

GAINESVILLE BIOMASS PLANT CELEBRATES CONSTRUCTION START

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The Gainesville Renewable Energy Center (GREC), a 100-megawatt (MW) biomass power project located in Gainesville, Florida, held a groundbreaking ceremony yesterday to commemorate the start of construction. The event was attended by over 100 citizens, including Gainesville Mayor Craig Lowe, Gainesville Regional Utilities (GRU) General Manager Bob Hunzinger, Gainesville City Commissioners, State Representatives Chuck Chestnut and Elizabeth Porter, and representatives of State Senator Steve Oelrich and Congressman Cliff Stearns.

Opening the proceedings, Jim Gordon, President of GREC, said "I'd like to highlight the favorable economic impact that this facility will have, and in fact is already having, in this community. Florida's unemployment rate is in the double digits and Alachua County's is over 9%. In this tough economic environment, GREC is creating new jobs and keeping current workers employed. GREC began construction in March, and is already employing over 235 workers at the site today. This number will rise to nearly 900 as construction activities accelerate. Once GREC is operational, it will spend approximately \$30 million per year buying wood from the surrounding region. This money will support the forestry industry, including landowners, loggers, truckers and others. In these challenging economic times, I'm proud to say that GREC is doing its part to stimulate economic activity in the region and put folks to work."

Mr. Gordon concluded by thanking some of the parties who have supported the project, including the Florida Wildlife Federation, the Southern Alliance for Clean Energy, the Florida Forestry Association, the Florida Farm Bureau Federation, the Forest Landowners Association, the Gainesville Area Chamber of Commerce, FloridaWorks, the Florida Municipal Electric Association, as well as a number of government agencies, including Alachua County Legislative Delegation, Gainesville City Commissioners, Florida Department of Agriculture & Consumer Services, Florida Department of Health and Florida Department of Environmental Protection.

GRU General Manager Bob Hunzinger added, "We at GRU are proud to bring cost-effective, renewable power to our customers. The GREC facility will stabilize costs for the next 30 years, protecting our customers from the unpredictable price fluctuations of fossil fuels. The project also will bring much-needed diversity to our power generation portfolio, something which our bond rating agencies have indicated we need to do. A hearty thank you goes out to the many parties who have worked to help make this project a reality."

Gainesville Mayor Craig Lowe stated “This project is a critical component in Gainesville’s goals of increasing its energy diversity and reliability while reducing its carbon emissions. When the facility is operational in late 2013 it will supply renewable power to 70,000 homes in the Gainesville region. I am proud that Gainesville remains a leader in implementing environmentally responsible energy solutions for its citizens.”

Also in attendance at the event were former Gainesville Mayor Pegeen Hanrahan, Newberry Mayor Bill Conrad, representatives of the Bank of Tokyo-Mitsubishi UFJ, Metso, Siemens, Fagen, Inc. and many other parties involved in the development of the project.

GREC LLC has a 30-year contract with Gainesville Regional Utilities (GRU) to sell all of the electricity from the facility to the utility. The 100-megawatt biomass plant will be fueled by clean wood waste that includes the tops and limbs from harvested trees, urban wood waste from landscaping contractors and power line/roadway clearance contractors, and residue from lumber mill operations.

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About the Gainesville Renewable Energy Center (GREC)

GREC is a 100-MW biomass power facility located in Gainesville, Florida, which when operational will supply enough renewable power for approximately 70,000 homes. GREC has a 30-year contract with Gainesville Regional Utilities (GRU) to sell electricity to the utility. The biomass facility will bring significant benefits to GRU and its customers. Biomass energy supplements GRU’s and the City of Gainesville’s renewable energy portfolio, which includes solar power and an aggressive conservation program. GREC will also meet GRU’s need for improved reliability, increased fuel diversity and long-term cost savings for customers. GREC will also bring numerous jobs to the community. More than 700 direct and indirect permanent jobs will be created throughout the region as a result of GREC.

www.gainesvillebiomass.com

About Gainesville Regional Utilities (GRU)

GRU is a community-owned, multi-service utility located in Gainesville, Florida, providing electric, natural gas, water, wastewater and telecommunications services to approximately 93,000 retail and wholesale customers. GRU’s combined services make it the most comprehensive utility service provider in the state. GRU is Florida’s leading utility in establishing long-term energy efficiency goals and in helping its customers reduce energy consumption. GRU was recently named the top U.S. public utility by the American Public Power Association.

www.gru.com