

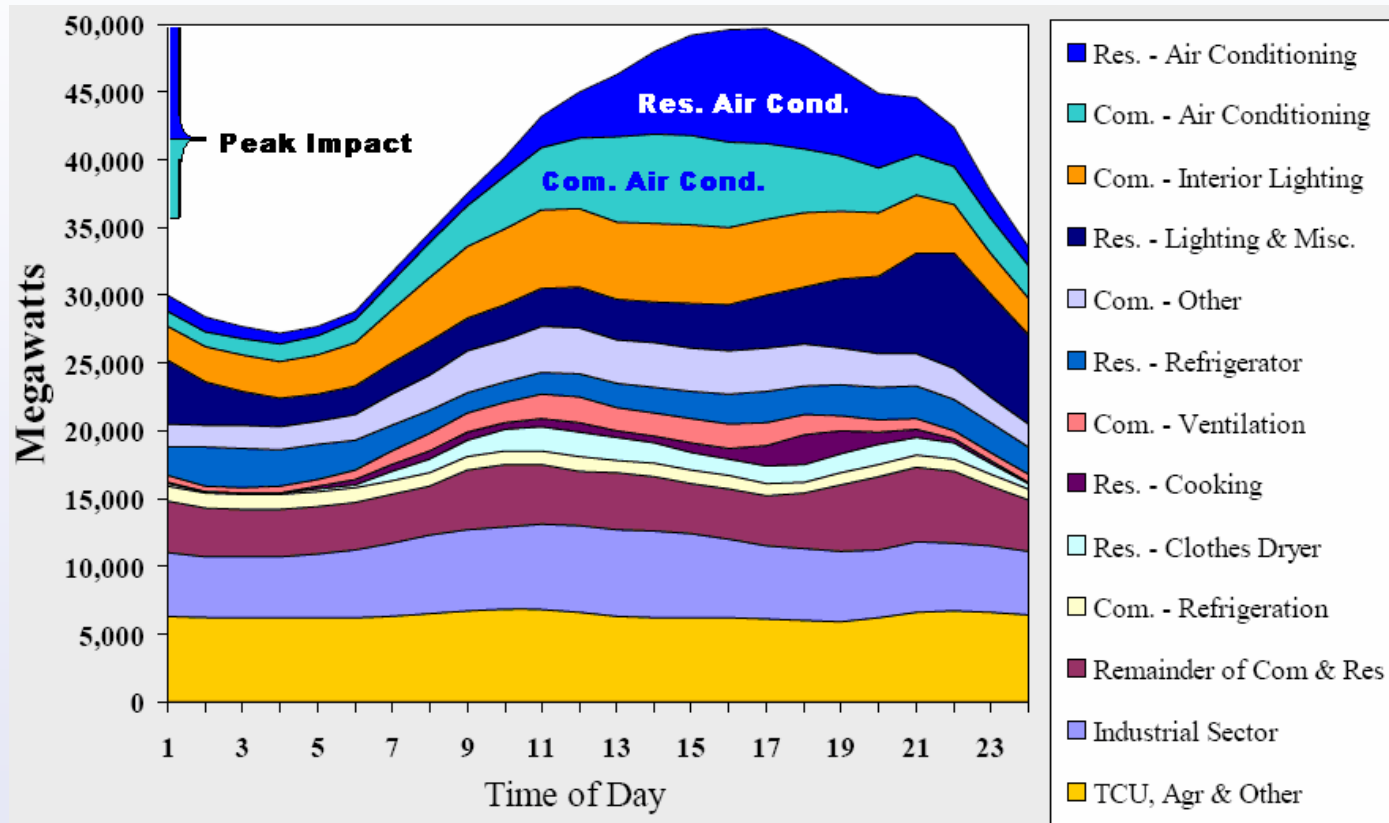
Turbine Inlet Cooling: An Energy Solution That's Good for the Environment, Rate Payers and Plant Owners

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Presented at
POWER-GEN International
Orlando, FL

December 2, 2008

High Summer Temperatures Lead to High Air Conditioning Loads that Become Major Contributors to the Peak Power Demand



Source: Scot Duncan Presentation at ASHRAE June 2007

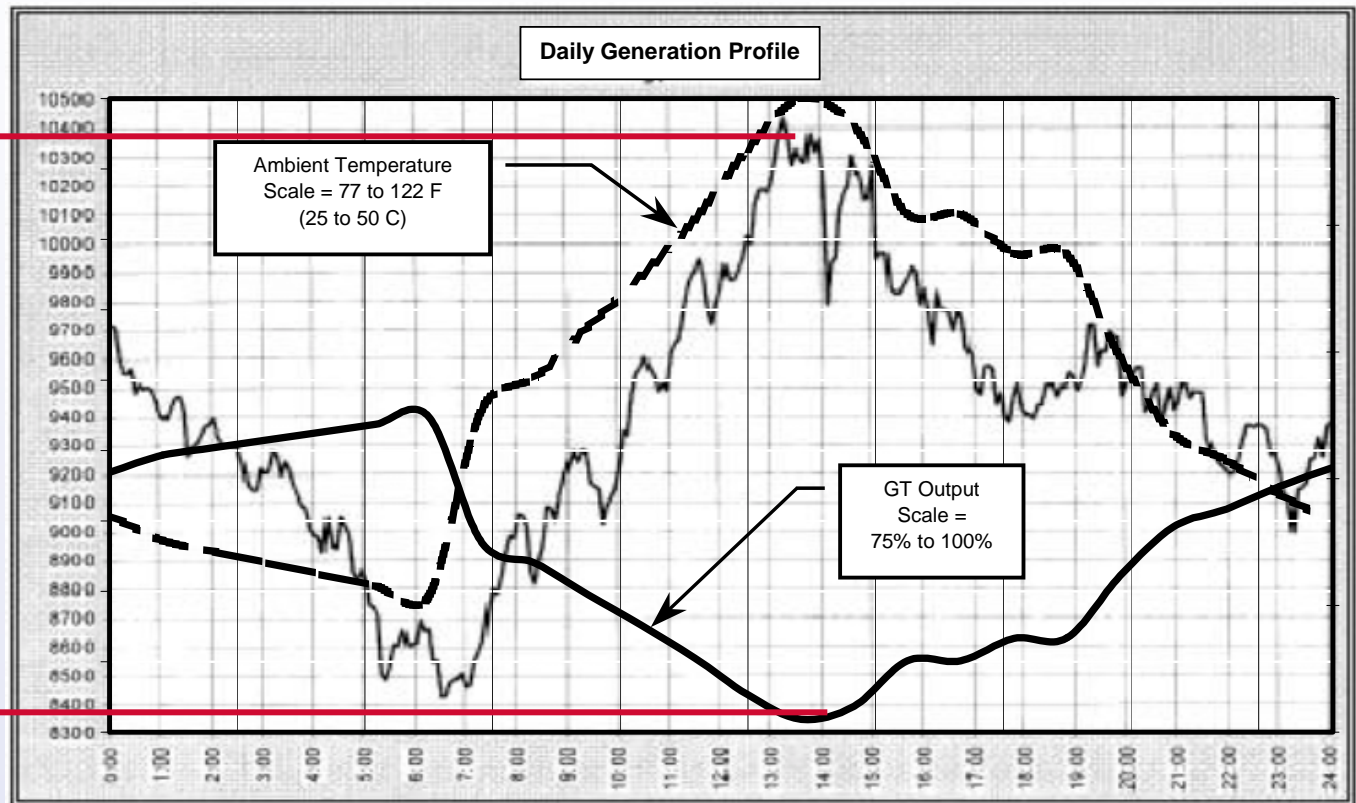
Power Demand and Electric Energy Price Rise with Hot Weather



