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For Immediate Release

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State Agency Denies Blue Residents' Request For Hearing, Approves Permit for Gas Plant

LEXINGTON, TEXAS – The Texas Commission on Environmental Quality (TCEQ) curtly approved Wednesday issuance of an air emissions permit for a natural gas power plant in the Blue community – a plant that would be one of the largest in Texas.

The three TCEQ commissioners also denied a request by Blue residents that a contested case hearing regarding the permit be held before an independent administrative law judge.

Sandow Lakes Energy (SL Energy Power Plant LLC) plans to build the 1,200-megawatt gas plant on Sandow Lakes Ranch property at the intersection of CR 309 and CR 312.

Disposal of the gas plant item on Wednesday's TCEQ meeting agenda took only one and a half minutes and there was no discussion among the three governor-appointed commissioners.

Travis Brown, spokesman for the Move the Gas Plant group, said Wednesday's decision by the commissioner was not unexpected since the TCEQ executive director earlier this month had recommended denial of the hearing request.

However, the TCEQ public interest counsel did recommend the case be referred for a hearing at the State Office of Administrative Hearings.

"We're disappointed the commissioners did not agree to give us our day in court and let us present our evidence before an independent judge as to why this permit application should be rejected," Brown said.

The Move the Gas Plant group will now consider other legal options it may have to oppose the proposed gas plant, Brown said.

In her brief statement before voting against the hearing request, TCEQ chairwoman Brooke Paul echoed the executive director's finding that "even though some of the members cited by MTGP are as close as 0.73 miles from the proposed facility, the Executive Director believes that, based on its technical analysis, that they are unlikely to be affected in a manner different from the public, and therefore recommends denying MTGP's hearing request."

Brown said that in recommending denial of the hearing request, the TCEQ executive director determined none of the group's members were eligible to be considered "affected persons" because none lived within 525 feet from the gas plant.

Brown said that the 525-foot limit is inconsistent with past practice at the TCEQ when considering such hearing requests. In similar cases and as recently as February 2025, people living within one mile of an emissions source typically have been accepted as affected parties.

"It appears to us that the TCEQ was determined to single out our hearing request for denial, and this unusually short distance limit was the best reason they could come up with," Brown said.

The Blue residents are represented by the Austin public interest environmental law firm of Perales, Allmon & Ice.

The firm's reply to the executive director's finding states, "The inference to be drawn is an ED position that even if a person is only 525 feet from emission sources, they would not experience any adverse impact from the Plant's

emissions. Following the reasoning provided for the ED's recommendation to deny MTGP's requests, no member of the public could ever be considered an 'affected person' on any application."

Brown said some people living near the proposed site of the gas plant have sold their property to Sandow Lakes Ranch or affiliated entities.

"But there remain dozens of families living close enough to the plant site that they will likely experience harmful air pollution from this massive power plant," Brown said.

One of the group's listed affected persons who lives within a mile of the site is a Gulf War veteran with service-related disabilities. She has serious health issues that likely would be exacerbated by air emissions from the proposed gas plant, Brown said.

Brown said that even though Sandow Lakes Energy will have its air emissions permit, there are economic and other factors that could hinder or stop the gas plant, and the effect of those factors might be augmented by delays the company experienced in obtaining its permit.

For example, a surge in demand for natural gas power plants has created a tremendous shortage of turbines and supply chain bottlenecks, Brown said. Turbine manufacturers such as Siemens have said there is a wait time up to eight years for companies to get new turbines.

One executive with a major turbine manufacturer told The Financial Times this week that demand for turbines is so great that customers are now facing a three-year waiting list for delivery of turbine generators.

In Texas, more than 130 new gas power plant projects recently have been launched. But some of those projects already have been scrapped or delayed for many years because of the inability to get turbines.

"Sandow Lakes blames its neighbors in Blue for all their challenges," Brown said. "But the public doesn't control the unpredictability of financing and building a mega-plant in these unprecedented economic times. And it's not the public's

fault that TCEQ requires months to process public participation in the permitting process."

For more information, go to www.movethegasplant.org.

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