

MEMO (NAME & LOCATION) DATE March 2, 1977 D. H. Bolliger - F4WB
SUBJECT CEA 3246 - ST. LOUIS AREA INCINERATION P. F. Cunningham - F3EA
J. F. Giblin - F3EB
REFERENCE
TO G. L. Wade - F4EB
R. M. Kountz - F4WA

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PROBLEM

We need an economic evaluation of Provision for Future Heat Recovery vs No Provision for Future Heat Recovery for the subject project.

ACTION

By copy of this memo, I request Don Bolliger to provide the back-up and recommendations for this decision.

BACKGROUND

To make sure we all have the same understanding as to the impact of considering future Waste Heat Recovery for the subject project, I submit the following:

As you know, this project is slated for Revenue Bond Financing and when accomplished it will save 2% interest on \$15.0M per year for 30 years (\$9.0M).

To achieve this financing it is necessary to fill out and sign documents that effectively say to the Internal Revenue Service (IRS) that you are not planning any energy recovery and that there are no provisions in your system/equipment to accommodate recovery at a later date.

There is a great deal more than just leaving "space" in a layout associated with future Heat Recovery. Hydrosience, Inc. confirms that the gas handling system, etc. would require major modifications. In other words, if we want to think in terms of future Heat Recovery, we would want to design into some of the system/equipment the capability to accommodate recovery with minimum change later.

If we do design into our system/equipment the capability for future Heat Recovery, we will lose the value of Revenue Bond Financing; i.e., \$9.0M over the next 30 years. We would also be gambling on a possibility only that Heat Recovery will indeed be practical for our particular operation 3-5 years from now.

C. A. Dobbins

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