ReEnergy Black River Facility at Fort Drum Goes Online & Celebrates Sustainable Forestry Certification

Brings Renewable and Locally Produced Energy to the North Country and Celebrates Sustainable Forestry Certification Facility to Produce Power Using Sustainably Harvested Biomass Material **Watertown, N.Y. – May 31, 2013** —

ReEnergy Black River celebrated its grand opening today, attracting regional and state officials and supporters from the forest products industry. The ReEnergy Black River facility, located at the U.S. Army's Fort Drum installation near Watertown, has 60 megawatts of generation capacity. Before it was idled in early 2010 by its former owner, the facility primarily burned coal to produce electricity. ReEnergy acquired the facility in December 2011 and invested more than $34 million to convert the facility to use biomass as its primary fuel, creating new jobs and a new renewable energy source for the North Country region. At the grand opening event, ReEnergy Holdings announced that it has achieved certification to the Sustainable Forestry Initiative® (SFI®) Standard, which verifies that ReEnergy's biomass procurement program promotes land stewardship and responsible forestry practices. ReEnergy is the first company solely devoted to electricity production to be certified to the SFI Standard. The New York State Energy Research and Development Authority (NYSERDA) has selected ReEnergy Black River to sell renewable energy credits (RECs) to NYSERDA under New York's Renewable Portfolio Standard. The Renewable Portfolio Standard, administered by NYSERDA, is a program that is tasked with obtaining 30 percent of New York's electricity from renewable sources by 2015. "We are pleased to be providing renewable, homegrown energy to the North Country region and serving as a catalyst for hundreds of stable, consistent, well-paying jobs," said ReEnergy's Chief Executive Officer Larry Richardson.

"We recognize the commitment and effort ReEnergy has made to procure fiber from responsible sources," said Kathy Abusow, president and CEO of the Sustainable Forestry Initiative® (SFI®). "The SFI Standard promotes responsible forest management for all forest uses. Third party certification to SFI Fiber Sourcing requirements promotes best management practices for water quality, logger training and prompt regeneration of the forest."

ReEnergy Black River will create significant economic benefits for the four-county region of Jefferson, Lewis, Oswego and St. Lawrence counties, as well as throughout New York State. Approximately 180 jobs were created during the retrofit of the facility, which began in 2012. Thirty-three workers are employed full-time at the plant, and an estimated 144 people are working in logging crews collecting forest residue from regional forests. In all, the facility will create an estimated **307 new direct and indirect jobs** in the community. The facility could provide all of Fort Drum's power needs, which currently peaks at about 28 megawatts. This demand would rise as the base population grows.

ReEnergy Black River has submitted a proposal to the Department of Defense as part of a competitive procurement process to provide green, reliable energy to Fort Drum. The federal government is increasing its demand for long-term renewable energy as a result of renewable goals established in the Energy Policy Act of 2005, Executive Order 13423, and the Energy Independence and Security Act of 2007. The Energy Policy Act of 2005 requires that by 2013, 7.5 percent of all electricity consumed by the federal government be produced from renewable sources. In addition, the National Defense Authorization Act of 2007 requires that by 2025, 25 percent of all energy consumed by the Department of Defense come from renewable sources. ReEnergy also owns biomass-to-energy facilities in Lyons Falls (Lewis County) and Chateaugay (Franklin County). "North Country leaders have been very supportive of this project, and we are very thankful," said Tom Beck, ReEnergy's Chief Commercial Officer. We are thrilled to be expanding our operations in the North Country region." "The completion of the ReEnergy Black River project is a true 'win' for the North Country; providing clean, low-cost energy, creating much-needed jobs and giving a boost to local businesses," said State Senator Patty Ritchie. "Not only will this project benefit our local economy, it will also play the very important role of enhancing Fort Drum; adding yet another unique element to this world-class installation that's so critical to our region." Assemblyman Ken Blankenbush said: "The completion of this project shows a commitment to NYS's renewable energy portfolio and sustainable management of our state's natural resources. I see this as a win to our trucking and logging industry that has been hit hard in recent years." Assemblywoman Addie Russell said: "ReEnergy's conversion and restart of the Black River Generating Facility is an investment that is a natural fit with our region's assets. The fuel source is local, the trucking will be local, and the production jobs are local. This draws on our traditions – like working in the woods, keeping trucks rolling and creating a product with immense value to our nation – traditions that have sustained North Country families for generations. I look forward to a long and beneficial relationship between ReEnergy and our communities, our state and nation."

"The repowering of the ReEnergy facility at Fort Drum demonstrates once again that environmental stewardship goes hand in hand with sound economic development," said state Department of Environmental Conservation (DEC) Commissioner Joe Martens. "The move to biofuel which will provide steady, local employment while reducing sulfur dioxide emissions (an acid rain component), is a win-win for all involved. I'm pleased that DEC staff were able to work closely and effectively with ReEnergy to issue all the necessary permits quickly, while ensuring environmental protection during the operation of the facility." Said Francis J. Murray Jr., President and CEO of NYSERDA: "NYSERDA congratulates ReEnergy on its grand opening and SFI certification. The Black River plant will be a boon to the economy of the North Country, and bring renewable power to the state's electric grid. This facility will also help meet Governor Cuomo's goals of reducing the state's use of fossil fuels while increasing its energy independence."

