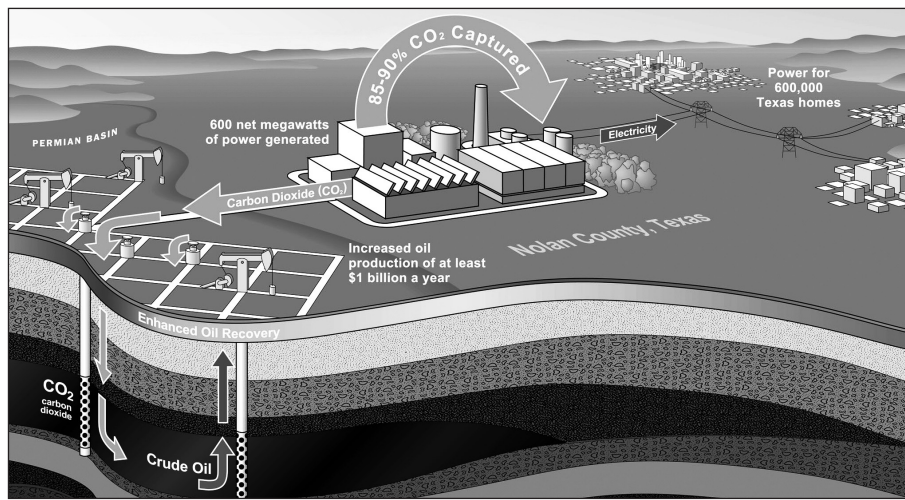


Tenaska Trailblazer Energy Center Will Lead Nation in Carbon Capture Development

The Tenaska Trailblazer Energy Center, to be located a few miles east of Sweetwater, will be the first new conventional coal-fueled power plant to capture the carbon dioxide (CO₂) it produces as a byproduct of combustion, rather than release it into the atmosphere. CO₂ is considered by many to be a greenhouse gas associated with global climate change.

Tenaska is proposing to locate the project near Sweetwater, for several reasons, according to Helen Manroe, Tenaska manager of business development.

“Sweetwater is close to the Permian Basin, to which the CO₂ will be transported once it is captured. In addition, the community has shown it supports clean energy development, and we believe that the Tenaska Trailblazer Energy Center is a perfect complement to the wind generation that has been developed in this area,” said Manroe. “Finally, we were able to find a piece of property with rail access on two sides, allowing us to bring



The Tenaska Trailblazer Energy Center will generate 600 megawatts of electricity, enough to power approximately 600,000 homes, and will be designed to capture 85 to 90 percent of the carbon dioxide it produces and deliver it via pipeline to Permian Basin oil fields for use in enhanced oil recovery.

coal to the project economically while keeping all the rail facilities on our property.”

The Trailblazer project will have a generating capacity of approximately 600 megawatts, enough power to meet the energy needs of approximately 600,000 homes.

The plant is being designed to capture 85 to 90 percent of the CO₂ it produces, dehydrate and compress it, and deliver it via pipeline to West Texas oil fields where it will be used to increase oil production through a process known as

enhanced oil recovery (EOR).

In EOR, CO₂ is injected into underground oil-bearing geologic formations where it increases the amount of oil that can be economically recovered. EOR has been used in the Permian Basin for more than 30 years.

“Installing carbon capture equipment at a power plant is expensive,” Manroe said. “It appears to be economically feasible because of the revenue created by selling the CO₂ to oil producers in the Permian Basin, the need for electricity in Texas, and the availability

of government support for development of clean coal technologies.”

Manroe said approximately \$700 million of the energy center’s total project cost is invested in carbon-capture equipment.

The final decision to proceed with the project will be made in 2009 based on a number of factors, including the passage of federal climate change legislation, final project cost estimates,

and projected market prices for electricity and CO₂.

To help answer questions about the Tenaska Trailblazer Energy Center, the company has established a Web site, www.tenaskatrailblazer.com, which is updated periodically. For more information about Tenaska, visit www.tenaska.com.

This article is part of a series of special reports from Tenaska to the Sweetwater Reporter, addressing specific topics related to the Tenaska Trailblazer Energy Center.