- Price of electric energy for the ratepayers goes up during the peak demand period: as much as 4 times the value during the off-peak period

Just When High Summer Temperatures Lead to High Air-Conditioning Loads and Power Demand, Combustion Turbine Output Decreases

Peak
Power
Demand



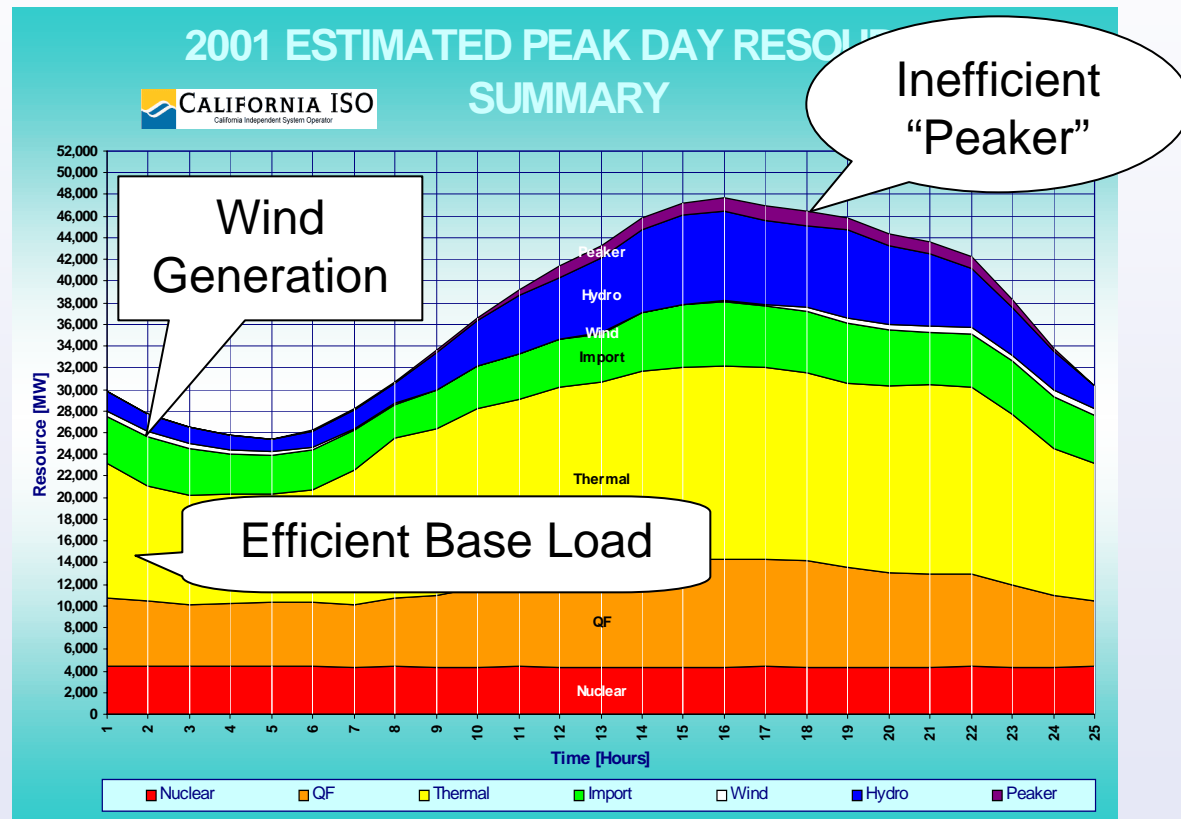
Lowest
Generation
Capacity

Reduced Summer Capacities of Combustion Turbine Power Plants is Well Recognized by the Energy Organizations

Fuel	Winter Capacity, MW	Summer Capacity, MW	Lost Summer Capacity, % of Winter Capacity
Coal	315,556	313,380	1
Petroleum	61,171	58,548	9
Natural Gas	412,241	383,061	9

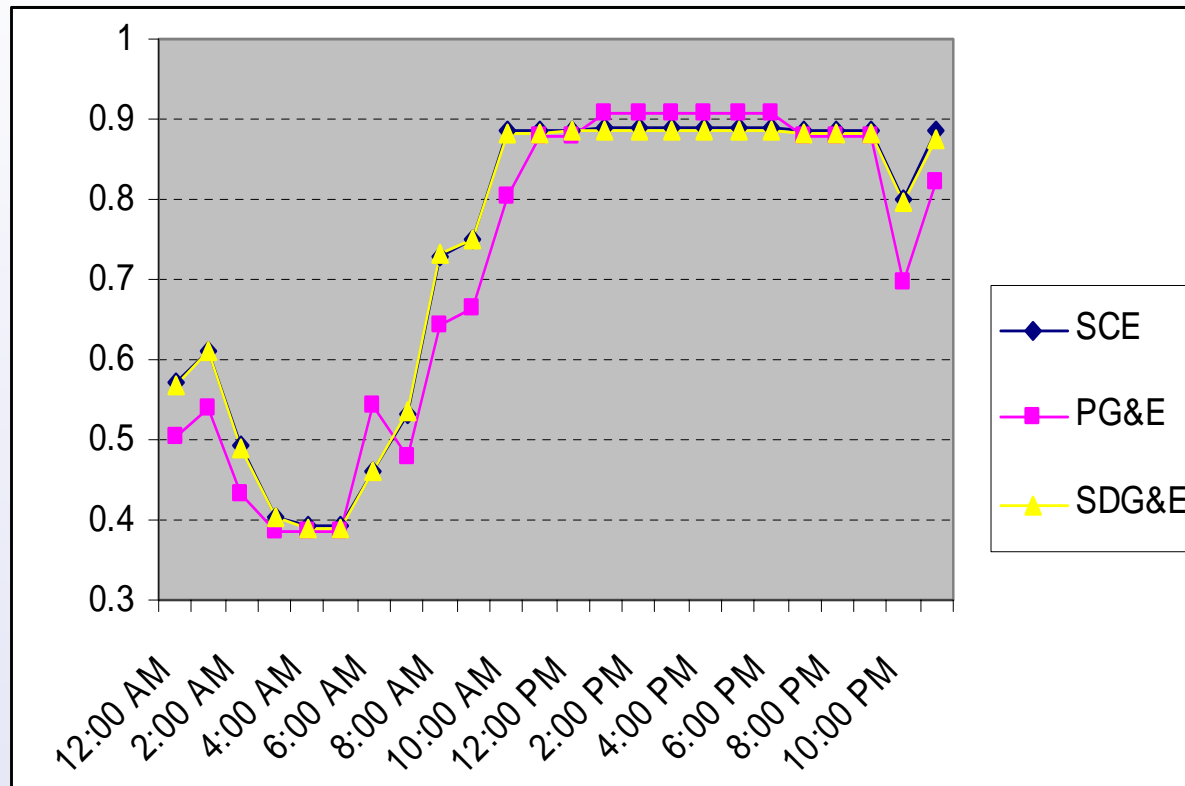
Source: U.S. Department of Energy's Energy Information Agency 2005 Database

