



301 SE 4TH AVENUE  
GAINESVILLE, FL 32601  
(352) 334-2677  
(352) 334-3498 - FAX  
[WWW.GRU.COM](http://WWW.GRU.COM)



75 ARLINGTON STREET  
5<sup>TH</sup> FLOOR  
BOSTON, MA 02116  
(617) 482-6150  
(617) 482-6159 - FAX  
[WWW.AMRENEWABLES.COM](http://WWW.AMRENEWABLES.COM)

## **GRU and American Renewables Partner to Bring Renewable, Biomass Energy to Gainesville, Florida**

### **FOR IMMEDIATE RELEASE**

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### **CONTACTS**

Dan Jesse (GRU): 352-334-2677  
Josh Levine (American Renewables): 617-482-6150 x117

Gainesville, FL - On Thursday, May 7, 2009, the Gainesville City Commission unanimously approved a 30-year energy contract between Gainesville Regional Utilities (GRU) and Gainesville Renewable Energy Center, LLC (GREC), an American Renewables project company. GRU will purchase and own 100 percent of the output from GREC's 100-megawatt (MW) wood-fueled biomass power plant to be located in Gainesville, Florida.

"By partnering with American Renewables to bring a 100-megawatt biomass power-plant to Gainesville, we are fighting climate change through the increased use of renewable energy sources, energy efficiency and the reduction of greenhouse gases," stated Gainesville Mayor Pegeen Hanrahan. "A plentiful supply of cost-effective locally-produced wood waste for fuel means that we have also strengthened our energy independence and are supporting hundreds of jobs in our region."

GREC's biomass power plant will be located on GRU's Deerhaven Generating Station property. The plant will create up to 350 construction jobs, 45 new direct jobs at the facility and will support nearly 500 permanent forestry industry jobs. The facility will utilize waste wood from logging and mill activity as well as urban wood waste from land clearing, tree trimming and waste pallets as its fuel.

"GRU is excited to partner with American Renewables to bring renewable, biomass energy to our community in a cost-effective and environmentally responsible manner," said Bob Hunzinger, General Manager of GRU. "By using biomass materials, a local renewable resource, this facility will not only promote our energy independence, it will add diversity to our fuel supply and shield customers from anticipated increasing fossil-fuel prices. This plant will also allow Gainesville to achieve its carbon-reduction goals, which are based on the Kyoto Protocol."

To ensure that this facility is environmentally-friendly, GRU and GREC have worked together to create strict sustainability standards for forest-produced biomass materials as well as developed a forest stewardship incentive program to encourage suppliers to exceed the minimum standards. By using local, biomass materials, the power plant will help to reduce the creation of greenhouse gases and contribute to the area's energy security by providing reliable, baseload generation that is available 24 hours a day.

"With the signing of this contract, American Renewables has achieved a major milestone towards our goal of building a state-of-the-art biomass project that will deliver significant energy, environmental and sustainable economic development benefits to Gainesville," said Jim Gordon, President of American Renewables. "We are thrilled to be working with GRU who has demonstrated itself to be a leader in encouraging the development of renewable energy."

In addition to this power purchase contract, GRU and GREC will enter into a long-term lease for the parcel of land on the Deerhaven site. GREC is beginning the process of obtaining the necessary environmental and operational permits necessary for construction and operation of the facility. GREC anticipates breaking ground for construction of the biomass power plant in late 2010 with the start of operations scheduled for late 2013.

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#### **About Gainesville Regional Utilities**

Gainesville Regional Utilities, known as GRU, is a multi-service utility owned by the City of Gainesville. GRU is the 5th largest municipal electric utility in Florida. Serving approximately 90,000 retail and wholesale customers in Gainesville and the surrounding areas, GRU's combined offerings of electric, natural gas, water, wastewater and telecommunications services make it the most comprehensive utility service provider in the state.

#### **About American Renewables, LLC**

American Renewables develops, builds and operates clean energy facilities that utilize biomass materials as fuel. American Renewables brings together the successful track records and project development, operations, energy investment and asset management expertise of its three partners: BayCorp Holdings, Energy Management, Inc. and Tyr Energy. In addition to the Gainesville Renewable Energy Center, American Renewables is developing the Nacogdoches Power project in Sacul, TX (scheduled to begin construction in September 2009 and operation in late 2012) and the Hamilton County Renewable Energy Center in Hamilton County, FL (anticipated to begin operation in late 2013). All three facilities are identical 100-MW biomass energy facilities.

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