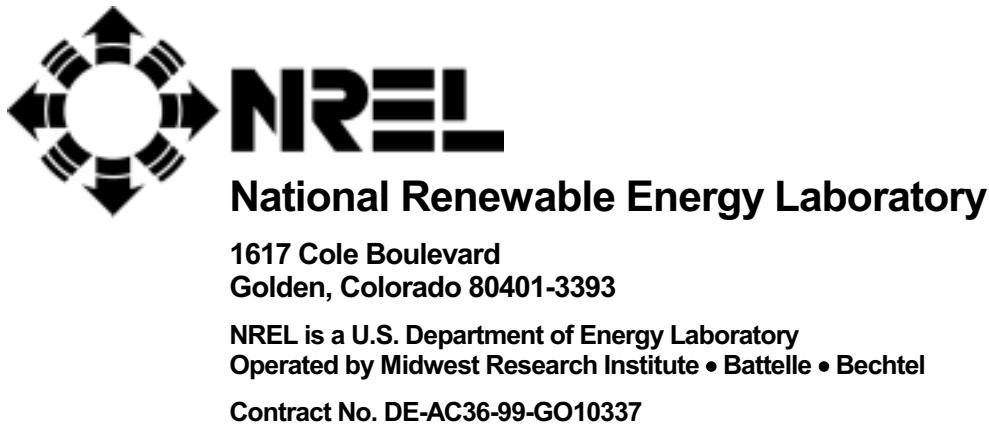
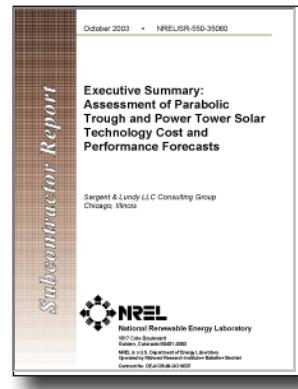


Assessment of Parabolic Trough and Power Tower Solar Technology Cost and Performance Forecasts

*Sargent & Lundy LLC Consulting Group
Chicago, Illinois*



Assessment of Parabolic Trough and Power Tower Solar Technology Cost and Performance Forecasts

*Sargent & Lundy LLC Consulting Group
Chicago, Illinois*

NREL Technical Monitor: H. Price

Prepared under Subcontract No. LAA-2-32458-01



NREL

National Renewable Energy Laboratory

1617 Cole Boulevard
Golden, Colorado 80401-3393

NREL is a U.S. Department of Energy Laboratory
Operated by Midwest Research Institute • Battelle • Bechtel

Contract No. DE-AC36-99-GO10337

NOTICE

This report was prepared as an account of work sponsored by an agency of the United States government. Neither the United States government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States government or any agency thereof.

Available electronically at <http://www.osti.gov/bridge>

Available for a processing fee to U.S. Department of Energy
and its contractors, in paper, from:

U.S. Department of Energy
Office of Scientific and Technical Information
P.O. Box 62
Oak Ridge, TN 37831-0062
phone: 865.576.8401
fax: 865.576.5728
email: reports@adonis.osti.gov

Available for sale to the public, in paper, from:

U.S. Department of Commerce
National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161
phone: 800.553.6847
fax: 703.605.6900
email: orders@ntis.fedworld.gov
online ordering: <http://www.ntis.gov/ordering.htm>



Printed on paper containing at least 50% wastepaper, including 20% postconsumer waste

ASSESSMENT OF

PARABOLIC TROUGH AND POWER TOWER SOLAR TECHNOLOGY

COST AND PERFORMANCE FORECASTS

CONTENTS

<u>Section</u>	<u>Page</u>
EXECUTIVE SUMMARY.....	ES-1
1. INTRODUCTION.....	1-1
1.1 Background and Objective	1-1
1.2 Scope of Work.....	1-2
1.3 Methodology	1-3
1.3.1 Data Collection.....	1-3
1.3.2 Review of SunLab Cost Model.....	1-3
1.3.3 Technical Improvements	1-4
1.3.4 Economy of Scale.....	1-4
1.3.5 Volume Production (Volume and Learning Curve).....	1-4
1.3.6 Operation and Maintenance Costs.....	1-5
1.3.7 Financial Modeling Analysis Methodology	1-5
2. CONCENTRATING SOLAR POWER TECHNOLOGIES.....	2-1
2.1 Trough Technology	2-1
2.1.1 System Description	2-1
2.1.2 Current Experience.....	2-2
2.2 Tower	2-3
2.2.1 System Description	2-3

CONTENTS (CONT.)