During Peak Power Demand Period Even Inefficient “Peakers” also Have to be Operated to Meet the Power Demand



Source: Scot Duncan Presentation at ASHRAE June 2007

On a Typical Summer Day in California, Operation of Inefficient Power Plants During Peak Period Doubles the Carbon Dioxide Emissions (lbs/kWh) Compared to Those During Off-Peak Period



Y-Axis Unit: CO₂ Emissions, Lbs/kWh

Source: Scot Duncan Presentation at ASHRAE June 2007

Carbon Dioxide (GHG) Emissions of Fossil Fuel Power Plants

- Power plants that burn fossil fuels (coal, oil, natural gas or synthetic gases) are significant producers of carbon dioxide and other emissions
- There are two types of fossil fuel power plants:
 1. Burn fuel to produce steam and use steam in steam turbines to produce electric power
 2. Burn oil or gas directly in combustion turbines (CTs) to produce power
- Power plants that burn coal produce the most emissions (lbs/MWh)
- Power plants that use natural gas in CTs produce the least emissions (lbs/MWh)

Natural Gas-Fired CTs in Combined-Cycle Systems have the Lowest Heat Rates and Least Emissions

System	Combined-Cycle CT	Simple-Cycle CT	Steam Turbine
Heat Rate (LHV) Range, Btu/kWh	6,500 – 7,000	8,000 – 10,000	12,000 – 15,000
Fuel	Natural Gas	Natural Gas	No. 6 Fuel Oil
CO ₂ Emissions, lbs/MWh	814	1,250	2,236
NO _x Emissions, lbs/MWh	0.08	0.36	3.9
SO _x Emissions, lbs/MWh	0	0	13.25

Source: Pasteris Energy, Inc.

Power Plant Operation Priority for Reducing Emissions

The preferred order of operating fossil power plants using natural gas should be:

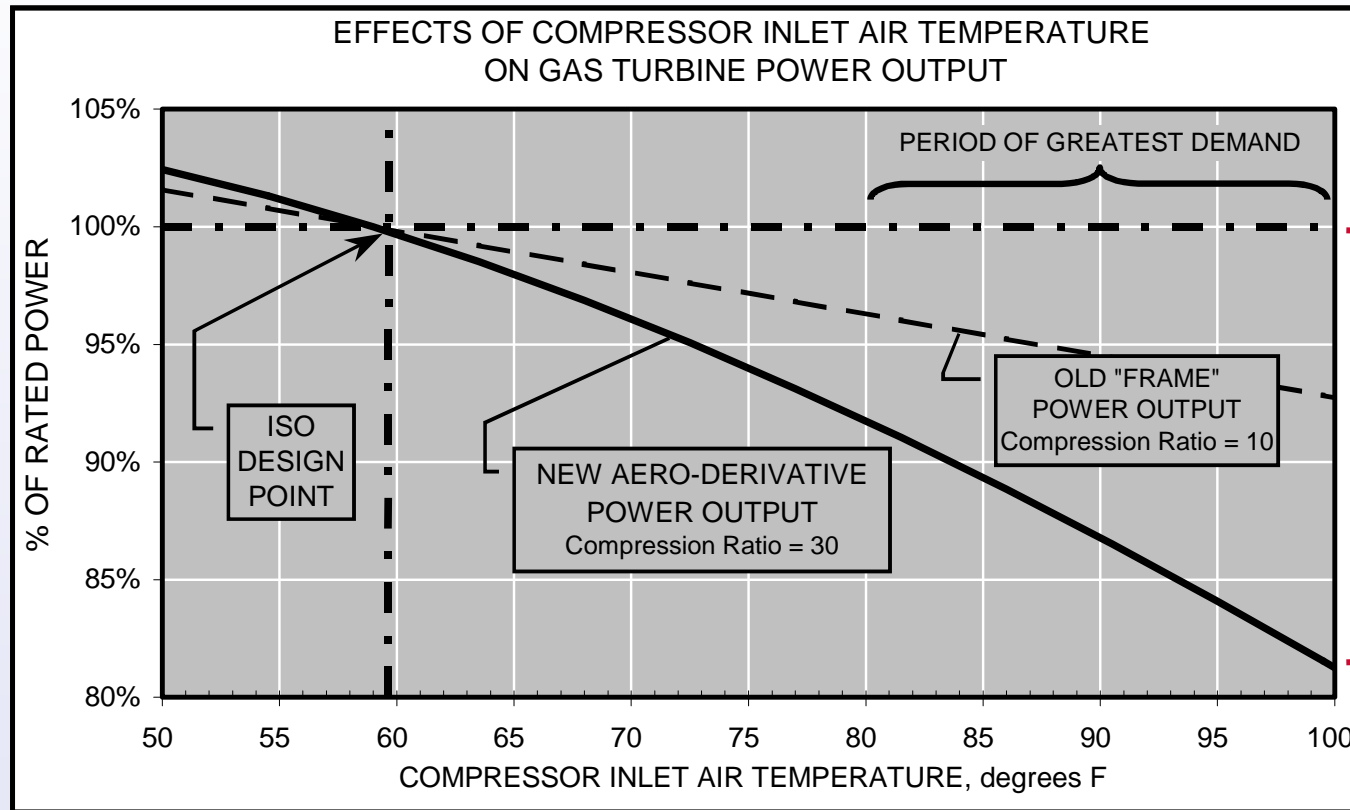
1. CT in combined-cycle system (Lowest Heat Rate i.e. Highest Energy Efficiency)
2. CT in simple-cycle system
3. Steam turbine system (Highest Heat Rate i.e. Lowest Energy Efficiency)

Two Unfortunate and Unfavorable Characteristics of Combustion Turbine Power Plants

- **During hot weather, just when power demand peaks,**
1. Power output decreases significantly
 - ☞ *Up to 35% below rated capacity*
 - ☞ *Depends on the CT characteristics*
 2. Fuel consumption (heat rate) and emissions increase per kWh

