

Comparing statewide economic impacts from new coal, natural gas and wind in Colorado, Arizona and Michigan



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Methodology

Components for the economic impact calculation:

- Construction (labor and materials)
- Fuel and fuel transport (labor and materials)
- O&M (labor and materials)
- Financing
- Landowner revenue
- Property taxes



Assumptions

- There is not **one** single answer for this research.
- Credible results depend on site specific, best available data.
 - Capacity factor
 - Construction and industry
 - Fuel predictions
 - Property tax laws and incentives
 - Individual project negotiations

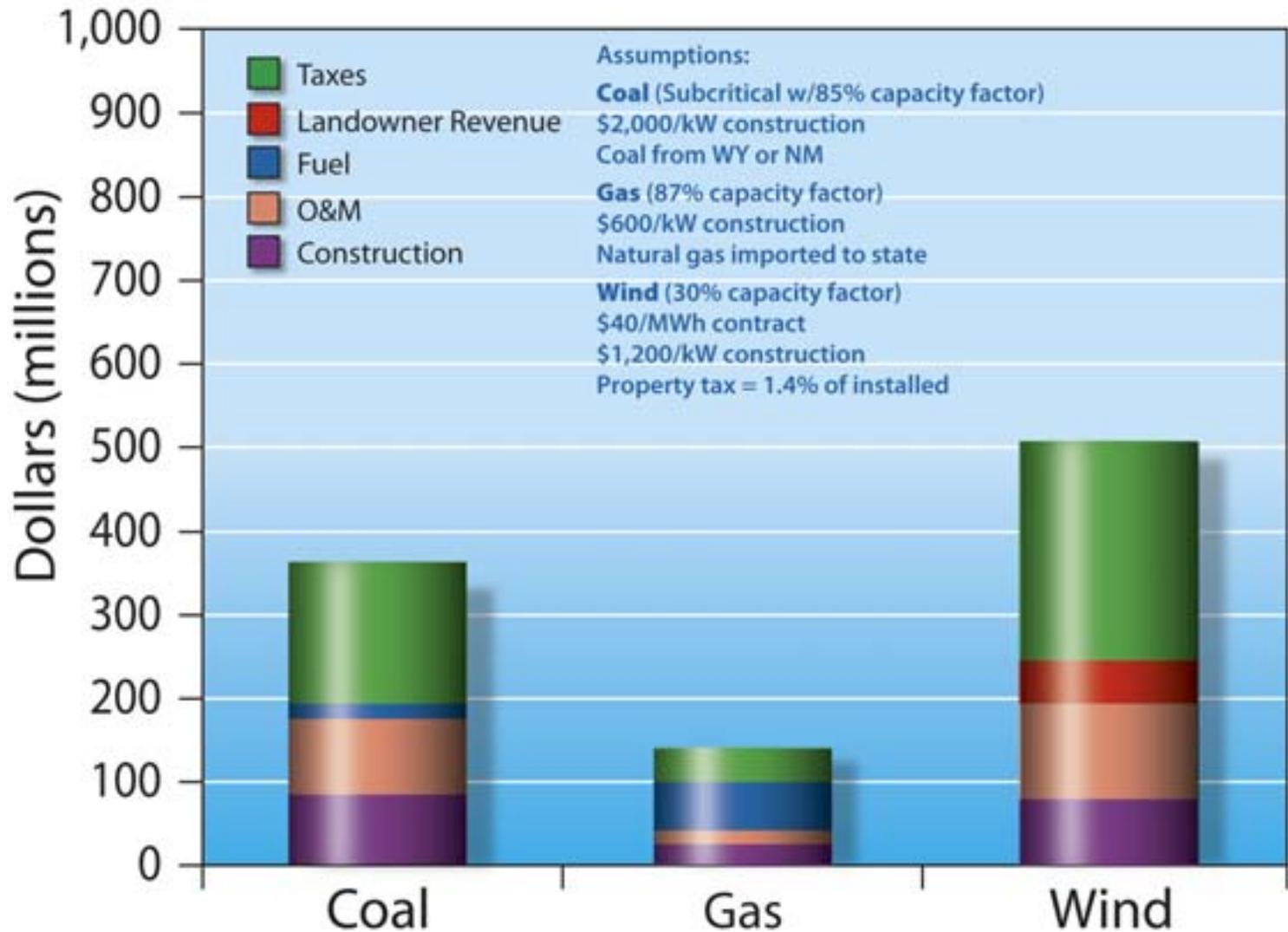
This methodology can be used with other assumptions and is easily replicable.

