



The Cost Effectiveness of Hybridized Solar and Fossil Power Plants Compared to Stand-Alone PV or CSP Plants

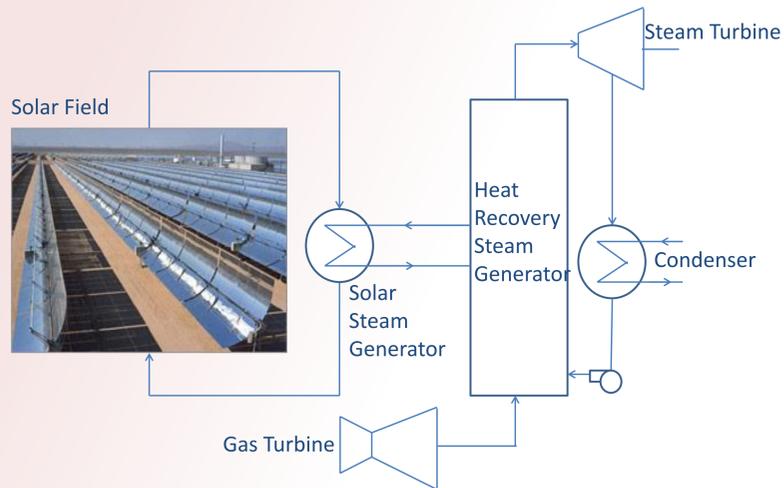


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Integrated Solar Combined Cycle: Integrated Solar Combined Cycles (ISCC) are natural gas combined cycle (NGCC) power plants hybridized with solar thermal energy to boost the output of the heat recovery steam generator. The principal advantage to hybridization for solar power is the ability to directly off-set fossil fuel energy without having to pay for a power block or transmission lines dedicated to solar energy. The power block of a stand-alone CSP plant is appreciable, accounting for approximately 40% to 50% of the capital costs. Assuming that the capacity factor of stand-alone CSP plants are around 25%, sharing a power block with a fossil fuel power plant greatly increases its utilization. Additionally, since maintenance personnel are already on hand to monitor and maintain the power block, maintenance costs assigned to the solar portion are reduced.

Diagram of an Integrated Solar Combined Cycle



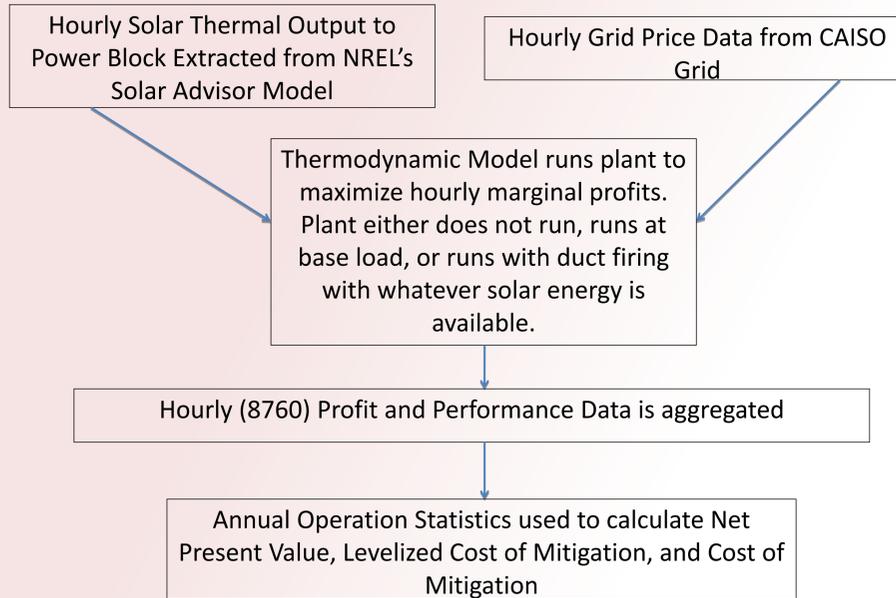
Solar thermal energy is integrated into the HRSG. Heat transfer fluid (HTF) is heated in the solar field by parabolic trough shaped mirrors. Hot HTF is then used to make steam in a heat exchanger before the steam returns to the HRSG. The added steam from the solar field is intended to off-set less efficient duct firing.

