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NEWS RELEASE

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Siting Board Receives Application for Plant in Perry County *Proposed facility would be fueled with low-grade wood and wood waste*

FRANKFORT, Ky. (Feb. 22, 2010) – The Kentucky State Board on Electric Generation and Transmission Siting has received an application requesting a construction certificate for an electric generating plant in northern Perry County. A review has determined that the application is complete as amended on Feb. 18, 2010.

The proposal, from ecoPower Generation, LLC, of Lexington proposes construction of a 50-megawatt (MW) plant on about 125 acres in the Coal Fields Regional Industrial Park, located about 10 miles north of Hazard. The site is a reclaimed coal mine.

According to ecoPower's application, fuel for the plant would come from nearby industrial facilities and forest product operations and would include low-grade logs and wood wastes such as sawdust, wood chips, bark and sawmill wastes. The wood material would be burned to produce steam, which would power turbines that produce electricity.

The plant would be connected to the grid through a substation owned by American Electric Power Co. The electricity would be sold on the open, wholesale market. The application and related documents are available on the Siting Board Web site:

http://psc.ky.gov/efs/efs_search.aspx?case=2009-00530

The Siting Board is an agency within the Energy and Environment Cabinet. Under a law passed in 2002 by the Kentucky General Assembly, the Siting Board is charged with reviewing applications for merchant power plants, also known as independent power producers (IPPs), which sell electricity on the wholesale, unregulated market.

IPPs are not regulated by the Kentucky Public Service Commission (PSC). Applicants to the Siting Board are not required to meet the criteria set by the PSC for new facilities built by regulated utilities, and thus do not need to prove that the proposed facility is necessary to meet demand for electricity.

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The Siting Board considers issues such as noise, visual impact, traffic, economic impacts and effects of the proposed facility on Kentucky's electric grid.

Environmental matters such as air emissions, water quality and solid waste are the subject of separate proceedings before the Kentucky Department of Environmental Protection.

By law, the Siting Board has 120 days after an application is deemed complete to decide whether to approve that application. The law and associated regulations set certain requirements and deadlines for public participation in the review process.

Persons or entities with a specific interest in the case may apply to the Siting Board to become parties to the case (intervenors). Intervenors are full participants in the case, with the right to request information from the applicant or other parties to the case and to cross-examine witnesses in the evidentiary hearing.

Intervenors are not required to reside in the county in which the facility is proposed, but must present a specific reason for seeking intervention that is within the Siting Board's jurisdiction. Requests for intervenor status, citing the case number and the reason for intervention, must be made in writing to the Siting Board at the above address within 30 days of the filing of a complete application.

A formal evidentiary hearing may be held at the request of parties to the case or on the motion of the Siting Board. Participation in the hearing is limited to the applicants and to parties to the case. Testimony is taken under oath. Requests for a formal hearing must be made in writing to the Siting Board within 30 days of the filing of a complete application.

A local public hearing will be held if requested by a local government entity and may be held if requested by at least three residents of the county in which the facility is proposed. The local public hearing would provide an opportunity for the general public to be heard by the Siting Board in an informal setting. Requests for an informal local public hearing must be made in writing to the Siting Board within 30 days of the filing of a complete application.

The deadline to file requests for intervention, a formal evidentiary hearing or a local public hearing in the ecoPower case is March 22, 2010.

More information on the public participation process is available on the Siting Board Web site. Any hearings in the case will be announced as they are scheduled.

The ecoPower application is the Siting Board's first request to certify a generating facility since 2005. To date, the Siting Board has issued five such certificates, two of which were subsequently vacated. Two other approved facilities, in Knott County and in Estill County, have not yet been built.

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The only generating facility approved by the Siting Board that has been constructed is a 750-MW coal-burning facility nearing completion in Trimble County. The Siting Board's certificate applied only to the 25 percent of the facility that is jointly owned by the Illinois Municipal Electric Agency and the Indiana Municipal Power Agency. The remaining 75 percent of the plant is owned by Louisville Gas & Electric Co. and Kentucky Utilities Co., which are regulated by the PSC.

The case number for ecoPower Generation, LLC is 2009-00530.

By law, the Siting Board consists of the three members of the PSC, the secretary Kentucky Energy and Environmental Cabinet or his designee, the secretary of the Kentucky Economic Development Cabinet or his designee and two local members appointed by the governor to serve for a specific case. The chairman of the PSC serves as chairman of the Siting Board.

In addition the PSC commissioners, the Siting Board members for the ecoPower case are Robert Amato, designated by Kentucky Energy and Environmental Cabinet Secretary Leonard Peters; Ken Robinson, designated by Kentucky Economic Development Cabinet Secretary Larry Hayes; and two members named by Governor Steve Beshear: Perry County Judge/Executive Denny Ray Noble and Hazard resident Charles Earl May, who is the Perry County agriculture extension agent..

The PSC's 100 employees provide staff and administrative support to the Siting Board.