<u>Section</u>	<u>Page</u>
2.2.2 Current Experience.....	2-4
2.3 Integration with Fossil Power Plants.....	2-5
2.3.1 Hybrid	2-5
2.3.2 Integrated Solar Combined Cycle System (ISCCS).....	2-5
2.4 Advanced Technology and Application Options	2-6
2.4.1 Advanced Tower Technology	2-7
2.4.2 Current International Development Directions	2-7
2.4.3 Long-Term CSP Advanced Applications Options	2-9
3. POWER GENERATION MARKET AND DEPLOYMENT FORECAST.....	3-1
3.1 Power Generation Market	3-1
3.2 Deployment Forecast	3-2
3.3 Trough.....	3-4
3.4 Tower	3-6
4. EVALUATION OF POTENTIAL FOR COST REDUCTIONS — TROUGH	4-1
4.1 Development Plan for Cost Reduction.....	4-1
4.2 Efficiency	4-4
4.2.1 Solar Field Optical Efficiency.....	4-6
4.2.2 Receiver Thermal Losses	4-7
4.2.3 Piping Thermal Losses	4-7
4.2.4 Storage Thermal Efficiency	4-8
4.2.5 Turbine Cycle Annual Efficiency.....	4-8
4.2.6 Electric Parasitic Load	4-9
4.2.7 Power Plant Availability	4-9
4.3 Evaluation of Major Cost Components.....	4-10
4.3.1 Solar Field Support Structure.....	4-11

CONTENTS (CONT.)

<u>Section</u>	<u>Page</u>
4.3.2 Solar Field Heat Collection Elements (HCE).....	4-12
4.3.3 Solar Field Mirrors	4-14
4.3.4 Power Block.....	4-16
4.3.5 Thermal Storage	4-18
4.3.6 Total Investment Costs.....	4-19
4.4 Levelized Energy Costs.....	4-25
4.5 Technology Step Changes and Comparison.....	4-28
4.6 Risk Assessment for Trough Technology	4-37
4.6.1 Deployment.....	4-38
4.6.2 Net Annual Solar-to-Electric Efficiency	4-39
4.6.3 Mid Term (2010).....	4-40
4.6.4 Total Investment Cost	4-41
4.6.5 Operation and Maintenance (O&M) Costs	4-43
4.7 Cost Sensitivities	4-45
4.7.1 Depreciable Life.....	4-46
4.7.2 Investment Tax Credits	4-46
4.7.3 Corporate Tax Rate	4-47
4.7.4 Inflation.....	4-47
4.7.5 Cost of Capital.....	4-47
4.7.6 Construction Duration	4-48
4.7.7 Capital Cost	4-48
4.7.8 Annual O&M Cost	4-49
4.7.9 Ownership	4-49
5. EVALUATION OF POTENTIAL FOR COST REDUCTIONS — TOWER.....	5-1
5.1 Industry Plan for Cost Reduction	5-1
5.2 Tower Efficiency.....	5-4

CONTENTS (CONT.)

<u>Section</u>		<u>Page</u>
5.2.1	Annual Collector Efficiency.....	5-6
5.2.2	Annual Receiver Efficiency	5-7
5.2.3	Annual Gross Cycle Efficiency.....	5-8
5.2.4	Annual Parasitic Efficiency.....	5-8
5.2.5	Annual Thermal Storage Efficiency.....	5-8
5.2.6	Annual Piping Efficiency	5-8
5.2.7	Annual Plant Availability.....	5-8
5.3	Evaluation of Major Cost Components	5-8
5.3.1	Collectors	5-10
5.3.2	Electrical Power Block.....	5-15
5.3.3	Receiver.....	5-18
5.3.4	Thermal Storage	5-21
5.3.5	Steam Generator.....	5-23
5.3.6	Balance of Plant	5-23
5.3.7	Technology Improvements.....	5-25
5.4	Operations and Maintenance.....	5-25
5.5	Levelized Energy Cost	5-26
5.6	Power Tower Technology Step Changes and Comparison	5-32
5.7	Cost Reduction Step Changes and Breakdown Comparison.....	5-40
5.8	Risk Assessment for Tower Technology	5-49
5.8.1	Deployment	5-50
5.8.2	Net Annual Solar-to-Electric Efficiency	5-52
5.8.3	Total Investment Cost	5-57
5.8.4	Operation and Maintenance (O&M) Costs	5-59
5.9	Cost Sensitivities	5-61
5.9.1	Depreciable Life.....	5-62
5.9.2	Investment Tax Credits	5-62

CONTENTS (CONT.)

