

Planning to Decommission a Coal Plant?

Three Key Elements to Consider –
Scope, Schedule, and Cost

Coal Decommissioning Series – Part 2

1. Develop Scope – “What needs to be done?”

Defining the high-level tasks is the first key step in planning for the decommissioning of your plant. There are many jobs and responsibilities that must be performed in order to successfully shut down your plant. Consider the following when building your list of tasks:

- ▶ Identify the basic tasks to be performed
- ▶ Write a description of each task with enough details to enable clear understanding
- ▶ Estimate a duration and key predecessors and successors
- ▶ Initially assign each task to a resource to identify details, either internal or external
- ▶ Identify “Known Unknowns” and areas where additional info is needed
- ▶ Develop and Maintain a list of risks and potential methods to understand and mitigate them

2. Assemble a Schedule – “How Long will it take?”

Many questions will be asked about the timing and duration of your project. It is important to develop an estimate of the overall timeline of the plant decommissioning early in the process. This is the time to build a solid framework that can be fine-tuned as the project details are developed

- ▶ Utilize the tasks identified in Step 1 (Developing Scope)
- ▶ Develop a Logic Driven Schedule in a program like Primavera P6 or MS Project
- ▶ Enter durations and logic without constraints
- ▶ Evaluate any “Hard Stop” items
- ▶ A “Level 2” Schedule is the right level of detail at this point in the project

3. Estimate Cost – “How Much will the project cost?”

It is important to develop an estimate for the overall costs of the project. Take a careful approach to developing the expected costs and capture potential options for further evaluation. Here are some items to think about when developing your cost estimate:

- ▶ Build your cost estimate from the tasks identified in Step 1 and the schedule identified in Step 2
- ▶ Develop preliminary quantities of commodities or work to be performed
- ▶ Identify opportunities for asset value recovery and scrap sale
- ▶ Engage estimators and partners to develop a Budgetary Estimate
- ▶ Based on feedback, assemble and maintain a list of potential options for savings

This process should be repeated to improve the team’s understanding of the project and to fine tune each element – optimizing Cost, Schedule, and improving Risk Mitigation.