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FEBRUARY 25, 2010

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**EAST TEXAS ELECTRIC COOPERATIVE APPROVES
WOODVILLE RENEWABLE PROJECT**

State-of-the-art Biomass facility will bring jobs, renewable electricity to East Texas

Nacogdoches -- The board of the East Texas Electric Cooperative (ETEC) today approved moving forward with the development of a 50-megawatt Woodville Renewable Power Project (WRPP) located near the City of Woodville, in Tyler County, Texas. When completed in 2014, the state-of-the-art biomass plant will be among the first of its kind in the area, converting excess wood waste into clean, renewable, carbon-neutral power for ETEC's member cooperatives.

"On behalf of the nearly 308,000 members of the 10 rural electric cooperatives that comprise ETEC, I am pleased to announce our decision to move forward with the construction of the Woodville Renewable Power Project," said Edd Hargett, General Manager of ETEC. He continued, "The Woodville biomass plant -- in addition to providing our members with clean, dependable, low-cost electricity -- represents a significant investment in the local East Texas economy, where hundreds of jobs will be created as a result."

In addition to being a clean renewable source of electricity, the plant will have a significant positive impact on the local economy, with the direct creation of 32 full-time, high paying jobs, as well as the creation of up to 250 construction jobs. This is in addition to the new jobs and local economic benefits which will flow to the logging industry, retail industry, food services, employment services, and a variety of other local support services which will be needed.

ETEC has licensed NAPCO, locally owned and operated in Woodville, as the provider of wood chips and other wood materials to fuel the plant. This partnership will create a market for the abundant wood by-products already available in the area. "The ETEC biomass plant will definitely be beneficial for the local timber industry in these difficult economic times," said Lonnie Grissom, President of NAPCO.

According to an economic impact study conducted in late 2010 by GDS Associates, the Woodville plant is estimated to bring approximately 265 million dollars in local economic benefits.

Construction is scheduled to begin in early 2012 with the goal of providing clean, renewable power to cooperative members by 2014.

ETEC is a not-for-profit electric generation and transmission cooperative headquartered in Nacogdoches, Texas. ETEC's mission is to provide low cost, reliable power to its approximately 308,000 member-owners located throughout 46 counties of East Texas. ETEC is made up of 10 not-for-profit electric distribution cooperatives: Bowie-Cass Electric Cooperative, Cherokee County Electric Cooperative, Deep East Texas Electric Cooperative, Houston County Electric Cooperative, Jasper-Newton Electric Cooperative, Panola-Harrison Electric Cooperative, Rusk County Electric Cooperative, Sam Houston Electric Cooperative, Upshur Rural Electric Cooperative and Wood County Electric Cooperative.

For more information on ETEC, please visit <http://www.etc.coop>