



Gainesville Renewable Energy Center

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GAINESVILLE BIOMASS PLANT CLEARS REMAINING REGULATORY HURDLES

Siting Board and Judge recognize the environmental and economic benefits of the project

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Two rulings announced on Tuesday move the Gainesville Renewable Energy Center closer to a construction start.

The Florida Power Plant Siting Board, composed of the Florida Governor and the independently elected members of the Cabinet, unanimously approved the site application for the proposed biomass power plant in Gainesville, Florida. This Siting Board approval is the culmination of the permitting and regulatory activities designed to ensure that the project is in the best interests of the citizens of Florida. In announcing the approval, Governor Charlie Crist said, “I think this can be a great breakthrough and I think it is the right thing to do. The groups that have supported this, I have great trust and confidence in them.”

Also yesterday, a Florida administrative law judge issued his second ruling in favor of the proposed biomass plant. Judge Robert E. Meale’s recommended orders for the plant’s air construction permit rejected claims made by petitioners who oppose the plant. He found instead that the facility will comply with all applicable environmental regulations and will not cause adverse air emissions impacts or adverse impacts to wildlife species or their habitat. The air construction permit is expected to be finalized by the Florida Department of Environmental Protection in the next few weeks.

On November 1st, in a separate but related process for the site certification application, Judge Meale issued an order recommending that a site certification be granted for the Gainesville Renewable Energy Center (GREC) despite the claims of one intervenor. In that order, Judge Meale stated, “Instead of undermining sound silvicultural practices, the new market for biomass materials will enhance the viability of forestry resources and thus serve regional environmental needs.”

The 100-megawatt biomass project will be owned and operated by American Renewables, LLC. Gainesville Regional Utilities (GRU), the municipally-owned utility that serves the Gainesville community, has a 30-year power purchase agreement to buy all power generated. GRU chose to move forward with GREC after undergoing a seven-year process to review options to responsibly and cost-effectively meet its future generation needs while helping Gainesville achieve its carbon-reduction goals. GREC, which will be fueled by wood waste, will meet GRU’s need for improved

reliability, increased fuel diversity and long-term cost savings for customers. Almost two-thirds of the energy GRU currently produces is fueled by coal, and 25 percent comes from natural gas. The three national bond rating agencies that recently awarded the utility “Double A” ratings cited lack of fuel diversity as one of the challenges facing GRU. Adding biomass to the fuel supply will help the utility maintain its high bond ratings, which in the past six years have saved customers more than \$67 million.

“The Siting Board’s decision and the Judge’s order confirm that GREC will be designed and operated in an environmentally responsible manner,” said Josh Levine, project manager for American Renewables. “We look forward to quickly beginning construction.” Levine added. “It is critical that the project move forward without delay so the citizens of Gainesville and the region can reap the significant economic benefits the plant will bring, including more than 700 direct and indirect permanent jobs throughout the region, as well as the benefit of nearly \$200 million in reduced rates over 30 years if the project remains on schedule and is eligible for federal stimulus dollars.”

The plant has been approved and endorsed by a wide variety of government agencies, non-profits and other organizations from the environmental, business, forestry and other communities, including: the Florida Wildlife Federation, Southern Alliance for Clean Energy, Florida Forestry Association, Florida Farm Bureau Federation, Florida Municipal Electric Association, Gainesville Area Chamber of Commerce, FloridaWorks, Forest Landowners Association, Alachua County Legislative Delegation, Gainesville City Commissioners, North Central Florida Renewable Resource Conservation & Development Council, Florida Department of Agriculture & Consumer Services, Florida Public Service Commission, Florida Department of Environmental Protection, Florida Department of Health, Florida Department of Community Affairs, Florida Department of State, Florida Department of Transportation, North Central Florida Regional Planning Council, Suwannee River Water Management District, City of Gainesville, Alachua County and the US Corps of Engineers.

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About American Renewables, LLC

American Renewables (www.amrenewables.com) is the premier U.S. developer of biomass power facilities. In addition to the Gainesville Renewable Energy Center, American Renewables developed, and sold to Southern Power, the nearly identical Nacogdoches Power project in Sacul, TX. This facility began construction in November 2009 and is scheduled to begin operation in late 2012. American Renewables is also developing the Hamilton County Renewable Energy Center in Hamilton County, FL, as well as other biomass projects in the Southeast.

About Gainesville Regional Utilities

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.