<u>Section</u>	<u>Page</u>
5.9.3 Corporate Tax Rate	5-63
5.9.4 Inflation	5-63
5.9.5 Cost of Capital.....	5-64
5.9.6 Construction Duration.....	5-64
5.9.7 Capital Cost.....	5-65
5.9.8 Annual O&M Cost	5-65
5.9.9 Ownership	5-65

APPENDIXES

- A. List of Documents
- B. Methodology
- C. Levelized Cost for Ranking Alternatives and Example Calculations
- D. Evaluation Of Technology Improvements And Capital Cost Projections For Parabolic Trough Solar Plants
- E. Evaluation of Technology Improvements and Capital Cost Projections – Tower
- F. Evaluation of O&M Costs — Trough
- G. Evaluation of O&M Costs — Tower
- H. Mirror Reflectivity (SunLab Input)
- I. Sargent & Lundy Response to the NRC Issues and Observations

ACRONYMS AND ABBREVIATIONS

Term	Definition or Clarification
°C / °F	Degrees Celsius/degrees Fahrenheit
ADL	AD Little
ATS	Advanced Thermal Systems
CHP	Combined heat and power
CRADA	Cooperative Research and Development Agreement
CSP	Concentrating Solar Power
DOE	Department of Energy
DSCR	Debt service coverage ratio
DSG	Direct steam generation
EERE	Office of Energy Efficiency and Renewable Energy (a part of the DOE)
EPSG	Electric power generating system
EU	European Union
GEF	Global Environmental Facility
GWe	Gigawatts-electrical
HCE	Heat collection elements
HRSG	Heat recovery steam generator
HTF	Heat transfer fluid
HTGR	High-temperature gas-cooled reactor
IEA	International Energy Agency
IGC	Intergranular corrosion
ILR	Intermediate load range
IPP	Independent power producer
IRD	Industrial Research & Development
IRR	Internal rate of return
ISCCS	Integrated Solar Combined Cycle System (s)
km	Kilometers
kPa	Kilopascals

ACRONYMS AND ABBREVIATIONS

Term	Definition or Clarification
kW	Kilowatts
kWt	Kilowatts-thermal
LCOE	Levelized costs of energy
LEC	Levelized energy cost
MACRS	Modified Accelerated Cost Recovery System
MW	Megawatts
MWe	Megawatts-electrical
MWt	Megawatts-thermal
NRC	National Research Council
NREL	National Renewable Energy Laboratory
O&M	Operation and maintenance
PR	Progress ratio
PTC	Energy Production Tax Credit
PV	Photovoltaic
R&D	Research and development
Sargent & Lundy or S&L	Sargent & Lundy LLC
SCA	Solar collector assembly
SEGS	Solar Electric Generating Station
SNL	Sandia National Laboratories
SunLab	SunLab comprises researchers from Sandia National Laboratories and the National Renewable Energy Laboratory working together on Concentrating Solar Power technology for the Department of Energy
TES	Thermal energy storage

ACKNOWLEDGEMENTS

Sargent & Lundy would like to thank the following individuals and organizations for their important contributions to this study:

R. D. (Dale) Rogers	Boeing
Robert Litwin	Boeing
Pat DeLaquil	Clean Energy Commercialization
Frank Wilkins	Department of Energy
Gilbert Cohen	Duke Solar
David Kearney	Kearney & Associates
Mark Mehos	National Renewable Energy Laboratory
Fredrick Morse	Morse Associates, Inc.
Henry Price	National Renewable Energy Laboratory (SunLab)
William Gould	Nexant
Scott Jones	Sandia National Laboratories (SunLab)