Biomass Fueled Electrical Generation Plant Breaks Ground In Hazard

HAZARD – Company officials working to build a biomass power plant in Perry County took another step toward that goal last month when the Public Service Commission approved a proposal for Kentucky Power Company to purchase all of the 58 megawatts that will be generated at the plant. But there remains some uncertainty, however small, after a third party filed an appeal in Franklin Circuit Court to have the case reviewed.

Gary Crawford, CEO of ecoPower Generation, addressed the Coalfields Regional Industrial Authority on Thursday as he gave board members an update on the company’s progress in building the plant, which will burn wood to generate electricity. The company announced its plans in 2009 to build the plant in the industrial park in Chavies.

“I would have much rather been here today and say we’ve got the approval and it’s final and we’re going to start work Monday, but we’re not quite there yet,” Crawford said.

The Public Service Commission’s order approving the sale of power generated at the plant was one of the final hurdles in moving forward with actual construction. Crawford said the order remains valid, but work is not moving forward as planned after the Kentucky Industrial Utilities Customers, which had intervened in the PSC case, has moved to appeal the decision. He said there will be no new evidence presented as the appeal will result in a review of the PSC’s decision, but there is no date as to when the judge may issue his ruling.

In the interim, the company is planning to begin enough work on the site to qualify for a round of tax incentives that will only be available if construction begins this calendar year. If the company qualifies, these incentives could lower the cost of operating the plant, and as a result decrease an estimated 6 percent rate hike to customers of Kentucky Power once the plant is operational.

“We’re working … to give what we call a limited notice to proceed that would be enough work to qualify for those tax incentives while this court issue is working its way through the court system,” Crawford explained.

Construction on the plant is expected to take 30 months and create 200 to 250 jobs over that time period. Once the plant is in operation, the company estimates approximately 400 full time jobs will be created, mostly in functions such as loggers and truckers necessary to support the plant’s operation.