Comparison of three states with varied natural resources:

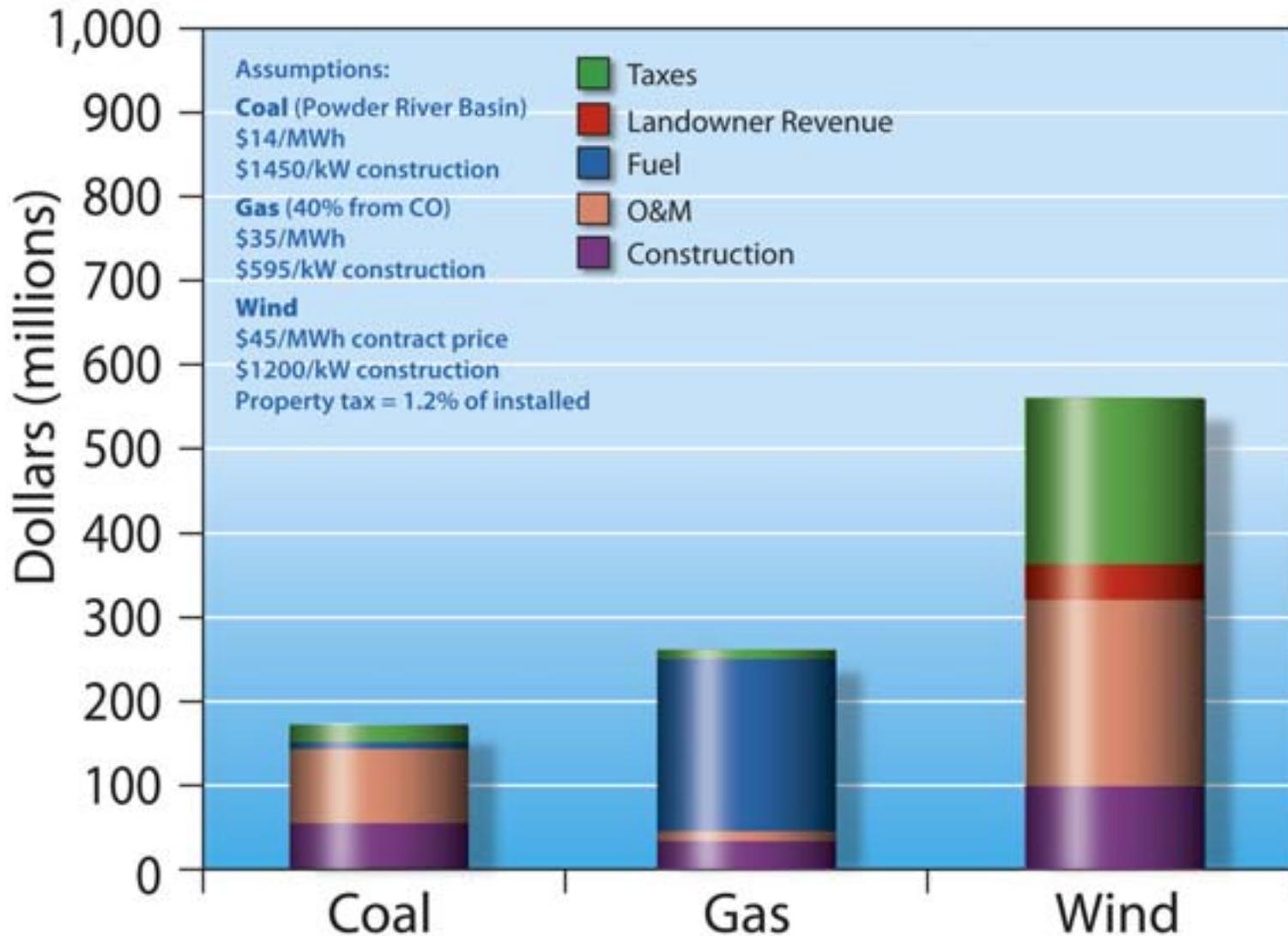


- Colorado – rich in coal and gas
- Arizona – some coal, little gas
- Michigan – no coal, little gas

