

NEWS RELEASE

Sept. 27, 2010

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Santee Cooper board approves major biomass project

MONCKS CORNER, S.C. – The Santee Cooper Board of Directors approved today purchase power agreements with two firms for 95 megawatts of biomass, a major development in the utility’s nine-year-old renewable energy program.

The board approved contracting with Domtar Paper Co. LLC for 50 MWs of renewable biomass-fueled energy at the Bennettsville, S.C. pulp and paper mill. The board also approved contracts with Southeast Renewable Energy (SRE) for 45 MWs of biomass-fueled energy to be produced at three 15-MW plants around the state.

“These contracts significantly increase the amount of renewable power Santee Cooper can provide to our customers and signify our continuing commitment to environmental stewardship and economic development in our state,” said Lonnie Carter, president and CEO. “These are exactly the sort of practical, cost-effective renewable projects that Santee Cooper wants to promote and support.”

The proposed agreement with Domtar is for 15 years and is contingent upon Domtar board approval. Once effective, Santee Cooper could start purchasing the biomass power immediately. Domtar has installed a generator as part of its existing process to utilize steam from wood waste, steam that is also used in making paper. Santee Cooper would purchase the electricity produced from the generator.

The SRE plants are scheduled to be built in the counties of Dorchester and Kershaw, with the third location still to be determined. The plants are expected to be online in 2012 or 2013. The projects would provide about 60 new jobs, 20 per plant, and support others in the logging, trucking and related industries. The SRE contract is for 30 years.

Biomass generation is the most cost-effective renewable resource in South Carolina. Santee Cooper already produces 22 MWs of renewable generation from landfill methane gas, a type of biomass, which the utility markets to customers as Santee Cooper Green Power.

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Santee Cooper is South Carolina's state-owned electric and water utility, and the state's largest power producer. The ultimate source of electricity for 2 million South Carolinians, Santee Cooper is dedicated to being the state's leading resource for improving the quality of life for the people of South Carolina. For more information, visit www.santecooper.com.