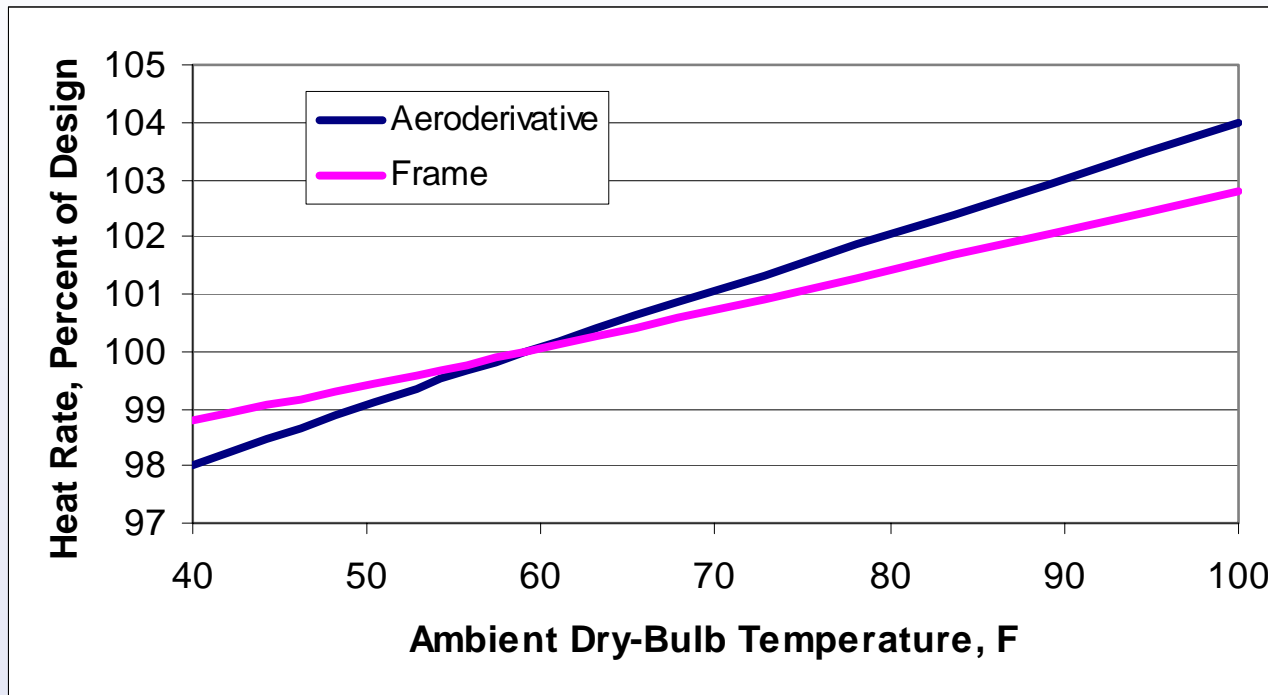


CT Power Plants' Generation Capacity Decreases with Increase in Ambient Temperature and Depends on the CT Design



Up to 19% capacity loss at peak demand for this CT

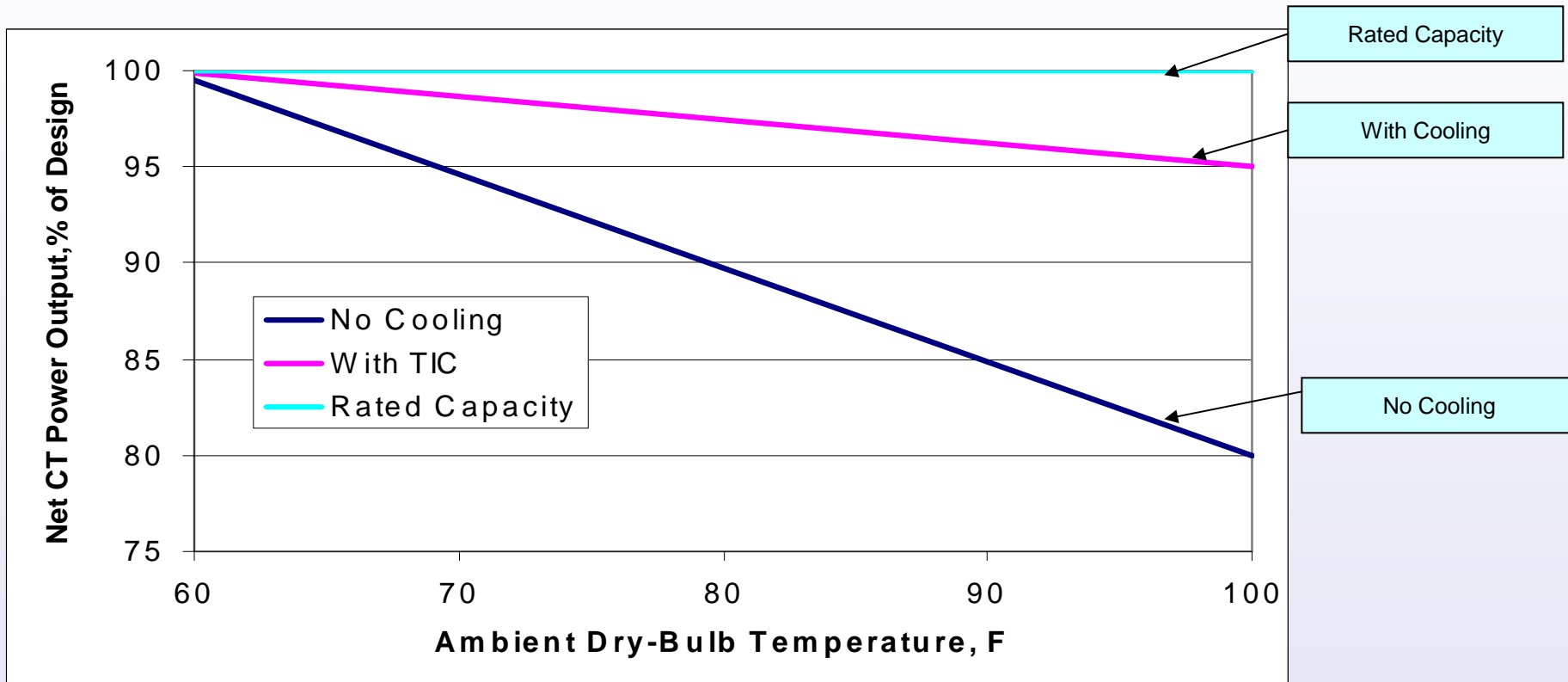
CT Power Plants Energy Efficiency Decreases (i.e. Heat Rate Increases) with Increase in Ambient Temperature



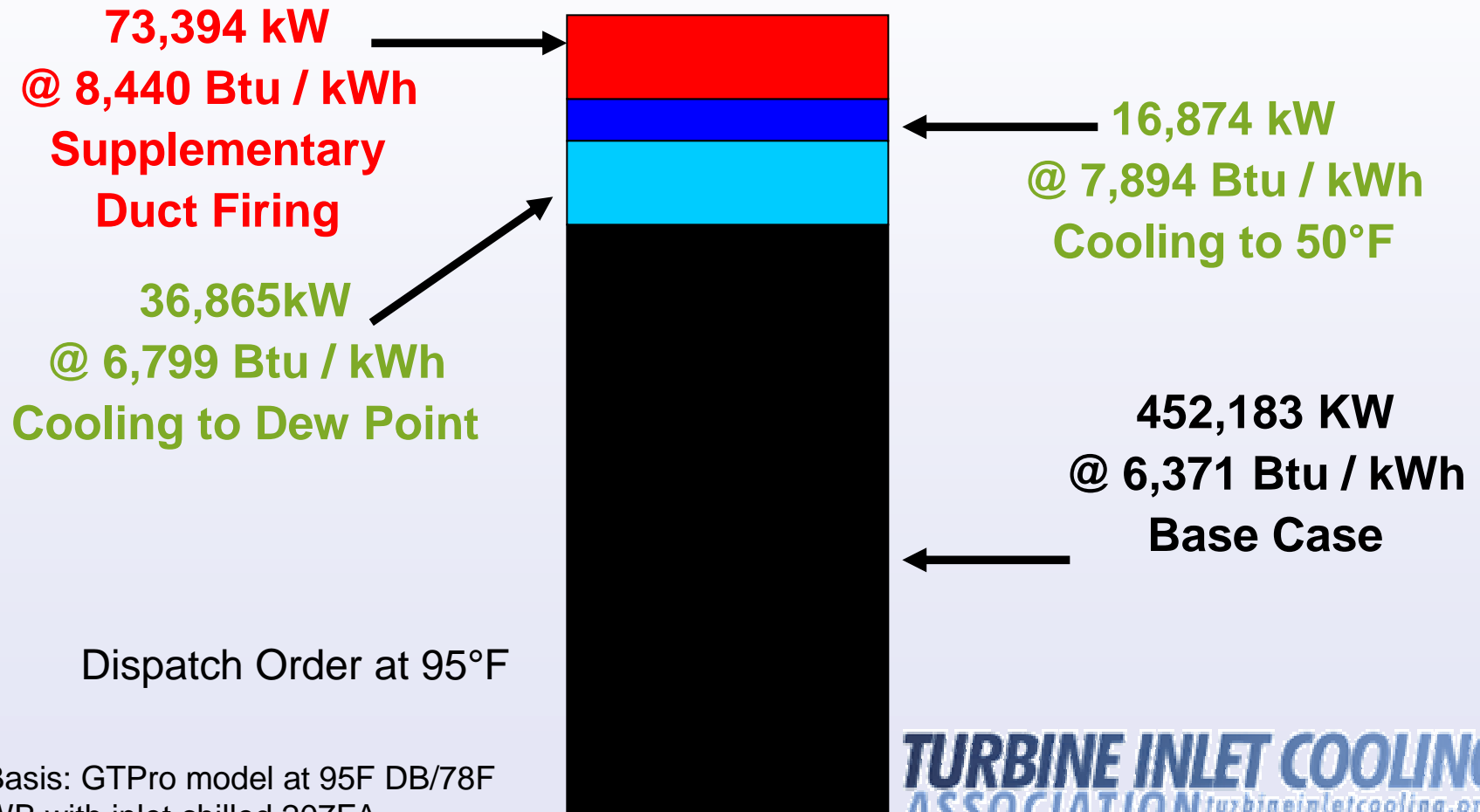
Fuel Use Increase (i.e. Energy Efficiency loss) at peak demand