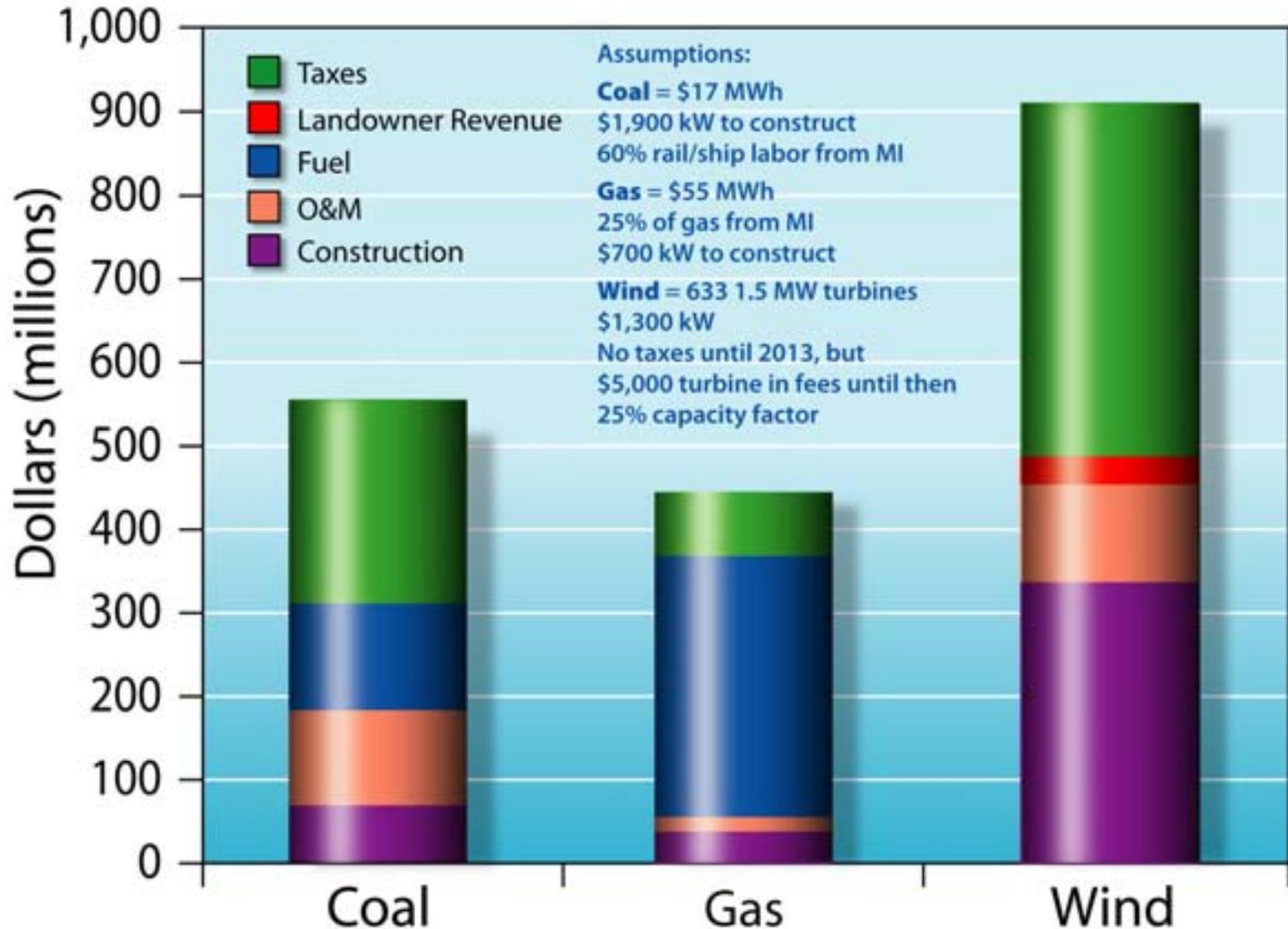
Results for Arizona



Results for Colorado



