



## News Release

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FOR IMMEDIATE RELEASE

### PSNH Files Plans for “Northern Wood Power Project”

Concord, NH\*\*\*\*Public Service of New Hampshire (PSNH) today filed plans to develop a power generating unit to be fueled by the burning of low grade wood. Called the “Northern Wood Power Project,” the filing with the NH Public Utilities Commission (NHPUC) seeks permission to replace an existing coal-burning boiler at Schiller Station in Portsmouth with a new, high-efficiency boiler that burns wood.

“This is a unique and significant initiative that can benefit New Hampshire’s environment and its economy,” noted Gary Long, PSNH president and chief operating officer. “Once up and running, this project will result in significantly lower emissions at our Schiller plant, with no additional cost to our customers.”

PSNH has proposed the installation of a wood-fired boiler capable of producing 50 megawatts (MW) of energy, enough electricity to power about 50,000 homes. The new, high efficiency boiler would replace an existing 50 MW boiler, but at a much lower rate of emissions. PSNH estimates that the wood-fired boiler will result in a reduction of more than 380,000 tons of emissions annually. The cost of the project is estimated at \$70 million.

The boiler will be fueled by wood – consuming whole tree chips, sawmill residue and other clean low grade wood materials and wood byproducts. PSNH is in the process of determining what wood supply options are available and at what cost. “One of our primary motivations is to open up a new market for low grade wood in New Hampshire,” noted Long. “We recognize that sustainable forestry and purchasing wood from New Hampshire forests is an important part of this project, and we will find ways to support that goal.”

In its filing, PSNH seeks NHPUC approval in time to begin the design and construction process by November. The Northern Wood Power Project at Schiller Station is designed to be producing renewable energy by the end of 2005.

## **Renewable Energy Markets Will Help Pay Project Costs**

Long said that the company's goal is for its customers to have no increases in rates associated with the project. The company's plan is to have new emerging markets for green and renewable energy essentially pay for the estimated \$70 million investment that the project requires. Both Massachusetts and Connecticut have viable markets for green power, and actually require that electricity suppliers in their states have renewable energy as part of their portfolio.

The project's clean-burning boiler meets strict efficiency and environmental standards for the renewable energy programs in Massachusetts and Connecticut. Only new, low-emission renewable energy sources, such as the Northern Wood Power Project, can qualify, produce and sell "Renewable Energy Certificates" (RECs) to suppliers seeking to satisfy renewable energy requirements. Most existing facilities would not qualify for the REC market.

## **A Diverse Power Portfolio**

The addition of 50 MW of power produced through the burning of wood will further diversify the mix of power that PSNH produces itself. On average, the company currently produces about 75 percent of the energy its customers typically consume, from its own coal, oil, natural gas and hydro-electric plants. "Utilities that are best positioned in the marketplace serve their customers with electricity generated by a diverse fuel mix," said Long. "Adding wood to the PSNH fuel portfolio will help ensure the reliability of the supply of electrical energy and help keep the cost of that energy competitive." PSNH also buys energy on the wholesale market, and is required to purchase power from dozens of New Hampshire-based independent power plants, including several wood-fired plants.

## **Schiller a Natural Choice**

PSNH chose Schiller Station in Portsmouth as the site of the Northern Wood Power Project for a number of reasons. The new boiler will be integrated into Schiller's existing power generation system, which includes two other 50 MW coal burning boilers. By taking advantage of the plant's current infrastructure and staff, costs will be held down. The project will also benefit from Schiller Station's physical location. The area's transportation network, especially its access to area highways, is a critical asset to the success of the project.

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