

LCRA TO EVALUATE REPLACING AGING FERGUSON POWER PLANT WITH MORE MODERN, EFFICIENT, CLEANER POWER FACILITY

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HORSESHOE BAY — LCRA will study the feasibility of replacing its 36-year-old Thomas C. Ferguson Power Plant near Marble Falls with a modern power plant that would be more efficient, be more reliable and have improved environmental controls.

The LCRA Board of Directors authorized staff to gather additional information about the expected costs and long-term benefits of replacing the aging, natural gas-fired Ferguson unit with a combined-cycle power plant that also uses natural gas. The year-long evaluation, which will include soliciting power plant designs and bids for construction, as well as initiating environmental permitting processes, will help LCRA decide whether replacing Ferguson is a financially and technically feasible option. The LCRA Board in spring 2011 will decide whether to proceed with the project. If the project proceeds, LCRA will build the new power facility at the Ferguson site on Lake LBJ. The existing power plant would be retired following completion of the new facility.

“Evaluating our options for the Ferguson Power Plant is consistent with LCRA’s ongoing review of all our electric generation facilities to ensure we are meeting customers’ long-term needs with power that is reliable, competitively priced and environmentally responsible,” said Tom Mason, LCRA general manager. “As Ferguson ages, it makes sense to consider replacing it with a new plant that is cleaner, more efficient and cost-effective.”

A combined-cycle power plant uses about 35 to 40 percent less fuel than a traditional natural gas-fired plant, such as Ferguson, uses to produce the same amount of electric power, resulting in fewer emissions per kilowatt-hour. Also, LCRA estimates that reusing the transmission, water, and natural gas infrastructure at the existing site, instead of building a power plant at a new location, would save its wholesale electric customers \$50-70 million in project costs.

“Ferguson Power Plant’s location in the rural Texas Hill Country is important because it helps maintain reliable electric service in a region with limited generation resources,” said State Sen. Troy Fraser R-Horseshoe Bay. “A newer, more efficient power plant in this location will strengthen LCRA’s ability to provide this much-needed service to the people of Texas.”

If LCRA proceeds with the project, it estimates that a three-year construction phase could begin during fall 2011.

“LCRA has been a good neighbor since it built the Ferguson plant in the 1970s and I am confident that our good relationship will continue,” said Bob Lambert, mayor of Horseshoe Bay and former chair of the LCRA Board of Directors.

“We welcome the economic benefit that a construction project like this would bring to the area communities,” said Johnnie B. Heck, Llano County Commissioner Precinct 1. “I encourage residents to attend the open houses to learn more about the proposed project.”

In May and June LCRA will host four open houses to inform area residents about the feasibility study and provide details about the proposed plant’s potential appearance, technology, projected costs, benefits and environmental aspects. The open houses will be held at these locations:

- Horseshoe Bay – Friday, May 14, from 1 p.m. to 3 p.m. at the Quail Point Lodge (Horseshoe Bay Property Owners’ Association), 107 Twilight
- Granite Shoals – Monday, May 24, from 6 to 8 p.m. at Granite Shoals City Hall, 410 N. Phillips Ranch Road
- Kingsland – Thursday, June 3, from 6 to 8 p.m. at the Kingsland Community Center, 3451 Rose Hill Drive
- Marble Falls – Thursday, June 10, from 1 p.m. to 3 p.m. at the City of Marble Falls Lakeside Pavilion, 307 Buena Vista

For more information, visit www.lcra.org/fergusonstudy.

About Ferguson Power Plant

LCRA began operating Thomas C. Ferguson Power Plant in 1974 to meet increased demand, especially in the western part of its Central Texas service area. The single-unit, natural gas-fired plant can generate up to 420 megawatts, enough electricity to meet the peak demand for nearly 100,000 Texas homes. Today, Ferguson operates primarily during periods of peak demand and also provides reserve and emergency power for the Electric Reliability Council of Texas. Lake LBJ provides cooling water for the plant and is a popular recreation destination. The Ferguson plant is located in Llano County, about 8.5 miles west of Marble Falls. Other nearby communities include Horseshoe Bay, Granite Shoals, Cottonwood Shores, Meadowlakes, Highland Haven and Sunrise Beach. The plant employs about 40 people and contributes about \$2.5 million annually to the region's economy.

About LCRA

The Lower Colorado River Authority (LCRA) is a nonprofit conservation and reclamation district that provides energy, water, and community services to Texans. Created by the Texas Legislature in 1934, LCRA has no taxing authority and operates solely on utility revenues and service fees. LCRA supplies electricity to more than 1.1 million Texans through more than 40 wholesale customers. LCRA also provides many other services in the region. These services include managing floods, protecting the quality of the lower Colorado River and its tributaries, providing parks and recreational facilities, offering economic development assistance, operating water and wastewater utilities, and providing soil, energy, and water conservation programs.