policy Act.	Subject to direction from the Administration and Congress, continue activities to implement Section 1332 of the Energy Policy Act.	Activity transferred to Fossil Energy R&D Program Direction account.
	Continue NEPA compliance activities.	Continue NEPA compliance activities.	Activity transferred to Fossil Energy R&D Program Direction account.
	Provide funding for Working Capital Fund.	Provide funding for Working Capital Fund.	Activity transferred to Fossil Energy R&D Program Direction account.



III. **Performance Summary:** CLEAN COAL TECHNOLOGY (Cont'd) (\$ in thousands)

Activity	FY 2001	FY 2002	FY 2003
	<p>Funding Activity:</p> <p>Obligate approximately \$14,000,000 to finance activities at HQ and NETL (66 FTEs).</p>	<p>Funding Activity:</p> <p>Obligate approximately \$14,000,000 to finance activities at HQ and NETL (66 FTEs).</p>	<p>Funding Activity:</p> <p>Obligate approximately \$14,000,000 to finance activities at HQ and NETL (66 FTEs). Program Direction funding is provided under Fossil Energy Research and Development.</p>
<p>Clean Coal Technology, Total</p>	<p>\$104,427</p>	<p>\$42,463</p>	<p>\$40,000</p>