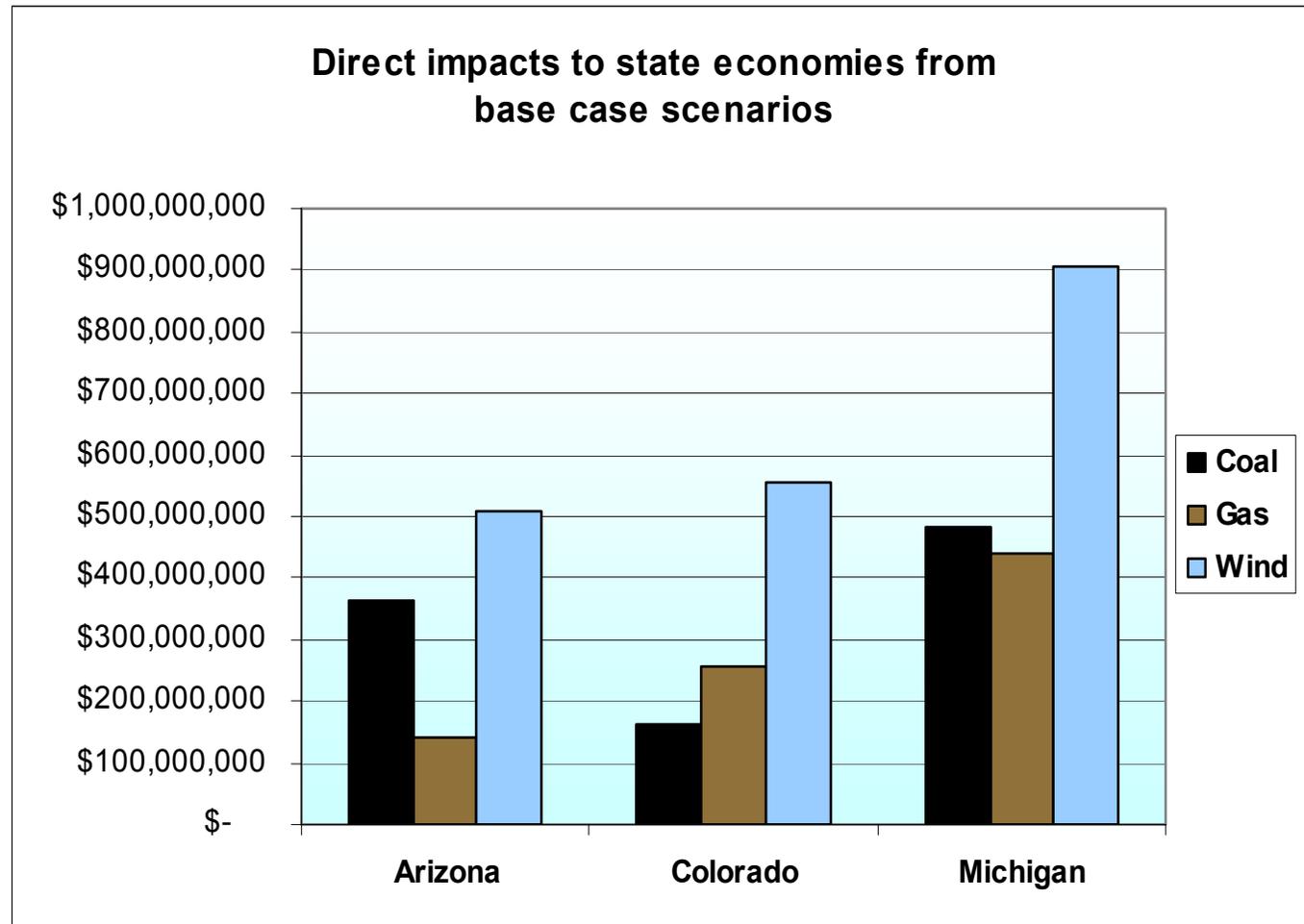
Results for Michigan



Comparison of base cases

Key differences:

