

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of contract with a qualifying facility for purchase of firm capacity and energy between Progress Energy Florida, Inc. and Florida Biomass Energy Group, LLC.

Docket No. 060387-EQ  
Dated: May 31, 2006

**AFFIDAVIT OF KEVIN J. MILLS, P.E., IN SUPPORT OF FLORIDA BIOMASS ENERGY GROUP, L.L.C.'S REQUEST FOR CONFIDENTIAL CLASSIFICATION**

STATE OF NEW YORK :  
: S.S.  
COUNTY OF NEW YORK :

BEFORE ME, the undersigned authority duly authorized to administer oaths, personally appeared Kevin J. Mills, who being first duly sworn, on oath deposes and says that:

1. My name is Kevin J. Mills. I am over the age of 18 years. I am a Registered Professional Engineer in the State of Alabama and I am employed as Vice President of Engineering by Florida Biomass Energy Group, L.L.C. ("Florida Biomass"), and in the same

capacity by Biomass Energy Group, Inc. ("BIG"). My business address is 1198 Gulf Breeze Parkway, Suite 6, Gulf Breeze, Florida 32561. I have been authorized by Florida Biomass and BIG to make this affidavit in the above-styled proceeding on behalf of Florida Biomass and in support of Florida Biomass's Request for Confidential Classification relating to certain confidential, proprietary business information contained in the Negotiated Contract for the Purchase of Firm Capacity and Energy From a Qualifying Facility, Dated the 28<sup>th</sup> day of April, 2006, by and between Florida Power Corporation d/b/a Progress Energy Florida, Inc. and Florida Biomass Energy Group, L.L.C. (the "Contract"), which was filed with the Florida Public Service

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TH   |   *conf records*

Commission on May 11, 2006. The facts attested to in my affidavit are based upon my personal knowledge.

2. In my capacity as Vice President of Engineering for Florida Biomass and BIG, I have general responsibility for all engineering matters relating to the design of the fuel processing and electrical power production facilities that will comprise the power plant from which Florida Biomass will provide electrical capacity and energy to PEF (the "Project"). In addition, I was deeply and intimately involved in negotiating the Contract, and I have been and continue to be deeply and intimately involved in negotiating other contracts for critical (and non-critical) services, rights, commodities, and other items that are necessary for the successful construction and operation of the Project.

3. Florida Biomass is seeking confidential classification for certain information contained in the Contract. Florida Biomass is also supporting (and, as I understand it from my engineer's perspective, joining in) PEF's corresponding request for confidential classification of certain information contained in the Contract. The confidential information at issue is identified by highlighting in confidential Exhibit A to Florida Biomass's (and PEF's) Request for Confidential Classification and is outlined in Florida Biomass's (and PEF's) Justification Matrix that is attached to Florida Biomass's Request for Confidential Classification as Exhibit C. Florida Biomass is requesting confidential classification of this information because it contains competitively sensitive, confidential, proprietary business information of both PEF and Biomass.

4. Florida Biomass negotiates contracts with potential energy purchasers (i.e., utilities such as PEF) to obtain competitive contracts that provide economic value to the purchasing utility, the purchasing utility's customers, and to Florida Biomass. Florida Biomass also negotiates contracts with suppliers of services, commodities, equipment, rights, and other items that are necessary to the successful development, construction, and operation of renewable

energy power plants. In order to obtain such contracts, however, Florida Biomass must be able to assure both potential purchasing utilities and the entire range of vendors and suppliers of key goods, services, rights, and other items that competitively sensitive business information will be kept confidential.

5. With respect to the information at issue in its Request for Confidential Classification, Florida Biomass has kept confidential and has not publicly disclosed confidential contract terms, such as pricing, the identities of its other vendors and suppliers, its technology, and other competitively sensitive, proprietary business information. Absent such measures, companies would run the risk that sensitive business information that they provided in their contracts with Florida Biomass would be made available to the public and would, as a result, end up in possession of potential competitors. Faced with that risk, persons and companies who otherwise would contract with Florida Biomass might decide not to do so if Florida Biomass did not keep those terms of their contracts confidential. Without Florida Biomass's taking appropriate measures to maintain the confidentiality of sensitive terms in contracts between Florida Biomass and purchasing utilities, and between Florida Biomass and vendors and suppliers of good, services, rights, and other items, Florida Biomass's efforts to obtain competitive contracts would likely be undermined.

6. Additionally, the disclosure of confidential information in Florida Biomass's negotiated contracts could adversely impact Florida Biomass's competitive business interests. If such information were disclosed to Florida Biomass's competitors, Florida Biomass's competitive position and its efforts to negotiate competitive contracts that provide economic value to purchasing utilities, their customers, and to Florida Biomass would likely be compromised by allowing Florida Biomass's competitors to have insights into Florida Biomass's

technologies and business practices, which would obviously be damaging to Florida Biomass's competitive business interests.

7. Upon receipt of confidential information from contracting counter-parties, and with its own confidential information, strict procedures are established and followed to maintain the confidentiality of the terms of the documents and information provided, including restricting access to those persons who need the information to assist Florida Biomass, restricting the number of individuals having access to the information, and restricting even those individuals' physical access to the information and contracts.

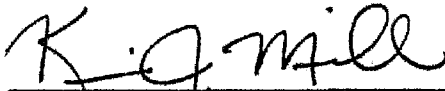
8. The highlighted information in the confidential version of the Contract (as shown in Exhibit A, and also as identified by page and section in Exhibit C) is either owned or controlled by Florida Biomass or jointly by Florida Biomass and PEF. (For example, the competitively sensitive negotiated pricing and other terms in the Contract were jointly negotiated by both Florida Biomass and PEF.)

9. The highlighted information in the Contract (as shown in confidential Exhibit A, and also as identified by page and section in Exhibit C) is intended to be and is treated as confidential and private by Florida Biomass, in that the disclosure of this information would harm Florida Biomass's (and PEF's) competitive business interests. This information has not been disclosed except pursuant to statutory provisions (i.e., Section 366.093, Florida Statutes) and pursuant to private non-disclosure agreements between Florida Biomass, its parent, Biomass Investment Group, Inc., and private parties, including PEF and potential providers of financing and essential services for the Project. Florida Biomass has treated and continues to treat the information and the confidential portions of the Contract at issue as confidential.

10. This concludes my affidavit.

Further affiant sayeth not.


Dated the 31<sup>st</sup> day of May, 2006.

  
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(Signature)

Kevin J. Mills  
Vice President of Engineering  
Florida Biomass Energy Group, L.L.C.  
c/o Biomass Investment Group, Inc.  
1198 Gulf Breeze Parkway, Suite 6  
Gulf Breeze, Florida 32561

SWORN AND SUBSCRIBED TO BEFORE ME this 31<sup>st</sup> day of May 2006 by Kevin J.

Mills, personally known to me

  
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HOWARD L. MARGULIS, ESQ.  
Attorney at Law of the State of New Jersey  
Authorized by New Jersey Law to  
Accept Oaths as a Notary Public