Efficiency with Duct Firing and with Solar Energy

| | Base Load | | Duct Firing | | Solar and Duct Firing | |
|-----------------------------------|------------|-----|-------------|-----|-----------------------|-----|
| | Efficiency | MW | Efficiency | MW | Efficiency | MW |
| CEC Application for Certification | 55.2% | 463 | 52.6% | 563 | 58.8% | 563 |
| My Model | 54.9% | 463 | 52.9% | 567 | 59.2% | 564 |

Solar energy boosts the efficiency of the power plant. If duct firing is used to reach full capacity, efficiency of the power plant decreases. With solar energy, the efficiency of the power plant increases at full load.

Economic Model



Capacity Factor of the ISCC Power Plant / Capacity Factor of Solar Portion of ISCC Power Plant (Location: Phoenix)

| Price Of Gas [\$/MCF] | Average Wholesale Price of Electricity [\$/MWh] | | | | | |
|-----------------------|---|-----------|-----------|-----------|-----------|-----------|
| | \$ 35 | \$ 45 | \$ 55 | \$ 65 | \$ 75 | \$ 85 |
| 2 | 88 / 22 % | 89 / 22 % | 90 / 22 % | 90 / 22 % | 91 / 22 % | 91 / 22 % |
| 4 | 71 / 21 % | 83 / 21 % | 86 / 22 % | 88 / 22 % | 89 / 22 % | 89 / 22 % |
| 6 | 27 / 10 % | 55 / 18 % | 74 / 21 % | 82 / 21 % | 85 / 22 % | 87 / 22 % |
| 8 | 8 / 2 % | 23 / 9 % | 44 / 15 % | 63 / 20 % | 76 / 21 % | 82 / 21 % |
| 10 | 4 / 1 % | 9 / 3 % | 21 / 8 % | 38 / 14 % | 55 / 18 % | 68 / 20 % |
| 12 | 4 / 1 % | 5 / 1 % | 9 / 3 % | 20 / 8 % | 34 / 12 % | 47 / 16 % |

The capacity factor is defined as the number of MWh produce divided by the number of MWh that could have been produced if the plant ran at capacity for all 8760 hours of the year. The capacity factor for the solar portion of the power plant is close to the observed ~25% capacity factor for CSP generators. Since the solar side of the plant can run only while the power block is available, the capacity factor is slightly lower due to a forced outage rate of 5% on the fossil side of the ISCC plant.

Cost Assumptions

| | NGCC | Solar Thermal (Trough, No Storage) | Solar PV | Solar Part of ISCC |
|------------------------------------|------------|------------------------------------|------------|--------------------|
| Capital Costs \$/kW | 1000 ± 100 | 5800 ± 500 | 4400 ± 500 | 3900 ± 600 |
| Fixed Maintenance Costs \$/kW-year | 5.8 ± 1 | 65 ± 15 | 25 ± 10 | 30 ± 10 |
| Lifetime of Plant (Years) | 25 | 25 | 20 | 25 |

