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Springs will get cut of profits from pollution-control device

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BY PAM ZUBECK
THE GAZETTE

Colorado Springs Utilities stands to gain hundreds of millions of dollars from a pollution-control device under a contract recently struck with the inventor, whose tests on city-owned Drake Power Plant are promising.

The city finalized a contract in May with Neumann Systems Group Inc. of Colorado Springs that includes a cut of the action if the invention takes off as environmental concerns mount because of global warming.

The city would get 2 percent of gross sales the first two years it's marketed and 1 percent per year for the next three years in exchange for allowing Drake to be the guinea pig and for opening Drake to tours by potential customers.

Considering the market potential is \$50 billion and Neumann Systems Group could capture 10 percent of that, the city's share could total \$200 million, said Drew Rankin, Utilities energy supply general manager.

Emissions from coal plants are believed to be a chief contributor to climate change caused by greenhouse gases.

Earlier this year, the city agreed to allow physicist and entrepreneur David Neumann to attach his invention to the Drake plant to see if it could remove sulfur dioxide and nitrogen dioxide. Early results of the device being applied to a tiny portion of the plant are promising, Rankin said.

The city is interested in the invention because it would do the job of existing technologies for a third of the cost or less.

Utilities plans to add pollution-control equipment to its power plants between 2014 and 2023 at an estimated cost of \$350 million. Using Neumann's technology, if it proves out on a full power load, could reduce that to \$100 million, Rankin said.

Because it would cost less than other methods available today, the technology could take the industry by storm. Add to that the device's potential to also remove carbon dioxide, and Neumann's work could have a jaw-dropping impact on the coal-fired power industry. Not yet regulated, carbon likely will be subject to expensive limits, taxes and other steps designed to drive down damaging emissions.

There's no proven technology for removing carbon, but Neumann, an [Air Force Academy](#) graduate who holds a doctorate in physics, has said he thinks his device also will handle carbon.

The city's \$957,000 contract with Neumann calls for payments when specific goals are met and could be amended as the project progresses, such as if carbon removal is added. The city has paid about \$700,000 so far.

The next round of tests will involve a larger portion and will begin next week.

"If Phase 2 goes well, and we see it's prudent to continue, that scope of work could increase," Rankin said.

Besides a monetary benefit to customers, Rankin said the tests allow the city to help break new ground.

"This also is our opportunity to further advance creating a better environment in our community as well as the rest

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Scott Grove, fuels material handling supervisor, watched over operations at the Drake Power Plant on Jan. 26

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