Note: Heat rate is directly proportional to fuel consumption per kWh and inversely proportional to energy efficiency

Turbine Inlet Cooling (TIC) Overcomes the Effect of Hot Weather on the CT Capacity De-rating



Preferred Dispatch Order for a Typical Combined-Cycle System with TIC



Basis: GTPro model at 95F DB/78F
WB with inlet chilled 207FA.
Source: TAS

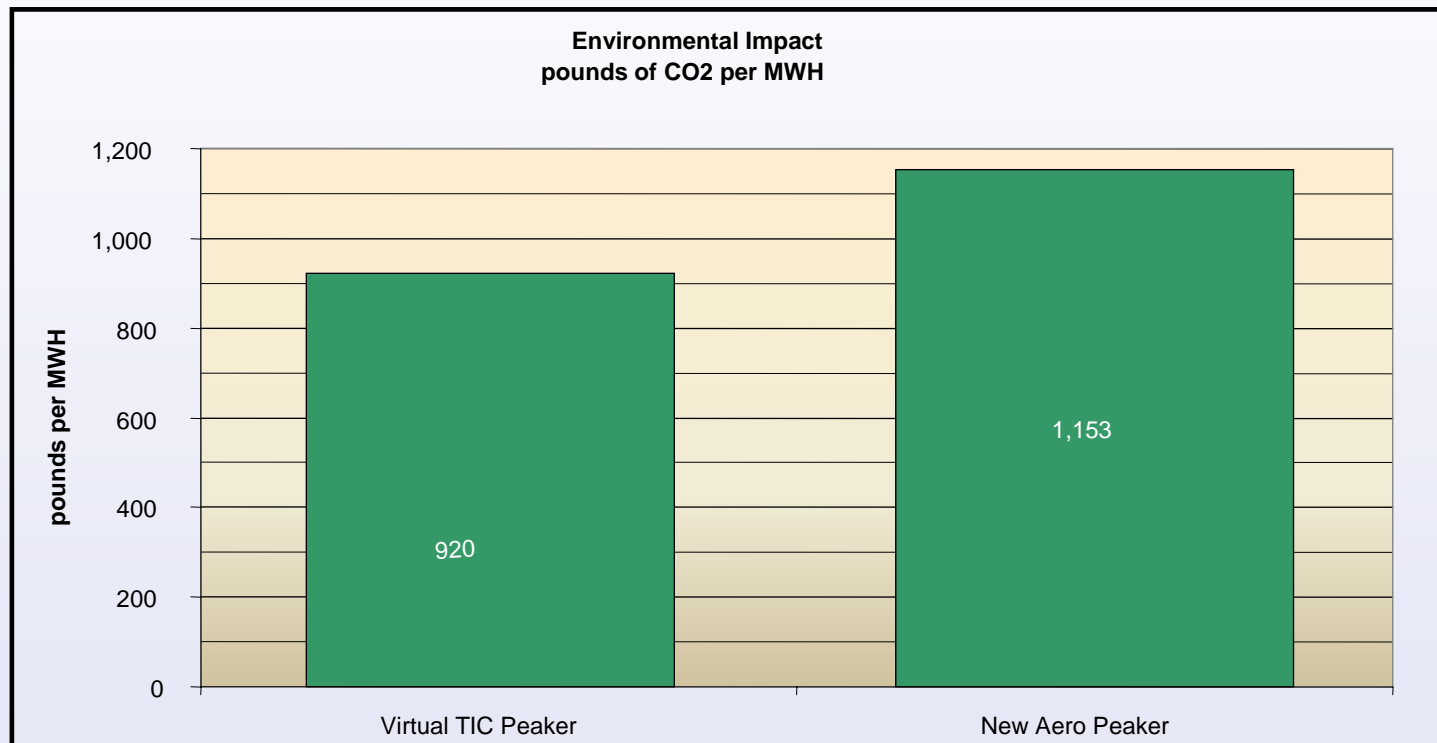
Turbine Inlet Cooling (TIC) Reduces Need for New Power Plants

- Implementing TIC on combustion turbines in combined-cycle (CC) systems effectively displaces/reduces operations of combustion turbines in simple-cycle (SC) systems**
- TIC for each nominal 500 MW CC plant eliminates the need for a nominal 40-50 MW SC peaker and its associated siting, emissions, interconnection and other issues**

Turbine Inlet Cooling Provides Environmental Benefits

- Reduces the need for operating inefficient and higher-emission power plants and thus,
 - Reduces emissions of pollutants (SO_x, NO_x, particulates)
 - Reduces emissions of green house gas (CO₂)

