TABLE 1: COMPARISON OF SOME ASSUMPTIONS USED IN THE MIT AND UNIVERSITY OF CHICAGO STUDIES

Generation Type	MIT Study (2003)			University of Chicago Study (2004)		
	Overnight Capital Cost ($ per kW)	Lead Time for Construction (years)	Effective Interest Rate	Overnight Capital Cost ($ per kW)	Lead Time for Construction (years)	Effective Interest Rate
Natural Gas	500	2	9.6%	500 to 700	3	9.5%
Coal	1,300	4	9.6%	1,182 to 1,430	4	9.5%
Nuclear	2,000	5	11.5%	1,200 to 1,800	7	12.5%

TABLE 2: LEVELIZED COST OF ELECTRICITY ESTIMATED BY THE MIT AND UNIVERSITY OF CHICAGO STUDIES

Generation Type	MIT Report (2003)	University of Chicago Report (2004)
Coal[a]	4.2 cents per kWh	3.3 to 4.1 cents per kWh
Natural Gas (CCGT)[b]	3.8 to 5.6 cents per kWh	3.5 to 4.5 cents per kWh
Nuclear Power[c]	6.7 cents per kWh	6.2 cents per kWh

a These estimates are for pulverized coal fired plants. Levelized cost of coal in the MIT study is $1.30 per million Btu (MMBtu) while the average price of coal in the U Chicago study is $1.02 to $1.23 per MMBtu.

b These estimates are for combined cycle gas technology (CCGT) natural gas plants. Levelized cost of natural gas in the MIT study is $3.77 to $6.72 per MMBtu. The average price of natural gas in the U Chicago study is $3.39 to $4.46 per MMBtu. The recent price for natural gas has been well above the "high" fuel price used in these studies. However, long-term gas prices can be expected to remain within the range of costs assumed by the MIT study if policies on efficiency, conservation, and an increased reliance on liquefied natural gas are pursued.

c Overnight capital cost of a nuclear plant in the MIT study is $2,000 per kW. While the U Chicago analysis considered a range of capital costs from $1,200 to $1,800 per kW, the lower end of this range was so far out of what could be reasonably expected from experience in the United States and around the world that it is not a credible basis for analysis. The middle of the U Chicago range, $1,500 per kW, was used in this analysis.