

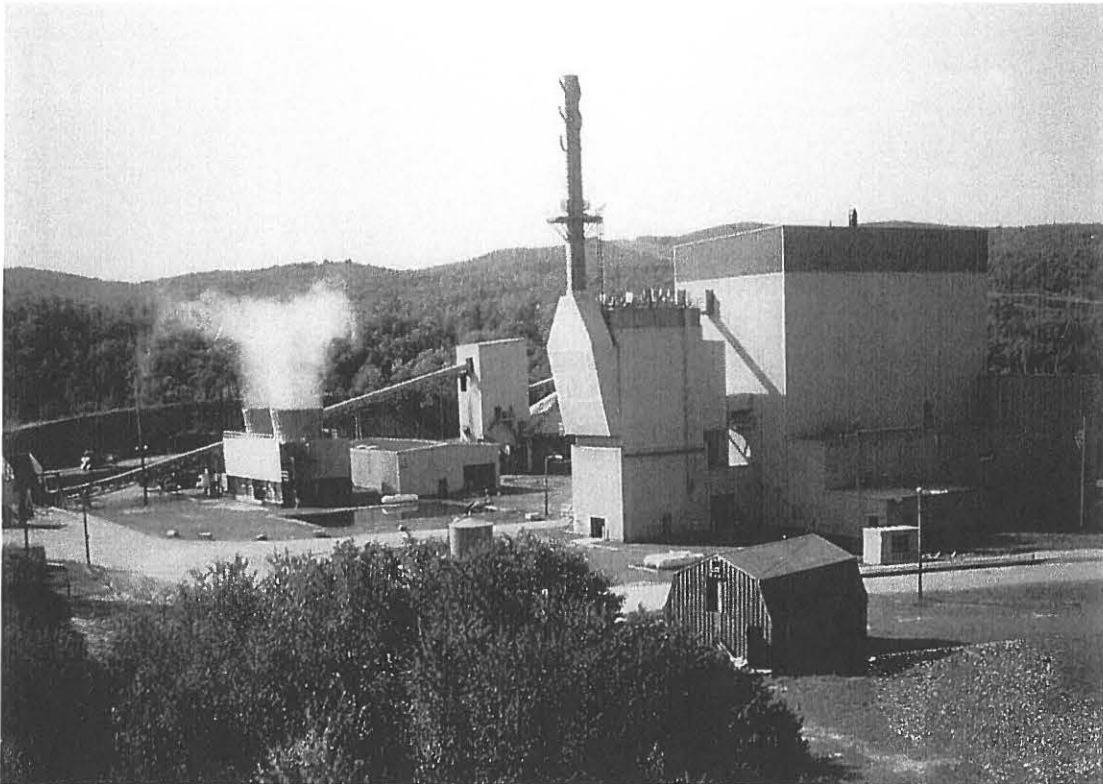
EXHIBIT R26



Revised Confidential Proposal for Renewable Energy Generation

in response to

Gainesville Regional Utilities RFP 2007-135, Biomass Fueled Generation Facility



* The 15 MW biomass-fired Alexandria Power Project developed by Energy Management, Inc.

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Appendix 15 – Partner Financial Statements

Reliability of the Proposed Technology

Trade Secret Material Protected from Disclosure under F.S. 815.045:

The Florida Clean Energy Center will be highly reliable because it would utilize proven and mature technology in the areas of the Project most likely to be sources of potential reliability issues. Based on data from comparable facilities, the Project is expected to have an availability factor greater than 95%. The Project will require one 10-14 day planned outage per year, which will be scheduled in conjunction with GRU. Forced (unplanned) outages would be limited and would be expected to occupy less than 1.5% of total hours. The projected net energy production will be approximately 69,350 MWh per month and 832,200 MWh per year.

The Florida Clean Energy Center will employ a bubbling fluidized bed boiler to generate steam from the biomass fuel. Modern BFB boilers utilize sophisticated, yet simple, technology to generate steam while minimizing emissions. Surface contact between fluidized sand bed particles and fuel particles ensures the complete combustion of fuel within the target temperature range. Fluidization also allows such boilers to combust a wide range of fuel types and fuel moisture contents with few opportunities for reliability problems. BFBs are simple to operate due to the fact that the bed temperature can be controlled through combustion air staging. Metso's innovative HYBEX™ floor design further reduces the likelihood of forced outages by providing an extended free removal area where coarse material can be evacuated from the bed. More than thirty percent of the total floor area is open for tramp material removal compared with approximately one percent in a conventional floor design. More than 130 HYBEX™ BFB boilers have been installed worldwide since 1974. Metso's fleet of HYBEX™ floor bubbling fluidized bed boilers has achieved high levels of availability.

A boiler nearly identical to that selected by Nacogdoches Power for use in the Florida Clean Energy Center has been operating since 2002 in Finland with an availability track record of greater than 95%. On average, the unit has not been available for service approximately 1.5% of hours due to forced outages and 3.5% of hours due to planned maintenance.

Along with the choice of boiler technology, the fuel handling system plays a critical role in the success of any biomass-fired generating facility. Nacogdoches Power will incorporate redundancy and proven technologies into the design of the Project fuel handling system in order to ensure high plant availability. The Project wood fuel handling system will consist of three drive-through full truck tippers, two sets of screens and hogs, an automatic stacker/reclaimer system and a manual stacker/reclaimer system to maintain two 15-day fuel storage piles. In this manner, the Project will apply lessons learned from previous biomass-fired electric generating facilities. Drive-through, full truck tippers are more expensive than standard tippers; however, such tippers reduce material handling times by eliminating the need to back the truck onto the tipper or remove the cab. The Project will also utilize three truck tippers when two would suffice to maintain adequate handling capacity. Nacogdoches Power also will provide redundant 100% capacity conveyors to transport fuel from the storage piles to the boiler metering bins.

