

PRESS RELEASE

[August 1, 2011]

Good Morning.

City Representatives have had numerous opportunities, both before and after the Public Forum held last Tuesday evening, to discuss with the citizens and ratepayers of Jasper, the proposed Project to repower the City of Jasper's Power Plant with natural gas and Miscanthus. City Representatives are still receiving questions about emissions, benefits to the City's Utility Department and the direct economic benefit to the City. I wanted to review with you this morning some new information and clarify and reaffirm previous information related to each of these areas.

EMISSIONS WILL HAVE MINIMAL IMPACT

PM 2.5 is a Regional Pollutant

IDEM representatives have stated that PM 2.5 is a regional pollutant and that the particulate emissions from the Power Plant do not significantly impact or contribute to Dubois County's historical non-attainment status for PM 2.5

- The Modified Boiler at the repowered Facility will produce approximately 15 MW of power from the combustion of Miscanthus. The City of Jasper is surrounded by approximately 8,000 MW of coal-fired electric generating plants which, along with agricultural, produce the vast majority of particulate emissions that affect the City of Jasper and Dubois County.
- Additionally, we should all remember that the PM 2.5 emissions are materially impacted by the large number of semi tractor trailers that travel within Jasper and Dubois County each day. They are necessary to transport raw materials and goods into Jasper and the surrounding area, as well as for transporting agricultural and manufactured goods out of Jasper and the surrounding area.

Proposed Facility Would Have Lower PM 2.5 Emissions Using Miscanthus

[I am now going to address the Handouts that were provided to you]

- The City of Jasper's consultants and those from Jasper Clean Energy have confirmed that, based on actual 2007 data, the Jasper Power Plant, while burning coal, produced approximately nine-tenths of one percent (.9%) of the particulate matter in Dubois County.
- These same consultants have also identified that if the Power Plant had been burning Miscanthus, instead of coal, in 2007, the Power Plant would have produced approximately eight-tenths of one percent (.8%) of the particulate matter in Dubois County.

[I am now going to address the Bar Chart on the 3rd Handout.]

- The City also has affirmed that the total PM 2.5 emissions from the Power Plant will be reduced . The Bar Chart in front of you identifies that:
 - (i) The total permitted PM 2.5 emissions from the Power Plant as a coal-fired facility was 294 tons per year (Blue Bar).
 - (ii) The Power Plant historically produced, as a coal-fired plant, less than its permitted amount, only 28 tons per year (2007 results) (Red Bar).
 - (iii) Under the proposed Lease, the Miscanthus repowered Facility would be permitted to produce even lower PM 2.5 emissions- 25 tons per year (Green Bar).

Further, "permitted levels" represent maximum levels of emissions allowed. Jasper Clean Energy would in all probability operate at less than 100% of its capacity so that its actual emissions would be even lower.

I will make available additional copies of these graphs to each of you at the conclusion of this Press Conference if you have not already received them.

- **The proposed Project would produce, at a maximum, PM 2.5 equivalent to:**
 - 50 fireplaces located throughout Dubois County
 - or -*
 - 5-8 semi tractor trailers driving throughout Dubois County.

Emissions Summary

- In sum, the proposed Project, through the use of Miscanthus, natural gas and advanced pollution control technology, will have lower PM 2.5 emissions as compared to when it operated as a coal-fired electric plant.
- The emissions produced by the proposed Project are minimal in comparison to the other sources of PM 2.5 emissions outside of the County and within the County.
- The citizens of Jasper would be doing their part as environmental stewards in helping to reduce our dependency on fossil fuels for energy, and the need to move our Country toward renewable fuel sources.

BENEFIT OF PROJECT TO UTILITY CUSTOMERS

- The additional revenues from the proposed Project will mean that there will be fewer utility rate increases, and the interval between future rate increases will be greater.
- Additional revenues to the City will allow the City to upgrade and improve the City's infrastructure, such as sewer lines, water lines, additional underground power lines and substations, all of which will help lower the cost of delivery and increase the reliability of this City to deliver utilities services, such as water, sewer, electric and natural gas services to the citizens of Jasper.

- The additional revenues, which will not be paid by any individual ratepayer or Citizen, will provide a pool of funds, a part of which could be made available for energy conservation projects. The Utility Service Board and the City would be interested in seeing some of these proposed revenues used to encourage local businesses and residences to increase energy conservation efforts. Some examples could be:
 - Installation of solar panels on homes;
 - Installation of energy efficient appliances; and
 - Installation of high efficiency furnace and air conditioners.
- The potential revenues from the Project could make these types of programs possible without using monies paid by any individual citizen or ratepayer.
- I have outlined before and will review again the multi-million dollar benefits to the City and the citizens of Jasper if this proposed Project went forward. However, citizens should also be aware that the opposite is probably true if the Project does not more forward.
- The City would probably incur a multi-million dollar loss in closing and tearing down the existing power plant. The City would incur substantial cost to take down the current power plant, investigate, test and clean-up environmental concerns and to transition the property to a new use. In addition, the City would have to take a loss and accounting write off on its books of the approximate \$4 million value of the Power Plant. This in turn would probably increase the possibility of a future increase in electricity rates.

DIRECT REVENUE AND BENEFITS TO CITY

- It is projected that the City, as a direct result of this Project, could expect to receive income and benefits totaling \$1,956,426 ANNUALLY.

I have separately provided a handout identifying the revenue and benefits to be received by the City from this Project. The revenues that the City could expect to receive are:

○ Lease	\$425,000	
○ Water	\$456,086**	
○ Electric	\$ 33,700	
○ Sewer	\$ 18,334**	
○ Tax	\$ 22,000	\$3 Million* x City Tax Rate [.7218%]
	<u>\$955,120</u>	Actual Expected Annual Revenue to City from Project

The other direct benefits to the City include Royalties and operational savings.

<u>Plus:</u>	\$ 112,000	Potential additional Income from Royalties
<u>Plus:</u>	<u>\$ 889,306**</u>	Estimated additional savings from transfer of operation of Power Plant to Jasper Clean Energy
	<u>\$1,001,306</u>	Total Other Direct Benefits

\$ 955,120 TOTAL DIRECT REVENUES

\$ 1,001,306 TOTAL OTHER DIRECT BENEFITS

TOTAL DIRECT REVENUES AND BENEFITS TO CITY

\$1,956,426 ANNUALLY

[or approximately \$2 Million Annually]

*Discounted Book Value of Power Plant.

**Per H. J. Umbaugh Report dated July 25, 2011.

Summary

We can all acknowledge that the discernment process has been complex and there are multiple issues which need to be taken into account in looking at the proposed Project. None of us can quantify the cost of any of the particular health issues. We would all agree that good health is priceless.

The proposed Project would produce emissions, but these emissions would be minimal. Further, the emissions from the proposed, repowered Plant will be less than those produced by the plant as coal fired. The power plant has not been and will not be in the future the reason that Dubois County has PM 2.5 issues.

I would agree that in a perfect world, everyone would like NO emissions, but in the real world there has to be calculated and acceptable tradeoffs.

Thus, given the minimal emission impact, the economic benefits which I've outlined above to the utility customers and citizens of Jasper, and the protections and security set forth in the Lease, the proposed Project is now becoming a reasonable and acceptable investment for the future of the citizens of Jasper.

CITY OF JASPER

JASPER CLEAN ENERGY CENTER

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