

May 03, 2012 08:00 AM Eastern Daylight Time

Hydrogen Energy California Project Moves Forward

BAKERSFIELD, Calif.--([BUSINESS WIRE](#))--The owner of the Hydrogen Energy California (HECA) project in Kern County has filed with the California Energy Commission an amended application for certification of the plant, underscoring its commitment to building the 300-megawatt power plant.

The HECA project is co-funded by the U.S. Department of Energy and administered by the National Energy Technology Laboratory (NETL) under its Clean Coal Power Initiative (CCPI-Round 3).

SCS Energy California LLC (SCS), which took over the project and its site in western Kern County from prior owners, said the action will create thousands of construction and permanent jobs, is a major step to promote clean energy and will advance California's long term climate strategy.

The filing resumes a comprehensive regulatory review process which, upon approval, would grant permission for construction and operation of one of the world's first hydrogen powered plants with carbon capture, utilization and storage (CCUS). The May 2 submission highlights SCS's commitment to HECA and the aggressive work performed by the team since the Department of Energy approved SCS to take over the development of this important project for converting fossil fuels into clean power and the production of low carbon products.

HECA is an Integrated Gasification Combined Cycle project that will manufacture hydrogen to be used to generate nearly 300 megawatts of low-carbon electricity and to produce low-carbon nitrogen based products, such as fertilizers. The products and power produced by the project have a lower carbon footprint than similar products produced from the combustion of fossil fuels, including natural gas. This low-carbon footprint is accomplished by capturing more than 90 percent of the carbon dioxide (CO₂). CO₂ will be transported for use in enhanced oil recovery (EOR) in the adjacent Elk Hills Oil Field (EHOF) owned and operated by Occidental of Elk Hills, Inc. (OEHI).

The project provides multiple benefits: it furthers California's low carbon power policies, adds to domestic oil production and replaces imported high-carbon footprint fertilizer with domestic low carbon footprint fertilizer.

Michael Peevey, president of the California Public Utilities Commission, has said: "They have developed an innovative business model that improves the economic viability of the project. HECA intends to ramp up the facility to produce more electricity during peak hours of need in order to maximize the energy and capacity value of the plant. This is an example of the kind of creative thinking we will need to solve the climate crisis."

HECA has been an important public-private partnership with the U.S. Department of Energy. Project development is supported in part by a \$408 million grant that was competitively awarded to HECA in recognition of the project's importance in demonstrating critical carbon capture and enhanced oil recovery technology at a commercial scale.

"The HECA project underscores the significance of CCUS – the creative combination of business drivers and environmental responsibility. It demonstrates how carbon capture technology will help us fully develop and use our vast domestic energy resources in a sustainable way. And by utilizing the captured CO₂ for enhanced oil recovery, the project provides significant economic and job creation benefits," said Chuck McConnell, DOE's Assistant Secretary for Fossil Energy.

Since acquiring the project, SCS has modified the former HECA design to improve its economic viability and better serve market needs, while continuing to adhere to the strictest environmental standards. In addition, HECA has selected Mitsubishi Heavy Industries' oxygen-blown dry feed gasification technology as a key component of the project. The Project will gasify a blend of coal and petroleum coke to produce hydrogen-rich gas. Because the project has new and improved features from the original HECA design, the project team developed and submitted an amended permit application for regulatory review.

[About SCS Energy California LLC \(SCS\)](#)

SCS is a private power plant development company headquartered in Concord, Massachusetts. The company's mission is to create high-value power generation assets that bring excellent returns to investors while leading the industry in environmental stewardship and climate change mitigation. With Hydrogen Energy California, our business is converting fossil fuels to hydrogen and using the hydrogen fuel in the most economically efficient and environmentally beneficial manner.

For more information on the HECA project, please visit www.heca.com

Contacts

HECA

Tiffany Rau

310-469-8683

trau@heca.com

www.heca.com