

FOR IMMEDIATE RELEASE:
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GOVERNOR PATAKI, SENATOR WRIGHT ANNOUNCE \$4 MILLION FOR NEW BIOFUEL PLANT IN FULTON



\$4 MILLION FOR NEW BIOFUEL PLANT IN FULTON Nearly \$160 Million Will be Invested in the Former Miller Brewery in Central New York

Governor George E. Pataki and Senator Jim Wright today announced that the State will provide \$4 million toward the \$153 million Northeast Biofuels (NEB) ethanol production facility, making the new \$157 million project one of the largest ethanol producers in the nation. The plant will be located at the site of the former Miller Brewery in Fulton, just north of Syracuse - a project the Governor first called for in his 2005 State of the State Address.

The nearly \$160 million total investment includes \$138 million from NEB. In addition, the Governor announced that two of NEB's major partner-suppliers, Perdue Farms and BOC Gases, will be making investments. BOC Gases will invest approximately \$15 million to establish operations at Riverview Business Park. The State's \$4 million contribution was jointly secured by the Governor and the State Senate.

"This is a perfect example of business, labor and government pooling their resources and expertise to capitalize on an economic opportunity which will pay environmental and economic dividends for decades to come," Governor Pataki said. "A brewery which for 11 years has essentially sat empty will again be operational, brewing ethanol instead of beer. This project will reinforce New York State's position as a national leader in advancing both the renewable resources and biofuels industries and at the same time, provide Fulton, Oswego County and Central New York with new jobs and economic opportunities."

Senator Jim Wright, Chairman of the Senate Energy and Telecommunications Committee said, "The establishment of Northeast Biofuels at Riverview will act as an economic catalyst for the region bringing new life and jobs to a facility that has stood vacant for too long. Today's announcement is an investment in the future of Oswego County and Upstate New York that will promote increased use of alternative energy while supporting local farmers. I am pleased to have been able to play an active role with the Governor and NEB to bring this concept to fruition."

Congressman John M. McHugh said, "With oil prices getting higher and higher every day, it simply makes good sense to develop alternative forms of energy. This investment in Northeast Biofuels will make New York State one of our nation's leaders in the production of biofuels and renewable resources, which is good for both the economy and for our environment. The fact that the NEB facility is located adjacent to NextGen Fuel has created a unique opportunity for Central New York - a one-of-a-kind "agri-business" park that I hope will be the envy of renewable energy manufacturers nationwide. The federal government has a history of supporting the development of renewable fuels, and I will continue to work on behalf of Northeast Biofuels in hopes of securing added federal funding for the facility."

NEB, Perdue and BOC will employ an estimated 100 workers, while over 1,000 in-direct jobs are projected to be created in the agriculture and transportation sectors alone. More than 300 will be employed during the 15 month construction and renovation cycle.

The Governor praised organized labor, including IBEW Local 43 and Plumbers and Steamfitters Local 73, for their early financial support of the project.

NEB has estimated that it expects to use 41 million bushels of corn, much of it to be purchased from New York farmers, to produce 100 million gallons of ethanol a year. The ethanol will be marketed for use primarily in New York State and the Northeast as a clean burning, oil saving gasoline additive.

Assemblyman Will Barclay said, "New York's investment in Northeast Biofuels is one that will positively impact our state's environment and economy. Today's announcement, along with last week's groundbreaking for the Syracuse Center of Excellence, will put New York on the forefront of advancing the renewable resources and biofuels industries in the country. The jobs that will be created as a result of construction and operation are welcomed additions to the area. I couldn't be more pleased that NEB has chosen the Town of Volney, near the City of Fulton and Oswego County as the home for its operation. I want to thank Governor Pataki for his leadership in making today possible."

Russ Johnson, Chairman of the Oswego County Legislature said, "Along with the strong, continued support from Governor Pataki, State Senator Jim Wright, and Assemblyman Will Barclay, Oswego County remains very dedicated to assuring that the Governor's commitment to seeking renewable fuel sources is fulfilled in our region of the state. We are embarking on new and exciting technological advances at Northeast Biofuels that are sure to be the envy of global competitors, and we are especially proud that such progress is on the rise right here in Oswego County."

Daryl C. Hayden, Mayor of Fulton said, "On behalf of the Common Council and the residents of the City of Fulton, I would like to express my gratitude to Governor Pataki for providing \$4 million to support the Northeast Biofuels ethanol production facility that will be located just outside our city limits in the Town of Volney. I know the Governor's Office has worked extremely hard to aide our community in filling the void left at the former Miller Brewery. I would like to welcome Northeast Biofuels to our great community and look forward to the opening of this new facility. I believe this facility will have a very positive effect on the economic health of the City of Fulton."

BOC Vice President of Product Marketing Stan Borowiec said, "We are pleased to participate in this project, which is a win-win for the partners and for the residents of New York State. We look forward to being part of the community."

