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## EXPANSION OF COLETO CREEK POWER STATION TAKES SIGNIFICANT STEP FORWARD

*Texas Commission on Environmental Quality Issues Draft Air Quality Permit for Coledo Creek Unit 2*

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AUSTIN, Texas — The Texas Commission on Environmental Quality (TCEQ) today issued a draft air permit for Coledo Creek Unit 2, marking a major milestone in the long-planned expansion of the Coledo Creek Power Station in Goliad County, Texas.

“We are thrilled that the TCEQ has given the green light for Coledo Creek 2 to move forward,” commented Goliad County Judge Harold Gleinser. “The addition of a second unit at the Coledo Creek facility will be a significant capital investment and bring tremendous economic benefits to our region.”

Coledo Creek 2, the second unit at International Power’s Coledo Creek Power Station, will be a 650 megawatt (MW) electric generating unit. The facility will provide affordable electricity for the South Texas region and produce 650,000 KW each hour of low-cost energy, enough to power about 500,000 homes.

“Texas took a critical step in diversifying energy supplies when the TCEQ issued a draft permit for the expansion of the Coledo Creek plant,” said International Power’s Mike Fields, director of the expansion. “South Texas in particular will benefit from this project.”

The \$1.5 billion unit will encourage economic development throughout South Texas, both by creating jobs and generating additional power to fuel economic growth. If the permitting process remains on schedule as hoped, Coledo Creek 2 should be operational and in-service in late 2014.

“Our distribution cooperatives are counting on Coledo Creek 2 to provide electricity throughout South Texas,” said Mike Packard, the South Texas Electric Cooperative’s General Manager. “Bringing this second unit online in 2014 should be right on time to supply this power.”

The draft permit issued today places emissions limits on Coledo Creek 2 that are lower than any other coal fueled power plant in the state of Texas. The power station will use environmentally advanced pollution control technology to drastically reduce emissions as compared to conventional coal plants. The overall environmental impact from Coledo Creek 2 will be among the most strictly regulated of any new unit, with the lowest emissions in Texas for key pollutants, including nitrogen oxides, sulfur dioxides, filterable particulate matters, carbon monoxide and mercury.

In addition, Coletto Creek 2 will employ high-efficiency, supercritical technology in its combustion process to reduce carbon dioxide (CO<sub>2</sub>) emissions. It will also be constructed carbon-capture ready so that the facility can be retrofitted with technology to further reduce CO<sub>2</sub> when it becomes commercially available and feasible.

The Coletto Creek Power Station was originally designed for two coal-fueled units, and this expansion fulfills a long-standing commitment to build a second unit at the station. Coletto Creek 2 will share common facilities with Coletto Creek Unit 1, the existing 632 MW facility, thereby minimizing environmental impact.

International Power and the South Texas Electric Cooperative (STEC) have partnered to meet Texas' energy needs by expanding the Coletto Creek Power Station. International Power and STEC filed the air permit application for Coletto Creek 2 with the TCEQ on January 4, 2008.

International Power is one of the world's leading independent power producers and provides over 33,000 megawatts of electric and thermal energy in 20 countries across the globe. As recommended by the Governor's Competitiveness Council's 2008 Texas State Energy Plan, International Power uses a diverse portfolio of fuel sources to generate energy.

STEC supplies wholesale power to its eight member cooperatives. These distribution cooperatives collectively provide electricity to over 170,000 households in 65 counties throughout South Texas.

More information may be found at [www.coletocreek2.com](http://www.coletocreek2.com).