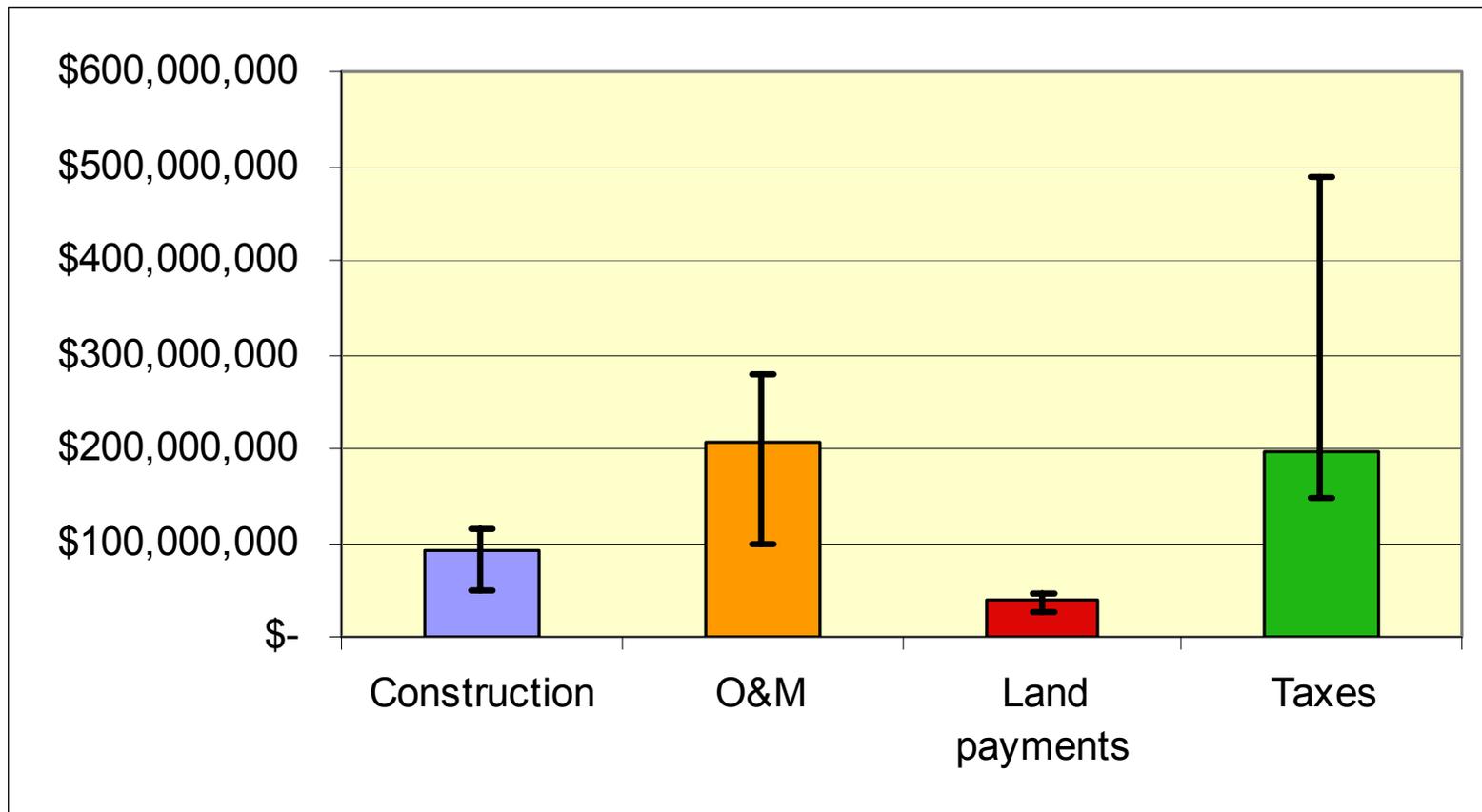
- Capacity factor
- Industry
- Tax structure



