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**To:** Gas Development Team  
**Subject:** Results of Pre-Feasibility Study

We have some preliminary results from our consultants regarding the cost of generation from our proposed IPP. The following table indicates the broad areas of cost and return. We believe that we can go forward with this proposal. The only sticking point will be the price for the energy component. As you know, we currently receive a subsidized price for our current supplies (~\$3/GJ), and we are budgeting ~\$4/GJ for this project. If gas goes to market levels then we will need a pricing adjustment.

## Summary of Operating Parameters and Assumptions

Type of Plant	gas	(can be renewable or fossil)
Plant Size (MW)	250	
Oil Price	25.00	USD per barrel
Initial Investment (w/o subsidies)	217,350,000	
Exchange Rate (per USD)	0.80	AZM
Power Sales Price (initial)	0.040	USD/kWh

## Summary of Renewable Energy Incentives

Grant Component (% of investment)	Fossil Plant
"Green Pricing" Multiplier (%)	Fossil Plant
Interest Rate Subsidy (points)	Fossil Plant
Hybrid Fossil Use (% of output)	Fossil Plant

## Summary of Financial and Economic Results (Money is USD and Local Currency)

	USD	Local
Generation Cost per kWh	\$0.0430	\$0.03
Financial NPV	153,357,606	122,686,084
Financial IRR	26.23%	26.23%
Economic NPV	48,500,177	38,800,142
Economic IRR	14.12%	14.12%
"Green Pricing" ENPV	NA	NA
"Green Pricing" ERR	NA	NA