

News Release

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Seminole Electric Cooperative, Inc.

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Seminole will solicit proposals for carbon capture demonstration project

Tampa, FL (July 24, 2007) – Tampa-based Seminole Electric Cooperative, Inc., today announced plans to solicit proposals for a carbon dioxide (CO₂) capture demonstration project at its proposed Seminole Generating Station (SGS) Unit 3 facility.

This project would make SGS Unit 3 the first electric generating unit in Florida, coal or otherwise, to propose to install such a demonstration project.

The SGS Unit 3 project is a 750 megawatt (MW) class, supercritical, state of the art clean coal generating unit, with a scheduled in-service date of May 1, 2012. Unit 3 will be located at the existing SGS site in Putnam County, Florida, which consists of two 650 MW class pulverized coal units (SGS Units 1 and 2).

The Unit 3 project was approved in July 2006 by the Florida Public Service Commission, and final state site certification by the Florida Department of Environmental Protection (FDEP) is pending. Seminole, the FDEP staff, and all other parties to the state permitting process, executed an agreement in February 2007, stipulating that Seminole Unit 3 meets all certification criteria.

As part of that stipulation, Seminole agreed, among other actions, to undertake a \$300 million project to make significant pollution control improvements to SGS Units 1 and 2. These improvements, along with Unit 3, will allow SGS to provide 60% more electricity while substantially reducing facility-wide air emissions and wastewater discharges below current emission levels. Seminole also agreed to distribute more than 100,000 compact fluorescent light bulbs (CFLs) to its 10 member distribution cooperatives. To date, more than 30,000 CFLs have been distributed to member consumers through this initiative.

The addition of Unit 3 also will allow Seminole to expand its production of synthetic gypsum, which it sells under an exclusive contract with Lafarge Corp. The additional gypsum will allow Lafarge to increase its Florida wallboard production for home construction and other uses. This gypsum partnership with Lafarge was a significant factor in Seminole's Leadership Award from the Council for Sustainable Florida.

Gypsum production is just one of many environmental initiatives that Seminole has pursued since it became a voluntary participant in the U.S. Department of Energy's

Climate Challenge Participation Accord in 1995. To date, these initiatives have reduced its CO2 emissions by more than 3.3 million tons.

Seminole has one of the largest in-state portfolios of renewable energy, nearly 75 MW, which meets about 4% of its members' energy needs. Seminole is currently negotiating with several renewable suppliers, which may result in additions to its renewable portfolio.

Seminole's General Manager, Tim Woodbury, stated that "Seminole realizes that the Governor is attempting to find a middle ground to allow the state to fulfill its obligation to the public to maintain fuel diversity in electric generation while at the same time addressing concerns over climate change. We believe that this initiative shows Seminole's desire to be a leader in addressing these issues while also recognizing practical realities that Florida consumers need a diverse portfolio of generation to assure reliability and affordable energy."

Seminole plans to work with equipment manufacturers and the State to obtain funding for the project. Seminole will solicit bids for the demonstration project in September 2007.

About Seminole Electric Cooperative Inc.

Seminole Electric Cooperative, headquartered in Tampa, is the second largest non profit generation and transmission cooperative in the U.S., based on 2006 revenues. Its primary mission is to provide reliable, competitively priced wholesale electric power to its 10 member distribution cooperatives. More than 1.6 million individuals and businesses in portions of 46 Florida counties rely on Seminole's member systems for electricity.