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Chairman, Board of Trustees
October 18, 2014

Members, Board of Trustees:

CENTER FOR APPLIED ENERGY RESEARCH
SLIPSTREAM CAPITAL PROJECT

Recommendation: that the Board of Trustees approve an increase in scope from \$1,600,000 to \$2,700,000 for the Center for Applied Energy Research Slipstream capital project.

Background: At its June 2014 meeting the Board of Trustees approved the initiation of the Center for Applied Energy Research (CAER) Slipstream capital project with a scope of \$1,600,000, to be funded with a grant from the United States Department of Energy National Energy Technology Laboratory. The CAER has partnered with Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU) to test a carbon dioxide (CO₂) capture system. The CAER CO₂ capture process has been designed and is being erected and operated at LG&E and KU's E.W. Brown Generating Station in Harrodsburg, Kentucky.

Actual bids exceeded the engineer's original estimate and unforeseen conditions have arisen requiring a scope increase to \$2,700,000. The \$1,100,000 increase will be funded with federal and private funds. Pending Board approval, the scope increase will be submitted to the Capital Projects and Bond Oversight Committee.

Action taken: Approved Disapproved Other _____