



## News Release

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FOR IMMEDIATE RELEASE

### Northern Wood Power Project Approved by State Regulators

#### PSNH Will Seek Modified Order to Move Project Forward

Manchester\*\*\*\*Public Service of New Hampshire's (PSNH) plan to replace a coal-burning boiler with a wood-burning boiler at Schiller Station in Portsmouth was approved by the New Hampshire Public Utilities Commission (NHPUC) on February 6, 2004.

"We are pleased that the NHPUC recognized the significant benefits that our 'Northern Wood Power Project' holds for the state, including supporting the state forest economy, creating jobs and adding a significant new renewable energy source to our fuel mix," said Gary Long, PSNH president and chief operating officer.

In its comprehensive order, however, the NHPUC conditioned its approval on a cost recovery mechanism that PSNH said would make it difficult to proceed with the project. As a result, the company said it will seek some modifications to the order that it hopes will satisfy the NHPUC, as well as other interested parties, so that the plan may go forward.

According to Long, the company agrees that some form of balanced 'risk and reward' sharing between PSNH and customers is appropriate. But he noted that the order's specific cost recovery conditions could potentially expose PSNH to financial harm greater than what the company can accept. "We know how important this project is to the Seacoast area and to the state as a whole," said Long. "We will ask the commission to consider alternative approaches that will allow the company to pursue this worthwhile initiative."

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The Northern Wood Power Project is a plan to replace a 50 megawatt coal burning boiler at PSNH's Schiller Station in Portsmouth with a highly efficient wood-burning boiler of the same size. PSNH plans to offset the cost of the \$70 million project through the sale of Renewable Energy Certificates (RECs) in states that require energy suppliers to purchase RECs. The Northern Wood Power Project has already been certified as an approved REC producer by the states of Massachusetts and Connecticut. The project is still awaiting necessary zoning permits and building permits from City of Portsmouth agencies.

Project supporters include a variety of environmental organizations, business groups and state agencies, including: the Governor's Office of Energy; the NH Department of Resources and Economic Development; the NH Timberland Owner's Association; the Society for the Protection of New Hampshire Forests; Audubon Society of New Hampshire; the Seacoast Science Center; the NH Business and Industry Association; and, the Portsmouth Chamber of Commerce

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*PSNH is New Hampshire's largest electric utility, serving more than 460,000 homes and businesses.*