

## FAQ's About the Wood Resource Recovery Lawsuit:

Q. What did GREC do to make it impossible for WRR to continue under the fuel supply contract?

A. At a critical juncture, GREC told WRR not to enter into any more municipal yard waste contracts because of problems the Plant was having. WRR lost out on years of business because of that.

Q. How did that hurt WRR?

A. WRR lost out on a third of its expected biomass fuel sales with no right to take other kinds of biomass material to the GREC Plant.

Q. What other problems did WRR have with GREC?

A. GREC blamed WRR's biomass fuel for problems at the Plant during initial operations. Even though the contract did not require it, GREC required WRR to screen out small particles from all biomass material prior to delivery. This removed nearly half of WRR's salable volume, and required WRR to acquire expensive equipment to do the screening. Later, GREC realized the "fines" we're not a problem after all. But by then, WRR was stuck with a big equipment bill, and more lost sales.

Q. How did WRR's commitments benefit GREC?

A. GREC was required to obtain approval by the Florida Public Service Commission of a determination of need for the biomass plant. Under §403.519, Florida Statutes, GREC had to show, among other things, that it had a reliable supply of biomass fuel for the Plant. WRR was cultivated by GREC's agent to develop this capability and to enter into a letter of intent for a third of the Plant's biomass fuel – much of it municipal yard waste - that GREC in turn submitted as evidence to the PSC. GREC also used the WRR biomass fuel supply contract to obtain \$500 million in construction financing for the Plant.

Q. What other reasons did GREC use to not accept WRR's biomass material?

A. Recently, GREC has refused to accept biomass material from land zoned, designated or classified as "agricultural." There is no such prohibition expressed in the WRR contract. WRR has processed and recycled unmerchantable wood and tree debris from urban, suburban and rural lands for decades, regardless of the land's classification. GREC is reading requirements into the contract that do not exist.

Q. *As a big fuel supplier to GREC, isn't WRR hurting utility customers by terminating its contract with GREC?*

A. No. GREC is free to purchase biomass material from WRR via purchase order -- just like WRR's other customers. Utility customers should see no disruption of service as a result of this lawsuit.

Q. *Is the City of Gainesville involved in this lawsuit?*

A. No. Although GREC leases its land from the City and sells its electric power to the City-owned utility, this lawsuit is a contract dispute between two private companies. Taxpayer money is not available to WRR for litigation costs.

Q. *Who is Wood Resource Recovery?*

A. Wood Resource Recovery, LLC is a family owned and operated company that was founded by Gainesville native Bill Gaston. Bill, with his brother, Levin Gaston, have been in the tree service and wood recycling business for nearly 40 years, and have joined forces to service their customers in the Southeastern U.S. and abroad. Wood Resource Recovery was the first yard waste facility permitted by the Florida Department of Environmental Protection, and shipped the first biomass fuel to industrial users.