

PRESS RELEASES & STATEMENTS

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U.S. VIRGIN ISLANDS GOVERNMENT SIGNS CONTRACT WITH ALPINE ENERGY GROUP TO DEVELOP TERRITORY'S FIRST ALTERNATIVE ENERGY PLANT

Projects Will Use Recycled Solid Waste to Reduce Oil Dependency for Electric Power Generation

Governor John P. deJongh, Jr. said Monday that the Virgin Islands Water and Power Authority (WAPA) has signed two 20-year Power Purchase Agreements and the Virgin Islands Waste Management Authority (WMA) has signed two 20-year Solid Waste Management Services Agreements with affiliates of Denver-based Alpine Energy Group LLC (Alpine) to build, own and operate two alternative energy facilities to serve the residents of St. Croix, St. John and St. Thomas. The alternative energy facilities, to be built on St. Croix and St. Thomas, with a projected cost of \$440 million, will convert an estimated 146,000 tons per year of municipal solid waste into refuse-derived fuel (RDF) using WastAway Services® technology, which will combine with petroleum coke as fuel to generate steam and electric power.

"These plants will begin moving WAPA away from complete dependency on fossil fuel for electric power generation and water production and it will be the first time in Virgin Islands history that fossil fuel has not been used to generate electricity and potable water. It is also the first time that the government has developed a viable solution to the landfill and solid waste issues in the Virgin Islands." deJongh said, noting, "Using this combination to address solid waste management and energy needs is a step we hope will further inspire the other Caribbean nations which have experienced similar challenges to consider alternative and renewable energy fuel sources to make energy more affordable for their utility customers." The governor noted that when he came into office in 2007, his Administration faced significant challenges as it relates to the cost of electricity and the management of solid waste. "Today, we have taken a definitive step in the right direction in terms of addressing the cost of electricity to our residents and the concerns that have been raised since the 1970's about the state of our landfills which has been the subject of both consent orders and fines by the Environmental Protection Agency."

WAPA Executive Director Hugo Hodge, Jr. said that in 2007, the utility issued a RFP to **renewable energy providers** in 2007 to develop a practical and environmentally friendly solution to rising fuel prices in the Virgin Islands. "After reviewing 14 proposals, we selected Alpine as our first alternative energy solution because it not only provides a supply of lower-cost electricity, but also helps to satisfy the Virgin Islands' solid waste issues. The power purchased agreement will now be forwarded to the Public Services Commission for review.

Similarly in 2007, the WMA solicited solid waste management proposals that would maximize resource recovery and minimize landfill requirements. In August of 2008, the

WAPA invited WMA to the presentation of the two short-listed waste-to-energy proposals. "At WAPA request, WMA collaborated to negotiate these contracts and obtain Board approval to enter into these 20-year agreements" said May Adams Cornwall, Executive Director of the V.I. Waste Management Authority. "WMA strongly believes that resource recovery for beneficial reuse is not only environmentally sound but also an economically viable and sustainable means to support our energy infrastructure and economic development."

Each facility will divert essentially all of the municipal solid waste from landfills and provide 33 MW of electric power to St. Thomas/St. John and 16 MW of electric power to St. Croix. "We are very excited to complete this milestone on these projects and we are looking forward to construction and operation," Alpine President James Beach said. "These projects will play a major role in the future of power generation and waste management on St. Thomas/St. John and St. Croix by addressing waste management, electric capacity requirements, and energy costs. We are pleased and proud to have been chosen to help WMA and WAPA craft state-of-the art solutions to divert waste from landfills and offer fuel diversity for power generation."

U.S. law firm Pillsbury Winthrop Shaw Pittman LLP is advising Alpine on the project bid and contract negotiations with WAPA and WMA.

"Pillsbury has been privileged to advise on numerous power projects throughout the Caribbean, Latin America, Europe, Asia and the Mid-East," said partner Todd Culwell, a member of Pillsbury's Energy, Infrastructure and Project Finance team in Houston. "Alpine's solution meets two very great infrastructure needs for the people of the Virgin Islands, renewable, affordable electricity and effective solid waste management. We are pleased to be able to help make this project a reality."

Construction is expected to commence in May 2010 with an anticipated completion date during the fourth quarter of 2012. The facility in St. Thomas will be located at Long Point, on the southeastern shoreline known as Estate Bovoni. In St. Croix, the Alpine facility will be built in the Anguilla area near the Krause Lagoon, southwest of the Hovensa refinery.

WAPA wishes to acknowledge the leadership provided to this project by its Governing Board and our in-house technical, legal and financial team and the assistance of our consultants Boston Pacific Company, Inc.; R.W. Beck, Inc.; Skadden, Arps, Slate, Meagher; and Flom, LLP,"

WMA wishes to recognize the Virgin Islands Waste Management Authority Board, management and staff for their leadership and commitment and its consultants Hawkins, Delafield, and Wood, Inc.; Maguire Group, Inc.; Gershman, Brickner, and Bratton, Inc.; and Fiscal Strategies Group, Inc. for their expertise and excellent technical, legal, and financial services.

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<http://www.governordejongh.com/news/releases/2009/08/US-Virgin-Islands-Government-Signs-Contract-with-Alpine-Energy-Group-to-Develop-Territorys-First-Alternative-Energy-Plant.html>