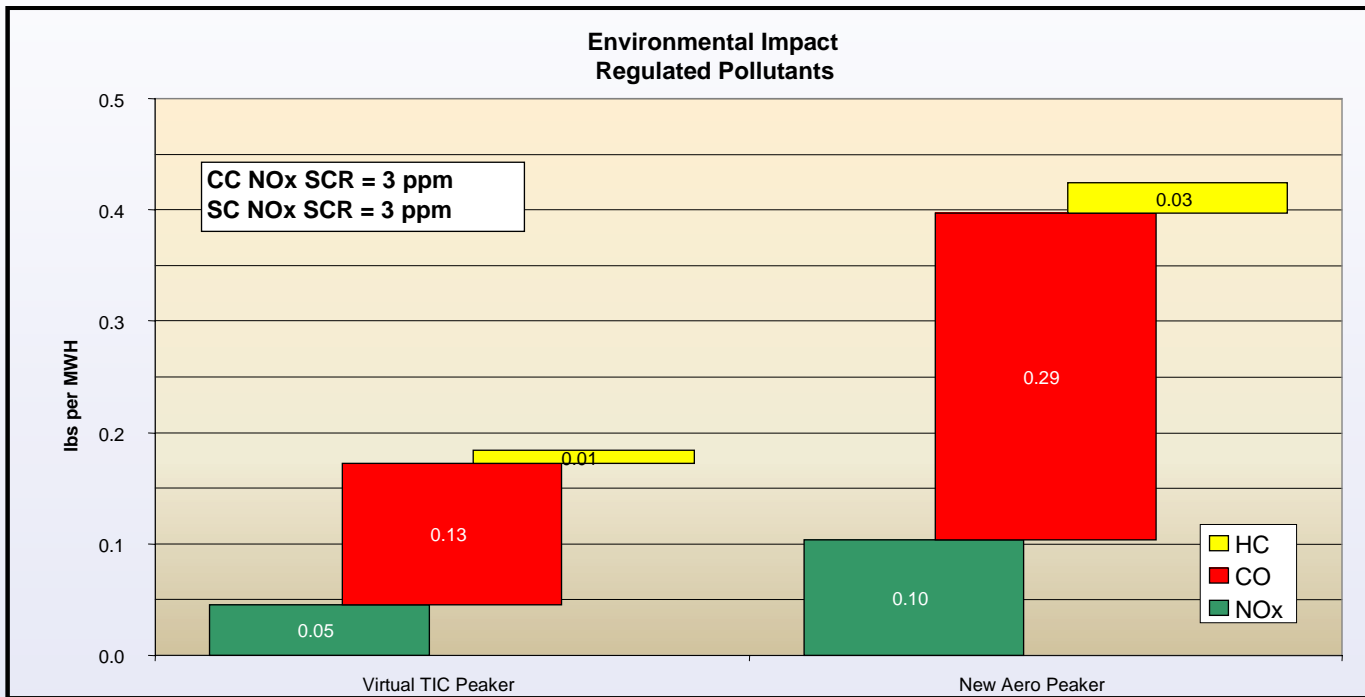
Turbine Inlet Cooling (TIC) Reduces CO₂ Emissions



Basis: LM6000PC-Sprint with hot SCR & TIC vs. incremental MWH from combined cycle 207FA with TIC added

Source: TAS

Turbine Inlet Cooling (TIC) Reduces Emissions of Regulated Pollutants



TIC Reduces Total Emissions (lbs/MWh) by Over 50%

Basis: Total of all pollutants (lbs/MWh), LM6000PC-Sprint with hot SCR & TIC vs. incremental MWh from combined cycle 207FA with TIC added (Source: TAS)

TURBINE INLET COOLING
ASSOCIATION turbineinletcooling.org

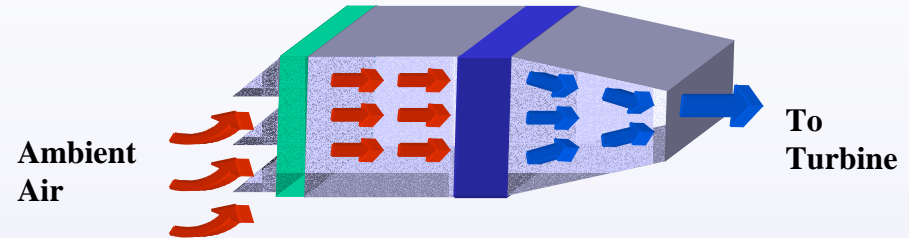
Turbine Inlet Cooling (TIC) Technologies are Simple and Proven

→ TIC is simple

- Cool the ambient air before it enters the turbine
- Just as we cool the air entering buildings

→ TIC technologies are proven

- Thousands of plants already benefit from TIC
- TICA Web site database of 100+ plants worldwide



Many Turbine Inlet Cooling System Options are Available

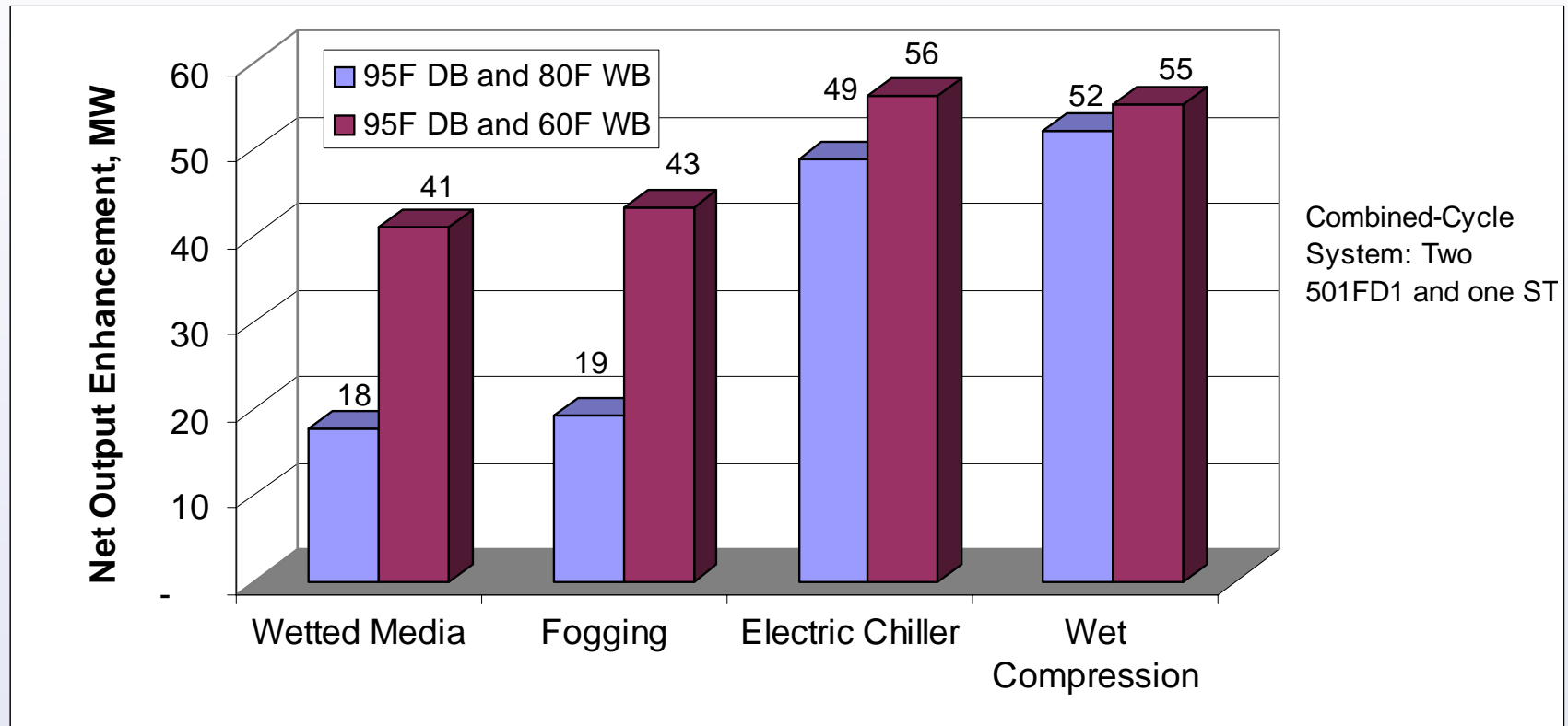
- Evaporative Systems: Wetted Media or Fogging
- Chiller Systems: Mechanical or Absorption Chillers
- Chillers with Thermal Energy Storage
- LNG Vaporization System
- Wet Compression System

