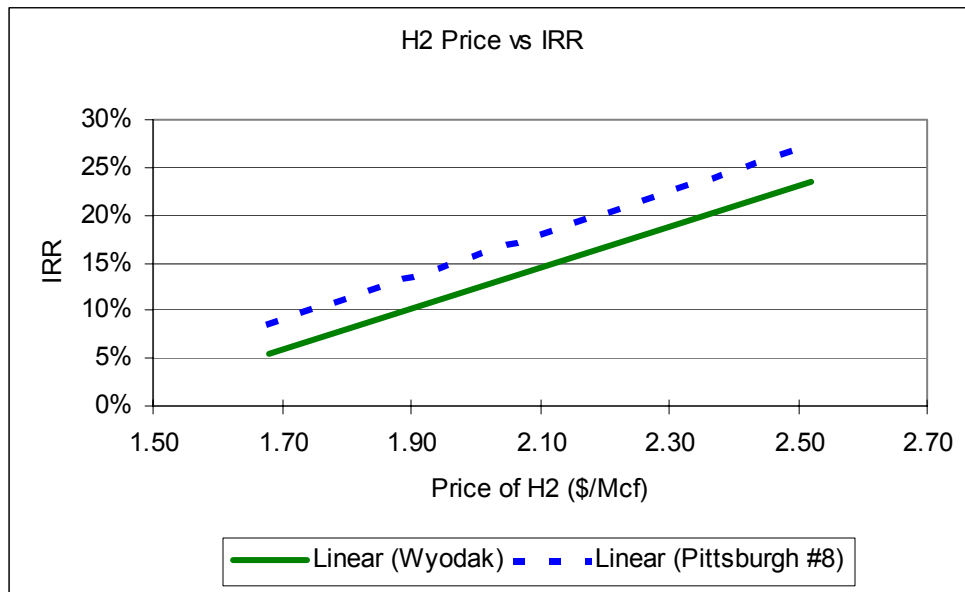


4. COST OF HYDROGEN USING THE DOE IGCC FINANCIAL MODEL

The DOE IGCC financial model was utilized to determine the sensitivity of internal rate of return (IRR), which would be obtained as the selling price of hydrogen varies. The tariff values for hydrogen were those estimated in Sections 2 and 3. The results are shown on Figure 4-1. The summaries of the financial model analyses are shown in Appendices A and B, respectively.

Figure 4-1
Sensitivity of IRR to Hydrogen Costs



Note: Due to protected cells in the financial model, it was necessary to classify the sulfuric acid byproduct as elemental sulfur. The elemental sulfur cell valued at \$75 per ton is equal to the commercial value of sulfuric acid.