

Berlin power plant gets green light

◆ **Biomass power:** Cate Street Capital announces \$275 million financing package.

By DENIS PAISTE
New Hampshire Union Leader

MANCHESTER — Berlin Station, a planned 75-megawatt wood-fired plant, will begin construction immediately, Cate Street Capital said Tuesday, in announcing a financing package for the \$275 million plant.

Expected to generate power by late 2013, Berlin Station will create about 400 construction jobs and 40 permanent jobs in the economically depressed area.

Berlin Mayor Paul Grenier said, "We're very, very excited. I think this is an ecstatic time to be living in Berlin."

Calling it the beginning of a new era for Berlin, Grenier said the plant will bring 40 direct and 200 indirect jobs; and a payment in lieu of tax agreement could bring in \$43 mil-

lion to the city over the next 22 1/2 years.

"It should be great news for the city of Berlin," said Joe Casey, president of the New Hampshire Building and Construction Trades Council. "They'll hire union subcontractors."

Cate Street Capital, based at 1 Cate St. in Portsmouth, focuses on funding green technologies and environmentally sustainable projects.

"Actively supporting and engaging the community is one of our core principles, which is why we are committed to hiring and buying locally whenever possible," Cate Street Capital Senior Vice President Richard Cyr said in a statement.

Cyr noted Cate Street has funded a river walk along the Androscoggin River, an ATV/snowmobile trail, and a parking lot near a community park.

Cate Street Capital did not disclose details of the financing arrangement.

The biomass power plant will be built on property that was formerly part of the Fraser

Papers pulp mill that closed in 2006.

The plant near the Androscoggin River in downtown Berlin will burn approximately 750,000 tons of low-grade wood per year, supporting several hundred jobs for foresters, loggers and chippers, according to a news release.

Berlin Station is estimated to inject approximately \$25 million annually into New Hampshire's North Country economy.

The New Hampshire Public Utilities Commission in June approved an amended 20-year contract for Public Service of New Hampshire to buy power from the proposed biomass energy plant.

But progress on the plant was temporarily blocked by a lawsuit filed in the state Supreme Court this summer by a group of six Independent Power Producers.

The plant was allowed to move forward with a new power purchase agreement in August between Public Service of New Hampshire and five of

the IPPs.

The sixth already had a pact with PSNH. The PUC will hold a technical session Friday on the new pacts.

Scott Tranchemontagne, spokesman for Cate Capital, said, "The outcome of those proceedings won't affect Berlin Station."

"What Berlin Station really needed was the Supreme Court challenge to be removed so that they could secure financing," he said.

The independent power producers challenging the deal were Bridgewater Power Company L.P., Pinetree Power Inc., Pinetree Power -Tamworth Inc., Springfield Power LLC, Whitefield Power and Light Company and Indeck Energy-Alexandria LLC.

Power-purchasing agreements with five of the six wood-burning plants are expected to cost Public Service about \$20 million more than the market rate for electricity, or about \$8.5 million annually.

◆
Write to dpaiste@unionleader.com