* Application Limited to only where Liquefied Natural Gas (LNG) is Available

Factors Affecting the Capacity Enhancement Potential of TIC

- TIC Technology Selected
- CT Design and Characteristics
- Weather Data (dry-bulb and coincident wet-bulb temperatures) for the Geographic Location of the CT
- Selected ambient design conditions
- Selected (if allowed by the TIC technology) cooled air temperature
- TIC Parasitic Load
- Pressure drop across the component inserted upstream of the compressor (insertion loss)

Examples of the Effect of TIC Technology and Ambient Temperature on Capacity Enhancement



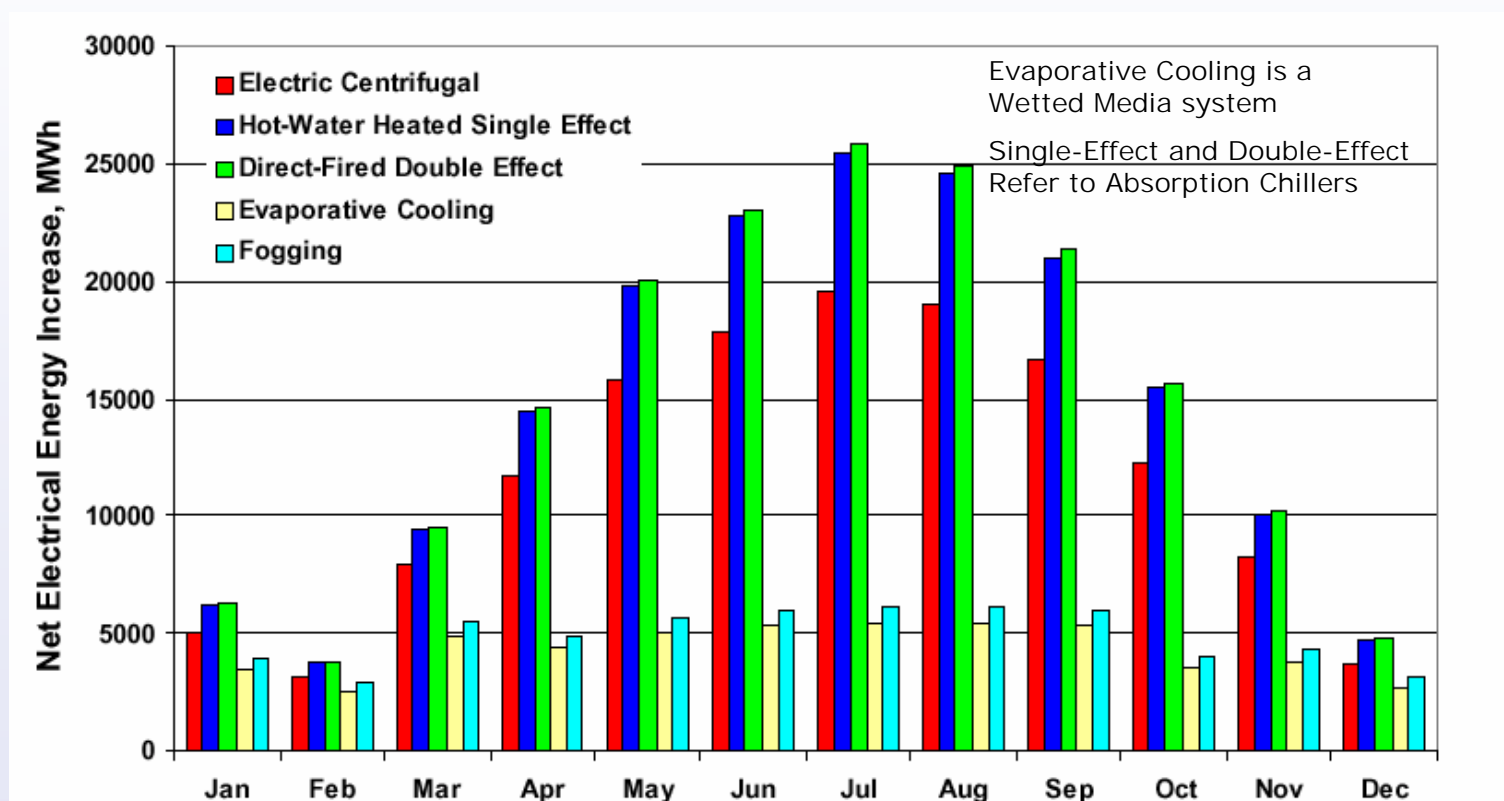
Sources:

Wet Compression: Caldwell Energy, Inc.

All Others : D.V. Punwani Presentation, Electric Power 2008

An Example of the Monthly Incremental Electric Energy Provided by Some of the TIC Technologies

(316 MW Cogeneration Plant Near Houston, TX)

