

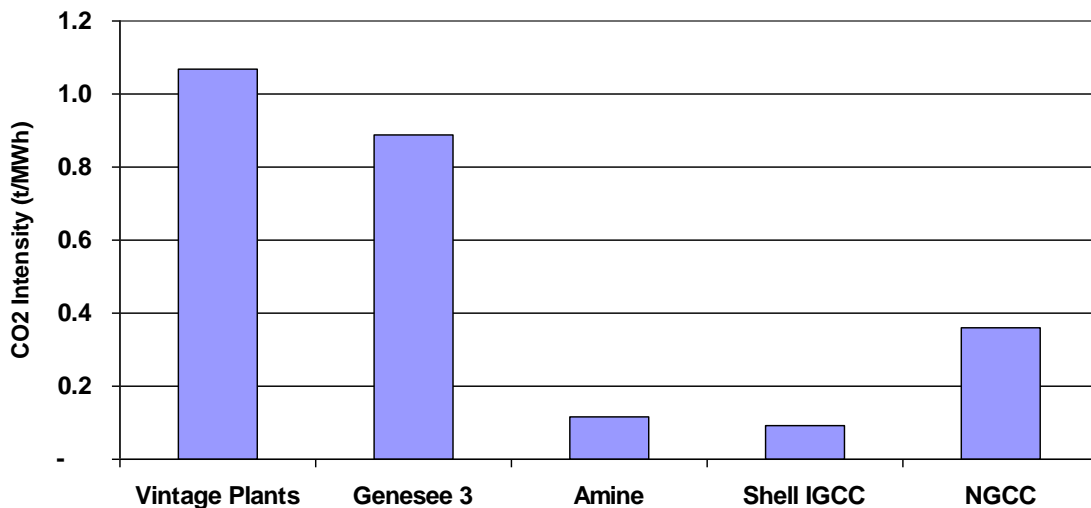
Cleaner Coal

The industry is committed to developing technologies that will ensure electricity production from coal can be achieved in an environmentally friendly manner.

Numerous technologies are being developed to reduce the emissions from coal-fueled power plants. Amine scrubbing and Integrated Gasification Combined Cycle (IGCC) technologies are two commercially available methods for reducing GHG emissions.

The following graph shows the volume of CO₂ emitted per MWh of production of these technologies compared to vintage sub-critical coal plants, the newer supercritical Genesee 3 plant and a Natural Gas Combined Cycle (NGCC) plant. Both amine scrubbing and the IGCC technologies promise order of magnitude reductions in CO₂ emissions, with emission intensities that are even lower than NGCC plants.

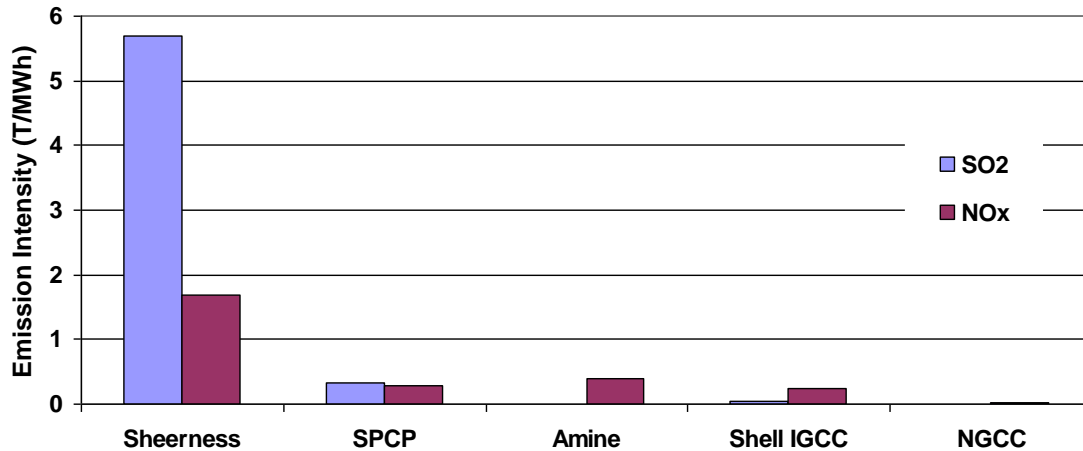
Emission Intensity for CO₂



Source: Vintage Plants and Genesee 3 provided by Capital Power Corporation. The other 3 values were taken from Cost and Performance Baseline for Fossil Energy Plants, DOE/NETL-2007/1281, Volume 1: Bituminous Coal and Natural Gas to Electricity, Final Report (Original Issue Date, May 2007), Revision 1, August 2007.

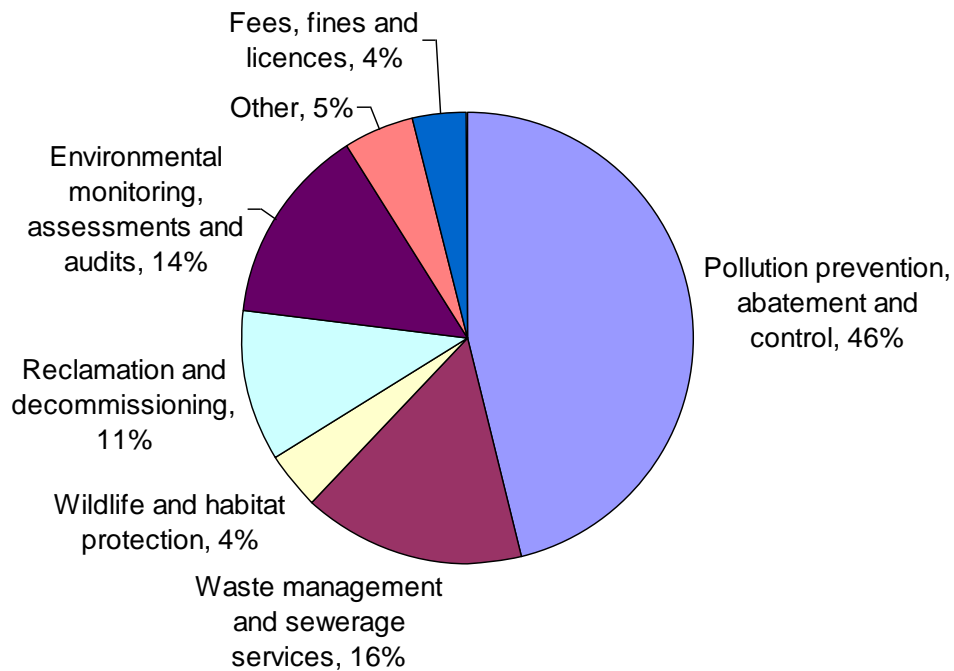
Sulphur dioxide (SO₂) and nitrogen oxides (NO_x) emissions will also be significantly lower in both amine scrubbing and IGCC plants. The following graph compares the SO₂ and NO_x emissions for the vintage Sheerness plant to that of a new supercritical coal plant with emissions control technologies, IGCC, amine scrubbing and a NGCC plant.

Emission Intensity for SO₂ and NO_x



Source: The Sheerness values were taken from North American Plant Air Emissions, Commission for Environmental Cooperation of North America, 2004. The remaining values were taken from Cost and Performance Baseline for Fossil Energy Plants, DOE/NETL-2007/1281, Volume 1: Bituminous Coal and Natural Gas to Electricity, Final Report (Original Issue Date, May 2007), Revision 1, August 2007.

In 2006 the Canadian power industry spent \$633 million on efforts to make power plants cleaner. The following graph shows the breakdown of those costs.



Source: Statistics Canada, Environmental Protection Expenditures in the Business Sector, 2006