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GOVERNOR DE JONGH: U.S. VIRGIN ISLANDS GOVERNMENT SIGNS CONTRACTS WITH ALPINE ENERGY GROUP TO DEVELOP TERRITORY'S FIRST ALTERNATIVE ENERGY PLANTS

~~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 just 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, Co-Head of Pillsbury's Renewable Projects Team. "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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Editor's Notes

The Virgin Islands Water and Power Authority. (WAPA) is a public-power utility whose core purpose is to enhance the economic development and the quality of life for people living in the U.S. Virgin Islands and the surrounding areas. It was created in 1964 by the Fifth Legislature of the Virgin Islands, is an autonomous instrumentality that produces and distributes electricity and potable water to approximately 66,000 customers on St. Croix, St. John, St. Thomas and Water and Hassel Islands. WAPA is considered a not-for profit public corporation that contributes directly to the budget of the Virgin Islands Government through an annual payment in lieu of taxes (PILOT) to the Virgin Islands Treasury. The Authority is governed by a nine member board of public and private sector members appointed by the Governor. www.viwapa.vi

The Virgin Islands Waste Management Authority. The Virgin Islands Waste Management Authority (VIWMA) is an autonomous government entity responsible for the development and implementation of comprehensive integrated waste management plans for both waste water and solid waste. Created in 2004, the Authority has prioritized the goals of regulatory compliance, quality services, and infrastructure improvements for the past five years. The vision of the Authority is to provide territory-wide collection, treatment and disposal services in a manner that will preserve the environment for future generations employing education and transparency of operations to build an agency that will serve as a model throughout the Caribbean. The mission of the Authority is to protect public health and the natural beauty of the environment for residents and visitors through efficient, effective and fiscally responsible practices. The Authority is governed by seven (six seated) board members appointed by the Governor from both the public and private sectors. www.viwma.org

About Alpine Energy Group. Colorado-based Alpine Energy Group is a full-scale project development company that actively pursues Greenfield and retro fit opportunities in the U.S. energy sector. Its skilled team of project developers, combined with engineering, construction, operations, and environmental permitting professionals, allows AEG to take projects efficiently from concept to construction and commercial operations. Alpine Energy Group's primary focus is on the use of biomass and other cellulosic material in Bio-Thermal energy systems that generate steam, power, and substitute natural gas. www.alpineenergygroup.com

Pillsbury Winthrop Shaw Pittman LLP. Pillsbury is a full-service law firm with market-leading strengths in the energy, financial services, real estate and technology sectors. With a presence in the world's major financial and technology centers, Pillsbury counsels clients on all aspects of global business and litigation. We work in multidisciplinary teams that allow us to anticipate trends and bring a 360-degree perspective to complex business and legal issues—helping clients to take greater advantage of new opportunities and better mitigate risk. This collaborative work style helps produce the results our clients seek. www.pillsburylaw.com

Maguire Group, Incorporated. Maguire Group, Inc., a national full-service architectural, engineering and planning firm, with an office location in St. Croix, provided project oversight services to the Virgin Islands Waste Management Authority (VIWMA). Maguire Group provided VIWMA with due diligence review of Alpine Energy Group's waste-to-energy proposal, and assisted VIWMA in negotiations for Solid Waste Management Service Contracts for St. Thomas and St. Croix. Maguire Group has been involved in a wide range of public and private sector projects throughout the United States mainland and the U.S. Virgin Islands. www.maguiregroup.com

Gershman, Brickner & Bratton, Inc. (GBB) Gershman, Brickner & Bratton, Inc. (GBB) is a national solid waste management consulting firm founded in 1980 and based in Fairfax VA that works on solid waste collection, processing, recycling and disposal issues and assists in planning, procuring, and implementing sound, cost-effective facilities and services at the local, state and national levels for both the public and private sectors. www.gbbinc.com

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