Chairman and CEO of Perdue Farms Jim Perdue said, "Our relationship with Northeast Biofuels builds upon our 85-year partnership with local farm communities. Our intent is to buy a significant amount of the grain for this venture from New York farmers, which will grow the market for local agriculture. Our involvement in renewable fuels is part of our company's commitment to environmental stewardship. Perdue Farms was the first major poultry company to develop a large-scale alternative use for poultry litter through our organic fertilizer business, and we look forward to our involvement with Northeast Biofuels."

State Agriculture Commissioner Nathan L. Rudgers said, "Making ethanol in Fulton makes sense. It puts an industrial resource back in use, creates new jobs for the region, and helps displace imported petroleum with a renewable product that is better for our environment. Furthermore, it will create new markets for our farmers and provide high-quality feedstuffs for our dairy cows. Governor Pataki's unrivaled leadership in developing a renewable energy industry here in New York is evident today with the announcement of State support for Northeast Biofuels, which will operate one of the largest ethanol facilities in the nation."

Peter Smith, President of the New York State Energy Research and Development Authority said, "Last year the Governor set an ambitious goal to make New York a leader in the development of clean and renewable energy technologies. NYSERDA has been working with private businesses, academia and others to support research in biofuels and other clean forms of energy, including the exciting developments taking shape here at the former Miller brewery. We are pleased to be a partner in helping to move forward the Governor's vision for our energy future that is creating new jobs and businesses in New York, protecting our environment and improving our security here at home."

Perdue Farms will facilitate the acquisition of corn for NEB, by locating a grain division at Riverview. In addition to corn origination, Perdue will also market distiller's dried grains (DDG's), one of the co-products of the ethanol production process, as a nutritional supplement for dairy and other livestock.

One of the world's leading processors and marketers of industrial gases, BOC Gases, will build a liquefaction plant at Riverview to process carbon dioxide, another corn-to-ethanol co-product. When NEB hits full capacity of 100 million gallons of ethanol per year, the plant will produce one of the largest streams of carbon dioxide in the east.

The Governor explained that future expansion of the NEB facility is closely tied to research at the Syracuse Center of Excellence in Environmental and Energy Systems and SUNY College of Environmental Science and Forestry (SUNY-ESF), which have developed techniques to produce ethanol from other "feedstocks" such as willow trees, northern hardwoods and pulp residue from paper mills.

"In effect, what we will do by developing the biofuels industry in New York State is to replace foreign oil with New York corn, New York wood, New York ethanol and New York Jobs," the Governor added.

Today's announcement also builds upon the groundbreaking held last week for the Syracuse Center of Excellence in Environmental and Energy Systems. Partnering with Syracuse University, Clarkson University, SUNY College of Environmental Science and Forestry, Cornell University, the State and the private sector we have made a critical investment in the future of Central New York that will transform the region's economy and create thousands of new high-tech jobs.

It will also build on the announcement made this week that a \$99,500 grant from the U.S. Department of Agriculture's Rural Development program, which was awarded to Operation Oswego County to assist NextGen Fuel as it too develops a state-of-the-art biofuels plant at Riverview.

In addition, the Governor announced today that NextGen Fuel will be receiving a \$250,000 grant from NYSERDA to further assist this project.

The principals of NEB and Riverview are Central New York natives and long time businessmen Eric Will and Thomas Denney. Will and Denney purchased the 420 acre, 1.2 million square foot former Miller complex four years ago.

Eric Will said, "After taking an audit of the park's assets, particularly the old Miller brewing infrastructure, we zeroed in on ethanol and biofuels production as possible use. In the months since, we have had terrific support from business, labor and all levels of government, including Governor Pataki and Senator Wright, and the project has evolved to become one of the largest and most innovative in the nation. After so much effort, we are truly excited to launch the biofuels industry in New York State, but most of all, we are proud to have the opportunity to create hundreds of jobs for the people of Fulton, Oswego County and Central New York. That's what it's about."

State University of New York College of Environmental Science and Forestry President Cornelius B. Murphy Jr. said, "We at SUNY-ESF, along with our partners at the Center of Excellence in Environmental Systems and Renewable Energy are exceptionally pleased by New York State's and Governor Pataki's commitment to making our state a national leader in renewable energy. Our partnership with Northeast Biofuels is a longstanding one and we applaud Northeast Biofuels demonstrated commitment to include New York State-grown woody biomass from willow energy crops and mixed northern hardwoods from our New York State Forest Products Industry as part of their new cellulosic ethanol feedstocks. Northeast Biofuels offers a significant, near-term commercialization pathway for our joint SUNY-ESF-NYSERDA woody biomass cellulosic ethanol research and development technology to help enable New York State become the envisioned leader in national energy independence and renewable energy manufacturing revitalization."

Russell W. Bessette M.D., Executive Director of the New York State Office of Science, Technology and Academic Research (NYSTAR) said, "Governor Pataki has shown exemplary leadership and foresight by creating The Syracuse Center of Excellence in Environmental and Energy Systems and other Centers of Excellence across New York State. NYSTAR has been hard at work providing the necessary financial support to develop new forms of renewable and clean energy. NYSTAR is proud of the role it is playing in this very important economic development initiative."



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