

PPL Receives FERC Approval to Expand Holtwood Hydroelectric Plant

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HOLTWOOD, Pa.

Approval by the Federal Energy Regulatory Commission of a request by PPL Holtwood, LLC, is a significant milestone in the plan to increase generation of clean, renewable energy and improve migratory fish passage, the company said Tuesday (11/3).

"Expanding the Holtwood plant is part of PPL's commitment to make sound financial investments while increasing the proportion of non-fossil-fuel resources in our strong generation portfolio," said Victor N. Lopiano, PPL's senior vice president-Fossil and Hydro Generation. "We appreciate FERC's timely action on our application."

About 40 percent of the electricity PPL generates annually comes from nuclear, hydroelectric and renewable sources that do not emit carbon dioxide to the atmosphere, he said.

The expansion project, with an estimated cost of \$440 million, will add enough renewable energy to power 100,000 typical homes. PPL's planned 125-megawatt increase in generating capacity will more than double Holtwood's existing generating capacity of 108 megawatts. In addition, in approving this application FERC has extended the existing operating license for the Holtwood hydroelectric plant through August 2030.

PPL resubmitted the Holtwood expansion application to FERC in April 2009 after withdrawing the original application in December 2008, citing economic conditions. In refiling the application, PPL said incentives in the federal stimulus package could make the project feasible again by offsetting the factors that caused the company to withdraw its original application.

"We continue to work with the U.S. Department of Energy to obtain loan guarantees for the Holtwood project from the federal economic stimulus package. The loan guarantees will enable us to reduce the overall financing cost for the project to develop additional clean, renewable energy," Lopiano said.

Additional benefits of the project are improved passage for migratory fish along the Susquehanna River and its tributaries, and improved recreational opportunities.

PPL has selected Walsh Construction of Chicago as the general contractor for the project, which is expected to create more than 200 construction jobs. Some pre-construction work has begun. Construction is expected to start in the first quarter of 2010.

PPL purchased the turbine generators for the project from a Pennsylvania company, Voith Hydro of York.

FERC's approval of the Holtwood project comes just weeks after PPL's official start of redevelopment at its Rainbow hydroelectric plant near Great Falls, Mont. The Montana project, with an estimated cost of \$230 million, will increase the amount of clean, renewable power generated there by 70 percent and improve fish passage when the project is completed in 2012.

The Holtwood plant has been generating electricity since 1910, using the power of the water held back by a 55-foot-high dam across the Susquehanna River between Lancaster and York counties in south central Pennsylvania. The dam creates Lake Aldred, an 8-mile reservoir that provides opportunities for boating, fishing and other public recreation.

PPL Corporation (NYSE: PPL), headquartered in Allentown, Pa., controls or owns more than 12,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to about 4 million customers in Pennsylvania and the United Kingdom. More information is available at www.pplweb.com.

First Call Analyst: Joseph Bergstein
FCMN Contact:

SOURCE: PPL Corporation

CONTACT: George Lewis of PPL Corporation, +1-610-774-5997

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