



US \$2.3B Biomass Energy Contract Approved for Austin Energy

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Texas, United States [RenewableEnergyWorld.com] The Austin City Council on Thursday gave Austin Energy, its city-owned electric utility, approval to enter into a US \$2.3 billion contract to purchase all power produced over a 20-year period by a proposed 100-megawatt (MW) wood-waste-fueled biomass power plant. The power purchase agreement (PPA) will move Austin closer to its goal that by 2020, 30% of the power generated from Austin Energy will come from renewable resources.

The facility, which will be one of the largest of its type in the U.S., will burn wood waste from logging and mill activity as well as urban wood waste from clearing, tree trimming and pallets. All fuel sources for the plant must meet Texas Renewable Energy Credit standards and Texas Forestry Best Management Practices. It is projected to go on line by the spring of 2012.

The cost of the biomass power would be recovered by [Austin Energy](#) through the fuel charge or through the utility's green power program, GreenChoice. Recovering costs through the fuel charge is projected to result in up to a US \$1.50 decrease to a projected US \$2.50 increase in the electric bill of the average residential customer beginning in 2012, depending on the cost of other fuels particularly natural gas.

"The projection is that natural gas prices will continue to escalate over the long-term. The higher natural gas prices rise, the more this project will save our customers since the biomass-generated power effectively replaces natural-gas-fueled generation for the utility," said Roger Duncan, Austin Energy general manager.

The biomass plant would be built and managed by [Nacogdoches Power LLC](#), a joint venture between

Energy Management Incorporated of Boston and BayCorp Holdings of Portsmouth, New Hampshire. The group has developed and owned or operated more than 1,000 MW of generation in the past including biomass, biodiesel, hydroelectric, natural gas and nuclear. The group has also been selected to develop a biomass project for Gainesville (Florida) Regional Utilities.

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