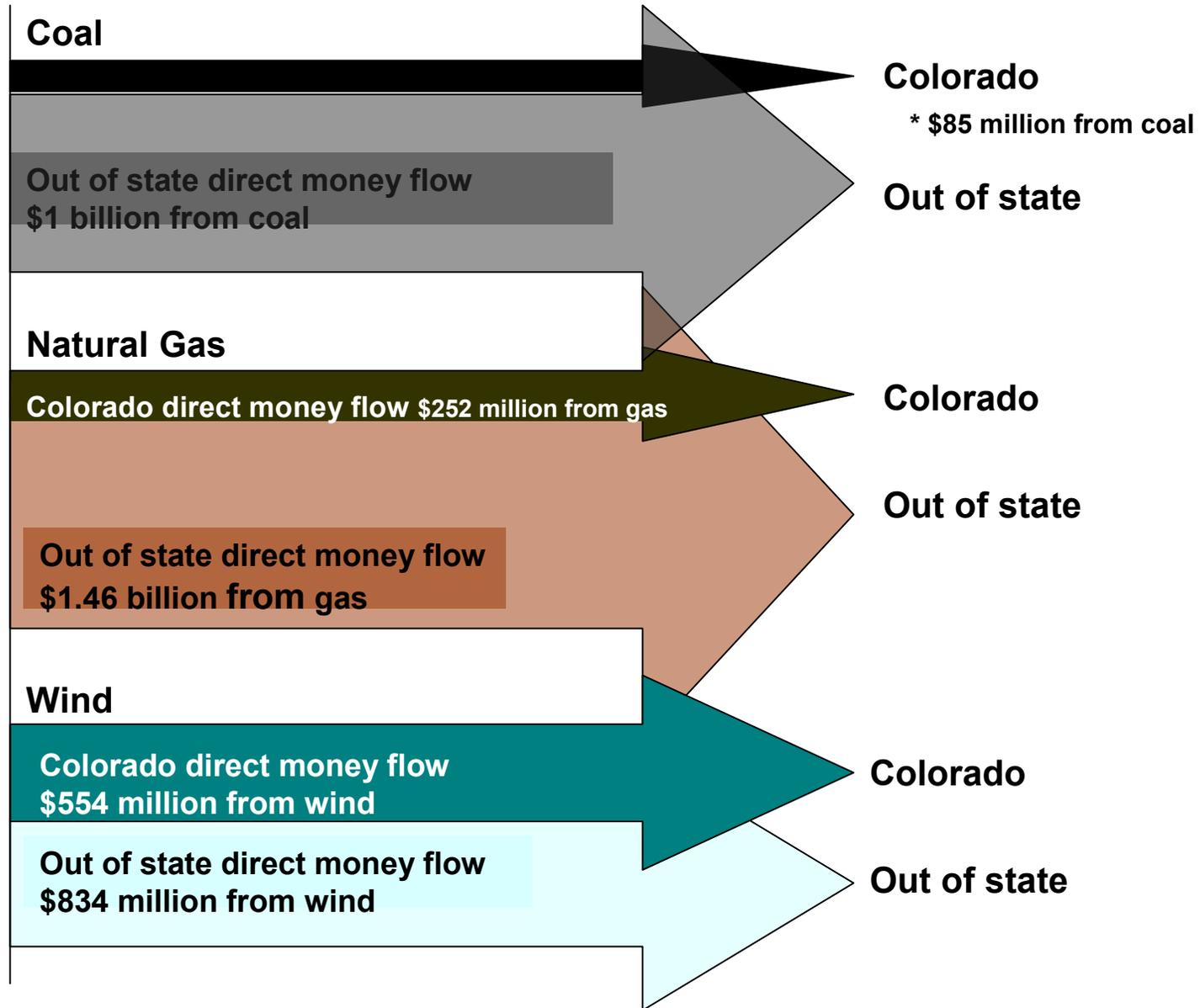
Sensitivity ranges:

Colorado base case

I-bars represent high and low scenarios



Direct Spending on *Colorado* plants



Thank you



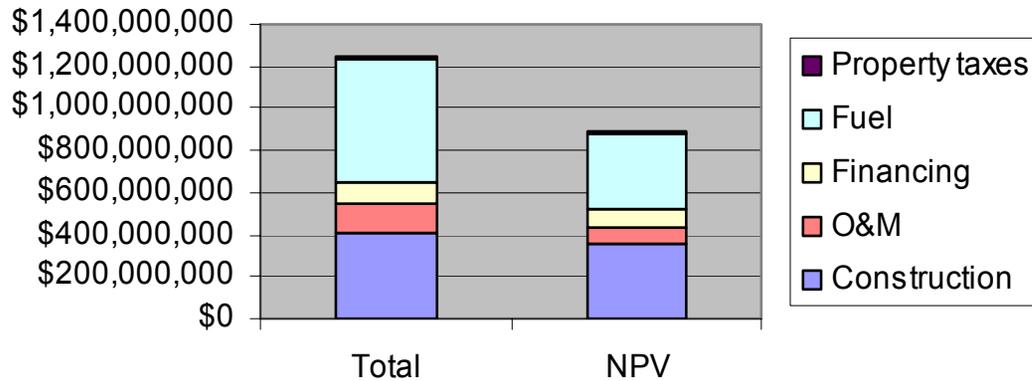
Questions? Comments?

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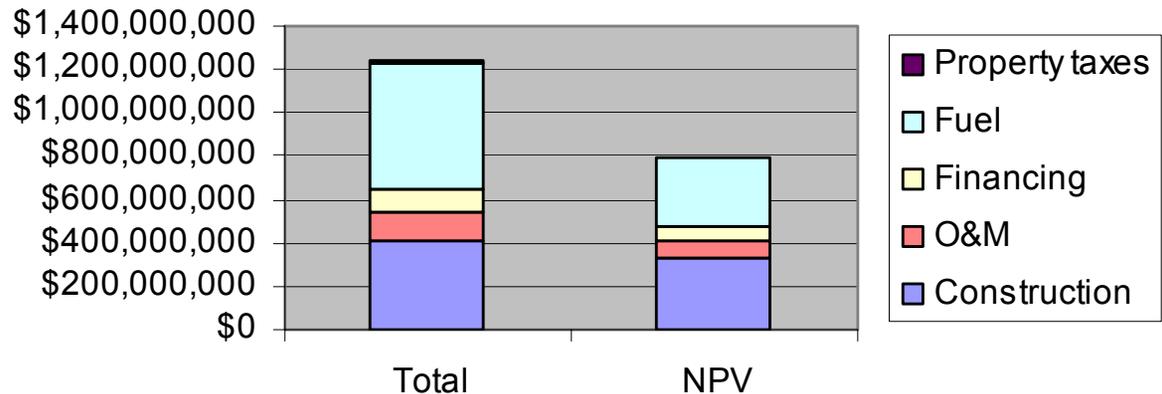
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Discount rates applied to base cases

Total coal costs for a new Colorado coal plant with and without a discount rate of 5%



Total costs from a new Colorado coal plant with and without a 7% discount rate applied



Sensitivity Analysis

Direct impacts to the Colorado economy from new coal, gas and wind plants