The project was a priority for the North Country Regional Economic Development Council. “The strength of the new economy is highly dependent upon affordable, reliable and renewable energy,” said Tony Collins, President of Clarkson University and Co-Chair of the Regional Economic Development Council. “Based on the strategies developed in the North Country REDC’s work groups and broad public input, we are establishing the greenest energy economy in the State. Projects like ReEnergy’s meet the demand for expanded energy production capacity and environmental stewardship, while also keeping our energy dollars in our own backyard as we create jobs through local biomass production. Through these efforts, the North Country is providing the blueprint for the economic renaissance of New York State’s small cities and rural communities.” Collins’ co-chair, Garry Douglas, President of the North Country Chamber of Commerce and Co-Chair of the Regional Economic Development Council said: “ReEnergy is a great example of a project that supports several of our regional strategies at once. It enhances the future of Fort Drum, it increases the generation of energy from renewable sources within the North Country, it revitalizes a formerly obsolete facility, and it creates jobs. The Regional Council is very pleased to see this priority project come to fruition, and we congratulate all involved.” Kenneth Adams, CEO & Commissioner of Empire State Development, said: “The ReEnergy Black River project is the North Country’s largest Regional Council project awarded through the Governor’s Regional Council initiative, and we are pleased to support its progress. This project is a major creator of hundreds of direct and indirect jobs, and will have a tremendous impact on the Fort Drum community as a supplier of low-cost, reliable energy. We congratulate ReEnergy on its grand opening.”

About SFI Certification ReEnergy earned the certification by meeting the fiber sourcing requirements of the SFI 2010-2014 Standard (Objectives 8-20). This includes an auditable procurement process to promote responsible forestry requiring that producers, among other things, support logger and forester training and encourage suppliers in North America to reforest harvested sites, protect threatened and endangered species, and strengthen best management practices to protect water quality. “ReEnergy believes that sustainable, renewable energy production is essential to reducing the United States’ dependence on fossil fuels and is committed to creating renewable sources of electricity while respecting the environment,” said Larry Richardson.

SFI, Inc. is an independent, 501(c)3 nonprofit organization responsible for maintaining, overseeing and improving a sustainable forestry certification program that is internationally recognized and is the largest single forest standard in the world. The SFI Standard is based on principles and measures that promote sustainable forest management and consider all forest values. It includes unique fiber-sourcing requirements to promote responsible forest management on all forestlands in North America. ReEnergy’s policy is to locate its facilities in regions capable of supplying raw materials while simultaneously ensuring the long-term sustainability of the forests where those facilities are located. The company owns three biomass-to-energy facilities in the North Country of New York and four in Maine, all of which have achieved SFI certification. To achieve the SFI Standard Principles, Objectives, Performance Measures and Indicators, ReEnergy developed and adopted programs to guide its wood fuel procurement activities. ReEnergy is committed to annually review the effectiveness of its SFI Policy, procedures, and systems and to continually improve its sustainable forestry program. An important element to implement the SFI Standard is an annual management review process to foster perpetual improvement and independent third-party audits to certify conformance.

ReEnergy building relationships with loggers through chipper program- ReEnergy will make approximately $11 million in annual wood purchases from local loggers. ReEnergy has acquired and leased state-of-the-art wood chippers to 14 of its fuel suppliers in New York State, allowing loggers to secure long-term agreements to provide fuel to ReEnergy biomass-to-energy facilities while also buying state-of-the-art wood chippers under ReEnergy’s lease-to-own program. Under the terms of these contracts, the loggers will make long-term commitments to sell their biomass fuel to ReEnergy and they will pay for the chippers over time, with the equipment purchase payments deducted by ReEnergy from the payments to the suppliers for the biomass fuel. Ownership of the chipper will transfer from ReEnergy once the supplier has fully paid for the equipment. **Facility to use shrub willow as fuel** Through a program funded by the U.S. Department of Agriculture (USDA) and in collaboration with SUNY College of Environmental Science and Forestry in Syracuse, the ReEnergy Black River facility also will use locally grown shrub willow as a fuel. The project involves the planting of up to 3,500 acres within an eligible region that spans nine counties (Clinton, Essex, Franklin, Herkimer, Jefferson, Lewis, Oneida, Oswego and St. Lawrence). ReEnergy will purchase the harvested willow and use the biomass to produce energy at its biomass-to-energy facilities, with the Black River facility accepting approximately 80 percent of the fuel. The funding will be administered through USDA offices in the nine counties.

Over the 11-year life of the project, it is expected that almost 400,000 green tons of biomass will be produced and used in the ReEnergy facilities. The willow, which can be harvested every three years, will have the potential to continue producing biomass for at least another decade after the program is completed. **How biomass-to-energy facilities work** When trees are harvested, the entire tree is not shipped to a sawmill or paper mill. Some parts of the tree, including branches and tops, are not suitable for the making of products and some of this material is left to provide important habitat and nutrients critical for reforestation. However, that residue is a valuable resource that — using state-of-the-art technology — can be converted to fuel to produce energy. **In biomass power plants, forest residues or other residue fuels are converted into steam that runs a turbine to make electricity or heat that is then provided to industries and homes. Highly advanced combustion engineering and process controls minimize emissions from biomass fuel sources when compared with fossil fuels such as coal, natural gas and oil. CONTACT:** Sarah Boggess: (518) 810-0200, sboggess@reenergyholdings.com