

November 28, 2006

Gainesville Regional Utilities
Power Supply RFI
C/O GRU Purchasing Department
Attn: Ralph Wisco, Senior Buyer
P.O. Box 147117, Station A-130
Gainesville, FL 32614-7117

Re: Request for Letters of Interest GRU No. 2006-169 September 5, 2006

Dear Mr. Wisco,

I would like to take this time to introduce Biomass Gas & Electric, LLC and provide you with the pertinent information to your submittal requirements for the above referenced request. I am sure you are aware of the project BG&E of Tallahassee, LLC will be building in the Tallahassee Utility's service area. Most of the information that you have requested will follow along the same lines as that that we provided to Tallahassee. However, I want you to know that it is Biomass Gas & Electric's company policy to not participate in a RFP process. It has been our experience that we are not able to supply our customer's needs properly as part of the RFP process because once we have produced a medium Btu syngas; we can then further process this gas to produce steam, methane for the pipeline, electricity, ethanol and other chemicals. Therefore it is extremely difficult for Biomass Gas & Electric to provide the energy solution a potential customer would want through the bidding process in a field as new as the alternative energy arena. However, please see the answers to your inquiry below:

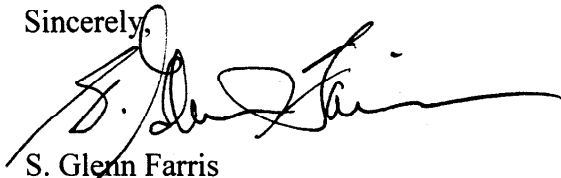
1. We would propose that the project be for 75 MW (or equivalent) net to the grid. The only contractual requirement that we would have would be for the GRU to purchase any and all of the power from the project for a minimum 30 year period of time. We could discuss diverting some or all of the gas from the project to the production of pipeline quality methane or to the production of liquid fuels for use by the city.
2. The project would be fueled 100% by biomass and would need about 1200 dry tons per day of input. We would use an advanced gasification technology based upon pyrolysis techniques. We would propose operating a combined cycle natural gas turbine generator set along the lines of a GE Frame 6 engine. The heat rate would be around 8000. The emissions would be the same or slightly less than a natural gas fired operation with no net CO₂ or greenhouse gas emissions to the atmosphere. The project would have a cost of approximately \$150,000,000 and electricity could be sold for approximately \$65 per MWH.

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3. All contractual terms are subject to negotiation. In the case of the Tallahassee project the city has the option to acquire the project at the 10th anniversary of commercial operations of the project and any year thereafter.
4. The by products of the process are cleaned and treated water and an ash residue from the gasification of the biomass. The ash from woody biomass is benign in nature and can be used as fertilizer filler, landfill cover, road bed material, etc.
5. We would propose sharing the environmental credits on an equal basis with GRU. Biomass would monetize their credits and would be glad to provide the GRU with "tag along rights" for their credits if desired. Also, a project of this size would create emissions savings compared to the GRU's present resource mix of: 1,400 metric tons of nitrogen oxides, 2,219 metric tons of sulfur dioxide and 604,762 metric tons of carbon dioxide.
6. 25 acres.
7. The Florida PSC has approved a standard offer contract between renewable facilities and IOU's in the state that calls for a security requirement of 20 per kW. We would propose the same. The project would be built on an EPC basis with guarantees as to schedule, price and production and would be fully bonded.
8. We can visit a commercial operation that has been operating for the last 19,000 hours at an availability of over 91%.
9. Please see www.biggreenenergy.com.
10. Mid 2010-2011.

Thanks you for your time and consideration and should you have any further questions please call me at 770-662-0256.

Sincerely,



S. Glenn Farris
President and CEO
Biomass Gas & Electric, LLC