



1615 Braeswood  
Houston, TX 77030  
(713) 791-6700 Phone  
(713) 791-6722 Fax

## **NEWS RELEASE NEWS RELEASE NEWS RELEASE**

### **\$10 Million in Federal Funding for TECO**

#### ***Recovery funds to support energy and cost savings at Texas Medical Center***

HOUSTON – Nov. 6, 2009 – Thermal Energy Corp. (TECO) in Houston will receive \$10 million in federal stimulus funding for its new combined heat and power project at the Texas Medical Center, where TECO provides district heating and cooling service to 18 institutions.

Now under construction, the new 45 MW combined heat and power (CHP) plant will increase heating and cooling system efficiencies and help reduce greenhouse gases. TECO projects its CHP system will decrease local emissions by almost 83,000 metric tons of carbon equivalent per year – equal to taking nearly 52,000 cars off the road. Combined heat and power could save TECO money as well, almost \$200 million over the next 15 years.

“The CHP system is the cornerstone of our \$368 million Phase I expansion plan,” says Steve Swinson, TECO’s president and chief executive officer. “When Phase I is complete, TECO will have one of the most efficient combined heat and power plants in the country, ensuring TECO’s energy cost will be the most competitive in our area. The funding couldn’t have come at a better time or be more welcome. It is affirmation we’re doing the right thing, and our customers – who comprise the largest medical center in the world – will benefit.”

Combined heat and power is an efficient, clean and reliable approach to generating power and thermal energy from a single fuel source. Standard power plants effectively use just one-third of the fuel they burn to produce electricity. Two-thirds of the fuel used ends up being rejected or “wasted” up the smokestack. CHP systems significantly improve plant efficiencies. In TECO’s case it will bring plant efficiency up to more than 80 percent.

“TECO is an absolutely integral part of the Texas Medical Center’s operations,” says Richard E. Wainerdi, P.E., Ph.D., president, CEO and COO, Texas Medical Center. “We’ve always known that, but the way they have efficiently planned for our growth and looked out for our energy future confirms that they’re an important part of our team.”

Teamwork has certainly made the difference, agrees Paul G. Bell, Jr., chairman of TECO’s board of directors. “TECO’s receipt of the federal funding affirms that this is one of the most exciting times in its history,” he says. “I’ve been associated with the district energy system at the Texas Medical Center since the late 1960s, and I have seen a lot of growth and change. Our new combined heat and power plant is a dramatic step forward, and I’m proud of our team that provided the leadership to make it happen.”

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An estimated 411 direct and indirect jobs have been created for major suppliers during the first year of the project. TECO has many partners in the project, including Burns & McDonnell as the design-build firm, Jacobs as the owner's engineer, and GE Energy as the gas turbine supplier.

The \$10 million is being allocated from the Industrial Technologies Program Recovery Act Funding through the U.S. Department of Energy. TECO is one of just nine from the group of award recipients that will use the funds to promote the use of combined heat and power, district energy systems, waste energy recovery systems, or energy efficiency initiatives in hospitals, utilities, and industrial sites. To view the DOE announcement, visit <http://www.energy.gov/news2009/8255.htm>.

“The International District Energy Association is pleased that TECO’s new combined heat and power plant project was selected to receive a U.S. Department of Energy award,” says Robert Thornton, president of IDEA. “District energy and combined heat and power are an excellent infrastructure investment that will continue to pay off in the years to come. We congratulate TECO and DOE for their mutual commitment to a cleaner energy future through advancing district energy and CHP.” Visit <http://tinyurl.com/IDEAvideo> for more information about the district energy and CHP technologies.

### **About TECO**

TECO provides district heating and cooling service to buildings on the Texas Medical Center campus in Houston, Texas. The company operates two heating and cooling plants with a combined capacity of 80,000 tons of chilled water and 762,000 lbs/hr of steam production. A direct-buried piping system serves more than 16 million sq ft of office, laboratory and patient services spaces in 43 buildings. Peak loads are projected to increase by 30 percent in the next 5 years and 100 percent in the next 10 to 15 years as TMC expands. In addition to the CHP plant, TECO’s Phase 1 expansion includes the installation of an additional 32,000 tons of electric centrifugal chilling capacity and an 8.8 million-gallon chilled-water storage tank. The company has positioned itself as “The Energy Behind What’s Next.” For more on TECO, visit [http://teco.tmc.edu/home/teco\\_home.php](http://teco.tmc.edu/home/teco_home.php).

The Texas Medical Center is located on nearly 1,000 acres near the heart of Houston and is home to 47 academic institutions, hospitals and support services organizations. For more on TMC, visit <http://www.texasmedicalcenter.org/root/en/>.

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Contact:

Steve Swinson, President and CEO, TECO  
Office (713) 791-6765

Monica Westerlund, Westerlund Communications Inc.  
Office (952) 935-4904, Cell 612-590-2324