
Southern Power to Build 100MW Biomass Plant in Nacogdoches County

By Bill King

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ATLANTA, Oct. 9 /PRNewswire-FirstCall/ -- Southern Power, a subsidiary of Southern Company that acquires, builds, manages and owns wholesale generation assets, today announced that it is acquiring Nacogdoches Power, LLC from American Renewables, LLC and will move ahead with construction of the planned biomass power plant in Sacul, Texas. Groundbreaking is expected in the fall of 2009 and commercial operation is projected for the summer of 2012. When completed, the project will be one of the largest biomass-fueled electric generating facilities in the U.S., capable of generating approximately 100 megawatts.

The plant's output is committed through a 20-year power purchase agreement with Austin Energy, the municipal utility owned by and serving Austin, Texas.

"This acquisition fits Southern Power's business strategy of growing the business in the wholesale market through acquiring generating assets and building new units - for which the output is significantly covered by long-term bi-lateral contracts," said Southern Power Company President and CEO Ronnie Bates. "We have a reputation of helping our customers meet their energy needs in a cost-effective, reliable and environmentally responsible manner, and we look forward to working with Austin Energy."

Acquiring the Nacogdoches project diversifies Southern Power's fuel mix, which aligns with Southern Company's overall goal of using a variety of fuels to ensure reliable and affordable electricity generation.

"Southern Power continually seeks appropriate opportunities that fit the business strategy and risk profile of the company," said David Ratcliffe, Southern Company chairman, president and CEO. "We are especially pleased that this project is consistent with our goal to pursue cost-effective renewable energy options that allow us to continue to provide reliable, affordable and cleaner electricity."

The plant, which will be built on 165 acres, will be fueled with biomass materials, including forest residue from the surrounding areas, wood processing residues and clean municipal wood waste. The project will require approximately 1 million tons of fuel annually, which is planned to be procured within a 75-mile radius of the project site.

ABOUT AMERICAN RENEWABLES

American Renewables develops, builds and operates clean energy facilities that utilize biomass materials as fuel. American Renewables brings together the successful track records and project development, operations, energy investment and asset management expertise of its three partners: BayCorp Holdings, Energy Management, Inc. and Tyr Energy.

ABOUT SOUTHERN POWER

Southern Power is among the largest wholesale energy providers in the Southeast, meeting the electricity needs of municipalities, electric cooperatives and investor-owned utilities. The company owns and operates more than 7,500 megawatts with facilities in Alabama, Florida, Georgia and North Carolina and has an additional 820 megawatts

committed to construction in North Carolina and Texas.

With 4.4 million customers and more than 42,000 megawatts of generating capacity, Atlanta-based Southern Company (NYSE: SO) is the premier energy company serving the Southeast. A leading U.S. producer of electricity, Southern Company owns electric utilities in four states and a growing competitive generation company, as well as fiber optics and wireless communications. Southern Company brands are known for excellent customer service, high reliability and retail electric prices that are below the national average. Southern Company is consistently listed among the top U.S. electric service providers in customer satisfaction by the American Customer Satisfaction Index (ACSI). Visit our Web site at www.southerncompany.com.