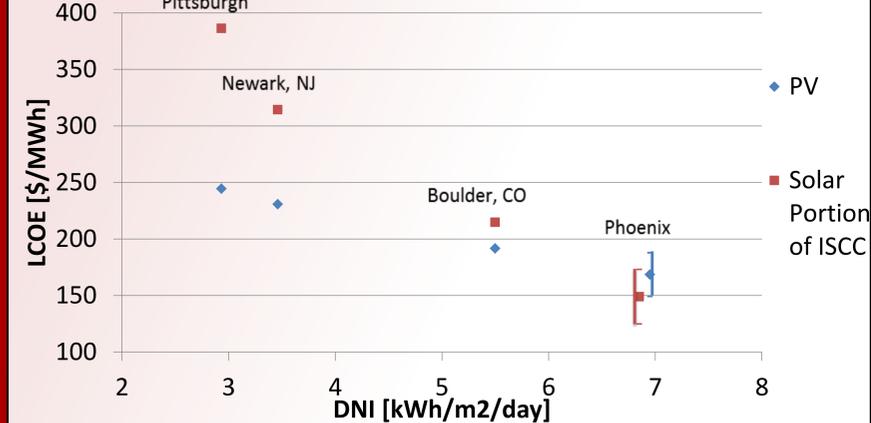
The cost estimate for PV is based on the cost per AC watt. Cost estimates for PV are frequently quoted in \$/Watt_{DC}. To arrive at the cost per watt AC, we multiply the DC cost estimates by 1.15 for the AC to DC capacity difference. Therefore, the mid-value for capital costs for PV we garnered from studies was \$3.8/W_{DC}.

Levelized Cost of Electricity of Solar Portion of ISCC Power Plant (Location: Phoenix)

| Price Of Gas [\$/MCF] | Average Price of Electricity [\$/MWh] | | | | | |
|-----------------------|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | \$ 35 | \$ 45 | \$ 55 | \$ 65 | \$ 75 | \$ 85 |
| 2 | \$150 | \$150 | \$150 | \$150 | \$150 | \$150 |
| 4 | \$160 | \$150 | \$150 | \$150 | \$150 | \$150 |
| 6 | \$330 | \$180 | \$160 | \$150 | \$150 | \$150 |
| 8 | \$1,500 | \$370 | \$220 | \$170 | \$160 | \$150 |
| 10 | \$2,800 | \$1,300 | \$400 | \$240 | \$180 | \$160 |
| 12 | \$3,300 | \$2,400 | \$1,100 | \$430 | \$270 | \$200 |

LCOE for PV from model is \$170 / MWh, for CSP from model is \$190 / MWh. Bold signifies ISCC solar portion LCOE is lower than PV or CSP

LCOE of Solar Electricity at Different Locations (Unsubsidized)



CSP power plants can only utilize direct beam radiation (aka DNI). Therefore, the solar portion of ISCC power plants would likely only be more competitive than PV power plants if located in areas with strong DNI—Southwest U.S.

Cost of Mitigation for Solar Portion of ISCC Plant in Phoenix, AZ (If coal is off set / If NGCC if off set) [\$/tonne CO₂ avoided]

| Price Of Gas [\$/MCF] | Average Wholesale Price of Electricity [\$/MWh] | | | | | |
|-----------------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ 35 | \$ 45 | \$ 55 | \$ 65 | \$ 75 | \$ 85 |
| 2 | \$110 / 310 | \$110 / 310 | \$110 / 310 | \$110 / 310 | \$100 / 310 | \$100 / 310 |
| 4 | \$120 / 340 | \$110 / 320 | \$110 / 320 | \$110 / 310 | \$110 / 310 | \$110 / 310 |
| 6 | \$310 / 810 | \$140 / 400 | \$110 / 330 | \$110 / 320 | \$110 / 320 | \$110 / 310 |
| 8 | \$1,700 + | \$360 / 940 | \$180 / 500 | \$130 / 360 | \$110 / 330 | \$110 / 320 |
| 10 | \$3,200 + | \$1,400 + | \$400 / 1000 | \$210 / 570 | \$140 / 400 | \$120 / 340 |
| 12 | \$3,800 + | \$2,800 + | \$1,200 + | \$430 / 1,100 | \$240 / 640 | \$160 / 460 |

Bold font signifies a lower COM for the solar portion of the ISCC plant compared to PV and CSP. The COM for PV and CSP if coal was offset \$140 and \$160/tonne of CO₂. The COM for PV and CSP if natural gas was offset is \$410 and \$440/tonne of CO₂.

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