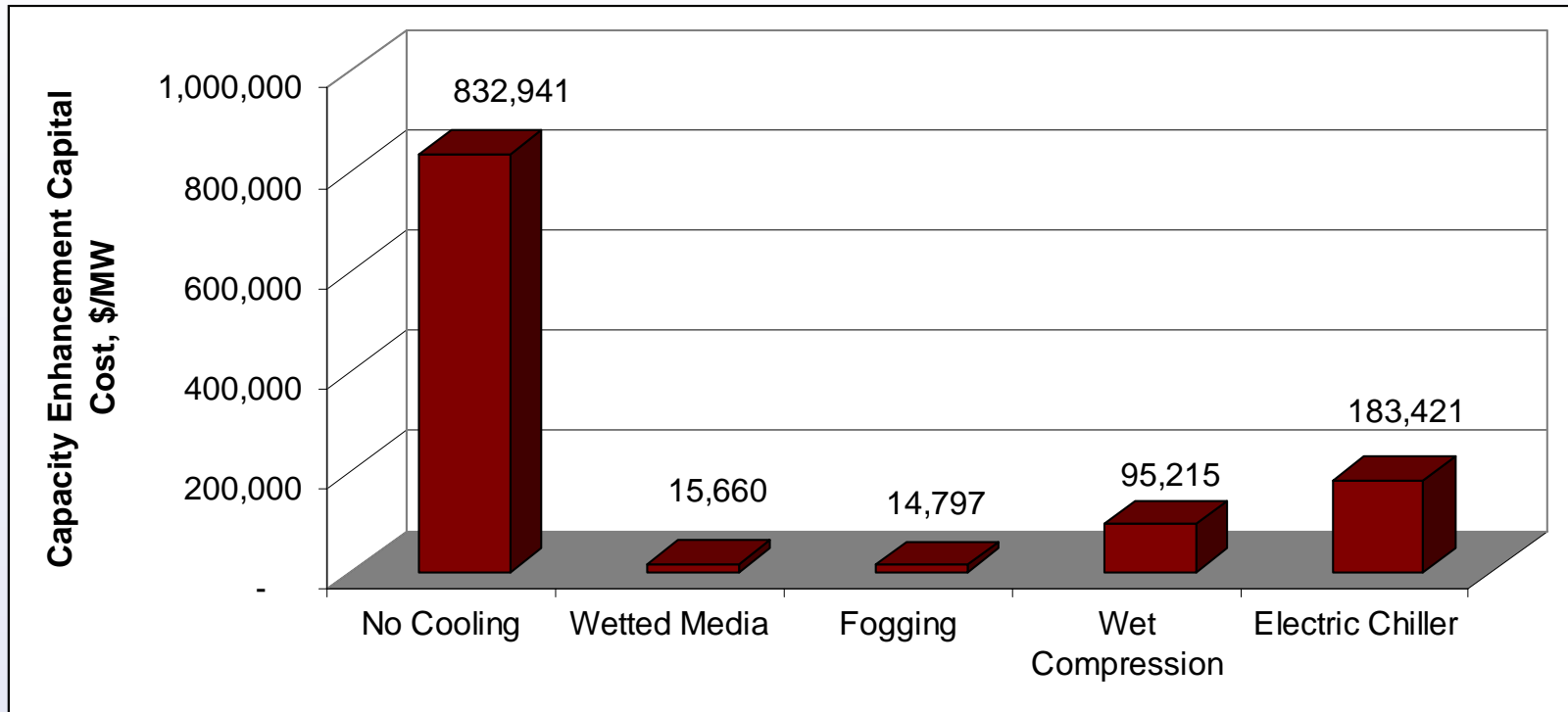


Source: D.V. Punwani et. al. Presented at ASHARE 2001

Factors Affecting the Economics of TIC Technology

- Market Value of Increased Electric Energy Produced or the Avoided Cost of Buying the Same Energy from the Market
- Market Power Demand Profile for Selling Electric Power or Power Demand Profile for the Power User
- Market Value of Increased Plant Capacity
- Cost of Fuel
- Cost of Water

Example of TIC Providing Capacity Enhancement at Lower Capital Costs (316 MW Cogeneration Plant Near Houston, TX)

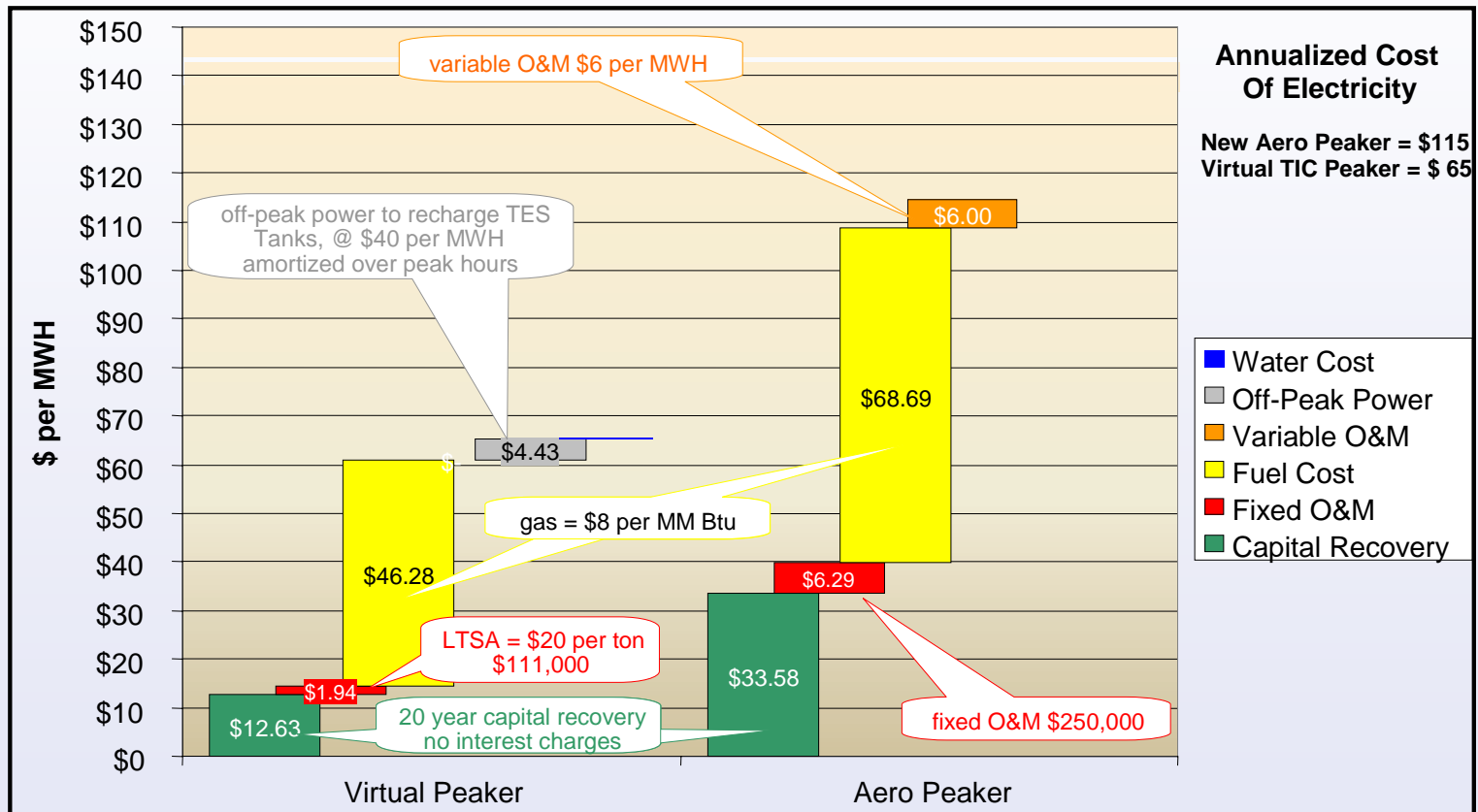


Sources

Wet Compression: Caldwell Energy

Other: www.turbineinletcooling.org

TIC Provides Additional Electric Energy at Lower Operating Costs



Basis: LM6000PC-Sprint with hot SCR & TIC vs. incremental MWh from combined cycle 207FA with TIC added. (Source: TAS)

Turbine Inlet Cooling Provides Not Only Environmental but also Economic Benefits

- Generates more MWh and revenue during peak demand periods when electric energy value and price are highest
- Reduces capital cost per unit of the increased generation capacity compared to new power plants
- Reduces cost of electric energy generation compared to the low energy efficiency “peakers”
- Reduces cost for ratepayers by allowing lower capacity payments by the independent system operators (ISOs) to power producers

Suggested Changes To Regulatory Structure

- **Utilize full potential of existing combustion turbines plants**
 - Require addition of TIC before allowing new plants to be built
- **Exempt TIC from environmental re-permitting**
 - Use of TIC helps displace/eliminate operation of higher emission power plants
- **Calculate capacity payments for plant owners on the basis of systems incorporating TIC**
 - Consistent with the PJM affidavit made to the FERC in August 2005

Notes:

PJM: PJM Interconnection, LLC

FERC: Federal Energy Regulatory Commission

Conclusions

- Turbine inlet cooling can provide significant increased generation capacity during hot weather from energy efficient combined-cycle (CC) and simple-cycle (SC) power plants
- More MWh from CC and SC plants minimizes/eliminates operation of higher-emission producing thermal power plants/steam-turbine systems
- Turbine inlet cooling (TIC) of CC and SC power plants also reduces the cost of generation compared to combustion turbine without TIC and thermal power plants
- In summary, TIC is an energy solution that is good for the environment, for ratepayers, and for plant owners

TICA Announcement

Annual Meeting of TICA Members

- Today (December 2; Tuesday) 4-6 PM
- Room S310F in the Orange County Convention Center
- Guests are Welcome to Attend