Reliability Summary:

- Scheduled outage hours per year: 311
- Forced outage hours per year: 127
- Service (operating) hours per year: 8322
- Annual availability factor (%): 95%
- Annual capacity factor (%): 95%
- Net MWh per year: 832,200

Performance Guarantees, Warranties and Risk Mitigation

Please see Section 2 for a detailed discussion of commercial issues regarding risk mitigation.

Backup Systems and Fuels

The Project will utilize propane or natural gas as a start-up fuel. Because bubbling fluidized bed boilers can accept a wide range of fuels and moisture contents, no supplementary fuel will be necessary for flame stabilization.

Estimated Truck Traffic Associated with Fuel Supply and Traffic Management Plan

Biomass fuel will be delivered to the Project by truck. Approximately 130 trucks will deliver fuel on any given day. Traffic volumes will likely be the highest from 5am – 4pm Monday through Friday. Nacogdoches Power intends to work with GRU to optimize the operation of the Project to minimize traffic impacts. Nacogdoches Power currently proposes to accept deliveries from 4 am – 8 pm Monday through Saturday. Nacogdoches Power has proposed that trucks access the Deerhaven Site from US 441. Furthermore, Nacogdoches Power has proposed driveway entrances situated directly opposite US 441 median cut-overs, which will allow vehicular traffic to turn directly into and out of the Project from either direction.

Nacogdoches Power investigated the delivery of fuel to the Project by rail in order to reduce traffic impacts; however, Nacogdoches Power found that the associated costs, including the additional handling costs, were uneconomic. Moreover, Nacogdoches Power found that the volume of rail deliveries needed to materially reduce the traffic impact would likely obstruct the rail delivery of coal to the Deerhaven Site. For example, 10 railcars per day will be required to support 20 MW of generating capacity. Nevertheless, Nacogdoches Power is willing to explore the delivery of fuel to the Project Site by rail in conjunction with GRU.

Nacogdoches Power will initiate direct consultation with Florida DOT and will perform a detailed traffic study if selected by GRU. Nacogdoches Power will evaluate the level of service classification of US 441 under the Florida Department of Transportation's "State Highway System Level of Service Classification System." Based on a very preliminary examination,

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1 that Mr. Gaston is entitled to \$4 storage fee during
2 this event, correct?

3 A. No, I don't think we made that judgment. We just
4 knew the conversation may arise, because he indicated he
5 felt it was appropriate and we were passing it along to
6 GREC.

7 Q. And did you think it was appropriate that GREC
8 would pay him for the storage fee during this event?

9 A. I didn't make a judgment on that. I think this
10 had to do with the short-term outage. Short-term
11 outages occur at a regular basis, maintenance outages at
12 least once a year. I don't believe any contract I have
13 ever dealt with had provisions for short-term outages
14 but I don't believe I have an opinion whether or not
15 GREC should do this.

16 Q. Okay and then scroll up a little bit to the next
17 e-mail top. Please, Mandy. All right and then you
18 state here in this e-mail, and I'll paraphrase, that you
19 want to take this opportunity to I guess define some of
20 Bill's sources here and suggest you send something back
21 to him along the lines of your e-mail talking about
22 quantities that's being delivered and where that
23 material can come from. Scroll a little bit please.

24 And then you go on to define what Exhibit A
25 specifications are. Clean woody biomass, keep scrolling

1 on to say respect to your comments about yard waste, I
2 remind you that you shipped us yard waste every week for
3 the past month. Including material from Rosemary Hill,
4 Base Line and Gainesville. Which by look at the loads
5 is 50 percent of the Gainesville volume. Is that
6 accurate, that throughout this period, 2015, yard waste
7 was being shipped by WRR to the GREC plant and you were
8 accepting it.

9 A. Yes.

10 Q. Then it concludes by saying to be clear about
11 your request for us accept non-urban wood, at this time
12 the answer is no. The soonest I would be anticipate
13 being able to receive any non-urban deliveries from you
14 is the week of 4/28. This is in a period when you are
15 running up to one of the outages, correct?

16 A. Yes. This is going up to an outage that I think
17 when it was three weeks or 20 days when they would burn
18 no wood.

19 Q. It was not just WRR?

20 A. Oh no. It was everybody.

21 Q. I know you are not operator of the plant, but
22 what is your understanding of why there are outages?

23 A. We have them scheduled with the utility. Two a
24 year generally, that last 15 to 20 days and they're to
25 cool down the boiler and go in and fix anything that

1 needs fixing. Maintenance, like bringing in your car
2 for 100,000 miles.

3 Q. It is scheduled so you know when it is going to
4 come, right?

5 A. Yes.

6 Q. Now WRR's contract deals in term of monthly
7 volume, is that right?

8 A. That's correct.

9 Q. So if there is a outage for a period of time is
10 there anything that prevents them from bringing you a
11 lot of stuff either before or after when the outage --
12 well I guess after when the outage would be? When the
13 outage is not in place?

14 A. I think the contract has plus or minus ten
15 percent in the contract.

16 Q. For volumes?

17 A. Yes for volumes. Other than that I don't know.

18 Q. You were asked a question this morning about
19 materials derived from agricultural operations. And the
20 question was, is stuff, does it include stuff left over
21 after a farmer grows something? Is that all that
22 agricultural operations means or is there more to it?

23 A. No. It includes anything that was woody biomass
24 from agricultural operation. An agricultural operation
25 could be a clearing field to plant a pasture. It could