Project Overview

1. Meeting Future Energy Demand

South Texas is one of the fastest growing regions in the nation, and escalating energy demand is accompanying "the region's rapid growth. The Electric Reliability Council of Texas, which operates the state's power grid, projects that Texas must double the amount of energy generation by 2026 in order to meet demand. Meeting rising energy needs while maintaining affordable electricity rates requires that Texas rely on a diversified portfolio to produce power. Coal provides much-needed fuel source diversity and is a crucial component of Texas' fuel portfolio.

Meeting Energy Needs in Texas
Coleto Creek Unit 2

International Power and the South Texas Electric Cooperative (STEC) have partnered to meet energy needs in Texas. International Power is the operator of the proposed Coleto Creek Unit 2 and STEC has partnered with International Power as an investor and will own 49% of Coleto Creek Unit 2. Both organizations have served the Texas communities for decades and maintain a proud history in the region. International Power currently provides the Texas economy with 3,595 MW of safe, reliable, efficient power from four power generation sites in the state. STEC currently has a service area of 65 counties, covering one-fifth of Texas, and supplies the region with more than 700 MW of electricity through 1,800 miles of transmission lines.

To help meet the increasing demand for power, International Power Coleto Creek LLC, as operator for the International Power/STEC partnership, is seeking a permit from the Texas Commission on Environmental Quality (TCEQ) for the construction and operation of a 650 MW, supercritical, pulverized coal-fueled electric generating unit (Unit 2). This second unit will be located at the existing site of a similar 632 MW facility International Power operates at Fannin in Goliad County, Texas (Unit 1).

Finding solutions that balance the need for reasonably priced energy and reduced emissions is a priority. Coleto Creek Unit 2 will be designed and constructed with carbon capture capabilities. Currently, the technology is not commercially available, but the Unit 2 design will allow the facility to employ the technology when it is available. In the interim, we will employ the latest state-of-the-art pollution control technology.

2. Project Highlights

- Will be constructed on an area of the 8,000 acre site located in Goliad County, Texas.
- Will share certain common facilities with "Unit 1" the existing 632MW facility.
- Will be constructed carbon-capture ready so that it can be retrofitted with the technology when it becomes available.
- Is designed to burn primarily low -sulfur Powder River Basin (PRB) coal.
- Will produce 650,000 KW each hour of low-cost energy with the latest state-of-the-art pollution control.
- Will employ supercritical technology in its combustion process to increase efficiency and reduce CO2 emissions.
- Will utilize the experience of the long-term team of operators from Unit 1 at Coleto Creek Unit 2.

3. Project Benefits

- Further the goal of fuel diversity in the Texas electric market.
- Incorporates high-efficiency, supercritical technology designed to reduce CO2 emissions.
- Uses primarily low-sulfur Powder River Basin (PRB) coal.
- Uses environmentally advanced, state-of-the-art pollution control.
- Provides more than 1,000 high paying construction jobs over a multi-year period.
- 72 new permanent direct and indirect jobs with salaries totaling $30 million over the first 10 years of plant operation.
- Delivers positive economic impacts to the local economy, including substantial tax and retail benefits.