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## **HPDEC Announces Agreement to Buy Natural Gas-Powered Electric Plant from PSEG Power**

LUBBOCK, Texas (*January 13, 2011*) – High Plains Diversified Energy Corporation (HPDEC) today announced that it has signed an agreement to purchase a 1,000-megawatt natural gas-powered electric generation facility located near Odessa, Texas, from PSEG Power, a subsidiary of PSEG (NYSE:PEG). The \$335 million transaction will be financed through the sale of municipal bonds.

When complete, this will be the second acquisition for the Lubbock, Texas-based municipal utility and will enhance its position as a low-cost, diversified electricity provider in the West Texas power market. On Dec. 30, 2010, HPDEC announced plans to acquire the 550-megawatt Quail Run Energy Center in Odessa from Constellation Energy Corporation. Both transactions are expected to close during the first quarter of 2011.

“These plants will help HPDEC provide the generating capacity necessary to deliver reliable, low-cost electricity to our customers and the surrounding area,” said HPDEC Chairman Scott Collier. “When these acquisitions are complete, we will have purchased a combined 1,550 megawatts of natural gas-fired electric generation at a significantly lower price than if we were to build the equivalent capacity.”

Formed in 2008, HPDEC was created by the West Texas Municipal Power Agency (WTMPA) as part of a unique public-private partnership with Republic Power Partners, LP (RPP) to provide the WTMPA member cities of Brownfield, Floydada, Lubbock and Tulia, Texas with a reliable, low-cost portfolio of wind, natural gas, solar and biomass electric generation.

HPDEC intends to develop new transmission capabilities to deliver the electric power to its customer base. Through investments in infrastructure development, HPDEC will also help bring jobs and economic growth to the region.

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### **About High Plains Diversified Energy Corp.**

HPDEC is a municipal utility based in Lubbock, Texas. Formed in 2008, HPDEC was created by the West Texas Municipal Power Agency (WTMPA) as part of a unique public-private partnership with Republic Power Partners, LP (RPP) to provide WTMPA member cities Brownfield, Floydada, Lubbock and Tulia, Texas with a reliable, low-cost portfolio of diversified electric generation. For more information, visit the HPDEC Web site at <http://www.highplainsenergy.org>.