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Contact: Ronnie Dent, APR,

Phone : 907/263-5423 Mobile: 907-301-8249

Municipal Light & Power breaks ground on George M. Sullivan Plant expansion project *-New plant is part of utility's investments to modernize aging infrastructure -*

ANCHORAGE, AK—April 23, 2014 – Municipal and electric utility officials broke ground today alongside contractors to celebrate construction of what will be one of the world's most energy-efficient, thermal generation power plants.

The expansion of the 1970's-vintage George M. Sullivan Plant 2 in east Anchorage will use GE LM6000 combustion turbine technology. The new plant will produce 120 megawatts in a 2x1 combined-cycle configuration.

The \$275 million plant is expected to be complete in the summer of 2016.

"This highly efficient plant is expected to achieve significant reductions in natural gas use and emissions, while benefiting the community by improving the heating of the municipal water supply and by providing additional generation capacity to meet Anchorage's future power needs," said Mayor Dan Sullivan.

"ML&P's diligent maintenance program has allowed it to get more than the 30-year design life out of its gas turbine fleet," said General Manager Jim Trent. "But the time has come when generation replacement is more cost-effective. Even with our additional 54 megawatts from the new Southcentral Power Project, we need to replace aging-generation equipment to safely and reliably meet demand."

ML&P expects to save more than \$13 million annually in natural gas fuel costs at a bulk rate of \$5 per million cubic feet. New technology also means 97 percent less nitrogen oxides and 80 percent less carbon monoxide emissions compared to legacy plants.

Quanta Power Generation was selected as the contractor to provide engineering, procurement and construction of the George M. Sullivan Plant 2 generation expansion project. Associated Quanta companies Price Gregory International and M.J. Electric, Inc. are part of the construction team. IEC Corporation will augment ML&P's Generation/Engineering staff.

Engineering and procurement activities began in December 2013 following contract approval. Construction is expected to begin in May 2014.

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Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

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