



For immediate release

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Duluth Steam Awarded Minnesota Department of Agriculture Bioenergy Grant

Duluth, MN (May 20, 2014) – Duluth Steam was awarded a Bioenergy Grant from the Minnesota Department of Agriculture, through its Next Generation Energy program. The grant money will be used to continue Duluth Steam’s modernization of its energy system to incorporate biomass fuels, further reducing the operations dependence on fossil fuels and improving the overall environmental profile of the system. The project will displace between 15-25% of the current fossil fuel mix by co-firing woody biomass, derived from local sources. The project would create a year-round demand for local biomass fuel totaling approximately 25,000 tons annually. Work on the biomass integration is already in progress and will conclude by December 2014.

This project is a key step forward in the master plan outlined for Duluth Steam over the past year. The City of Duluth, Duluth Steam, and Ever-Green Energy are moving this plan forward so the Duluth Steam system remains a robust, reliable, and resilient provider of energy services to its customers. The master plan prioritizes four objectives for the system: (1) improve the efficiency of the system, (2) enhance environmental stewardship for Duluth Steam operations, (3) maintain or improve cost competitiveness, and (4) identify opportunities for growth and advancement. In order to meet these objectives, the plan has three key recommendations:

- Implement hot water heating to select areas currently served by steam, and
- Add customers within the current boundaries of the system, and
- Enhance the flexibility of the fuel mix by integrating the use of locally-derived biomass

About Duluth Steam – The City of Duluth has been served for over 80 years by a once-through, steam-based district heating system that is owned by the City. The system has served the City reliably for over eight decades but is recognized to have shortcomings with regards to water conservation, energy efficiency, and air emissions. Duluth is committed to upgrading the system to be a state-of-the-art community energy system that is based on locally-derived renewable fuels, distributes thermal energy via a highly-efficient hot water distribution system, and creation of a thermal energy microgrid that enables waste heat sources to be recovered and beneficially utilized.

About Ever-Green Energy - Ever-Green Energy is based in Saint Paul, and is a recognized leader in the development and operation of efficient renewable energy systems. Ever-Green was hired by the City of Duluth in September 2012 to operate and manage Duluth Steam. Ever-Green also operates District Energy and District Cooling St. Paul, Energy Park Utility Company, Environmental Wood Supply, and St. Paul Cogeneration. *For more information, visit ever-greenenergy.com*

About the Next Generation Energy Grant - The Next Generation Energy Board was established by the Governor and the Minnesota Legislature in 2007 as part of the Next Generation Energy Act. The "NextGen" Act established nation-leading requirements on Minnesota’s electric utilities, expanded and strengthened the state’s commitment to the development of locally-owned renewable energy projects and put Minnesota as one of the top states leading the way toward reducing greenhouse gas emissions. For more information, visit

<http://www.mda.state.mn.us/renewable/nextgen.aspx>

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