



December 29, 2009

Dear Governor Crist,

Please accept this writing on behalf of our members at FREPA, which consist of Florida's many renewable energy developers, clean tech manufacturers, some local governments interested in public /private renewable energy projects and university researchers.

Early in your term as governor, you expressed a great deal of support for Florida's clean tech community and the promise of a green economy in Florida. We continue to need your vigilant help so that green jobs are created in Florida. In recent months, the loud discussion about this new economy focusing on green jobs, has now become a whisper amidst a loud thunderous push for the once unthinkable rush for off shore oil drilling.

Also, while many can debate the policy, the federal government has earmarked \$126 million dollars for Florida to be used for renewable energy, energy efficient and conservation. This is on top of the \$175 million dollars placed in a separate stimulus program for weatherization. Out of the \$126 million, a paltry \$24 million was set aside by the Florida Energy and Climate Commission as a part of its Clean Energy Grant Program, which is to replace the renewable energy grant program of the last few years that was funded with general revenue dollars. Up until almost a week ago, Florida clean-tech entrepreneurs were preparing to apply for grant dollars as a stimulus for their efforts to create Florida jobs in the green energy industry. In fact, some included this possibility into their business plan.

But, on December 21 during the Florida Energy and Climate Commission (FECC) call, the FECC unveiled recommendations that the \$24 million in stimulus dollars available for renewable energy projects would no longer be \$24 million, but \$10 million dollars instead. Moreover, the \$10 million could not be used for private, for-profit companies that create jobs in this industry, but it would be earmarked for local government instead. Local government already have stimulus dollars directed their way in two other energy related programs.

As you may know, the remaining \$14 million (of the \$24 million) dollars would be given to the Florida Opportunity Fund which is a new Enterprise Florida program i.e. fund of funds that is managed by an entity called Florida First Partners. To wit, Florida First Partners is a newly formed (within last two years) joint venture between Milcom Venture Partners, a Florida venture capital fund manager, and a Credit Suisse investment group that runs similar funds in other states. The fund was supposed to look for regional and national venture capital funds which have done business in Florida and would like to



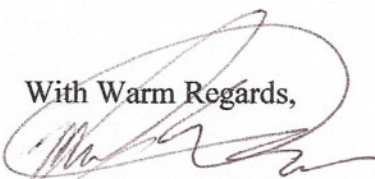
invest in young Florida companies as partners to the 29.5 million fund, not be funded via American Recovery dollars targeted for renewable energy job development. On a 4 to 4 tie vote, the FECC deferred the decision to January 15, 2010.

The FECC suggest that the same companies whose intention were to apply for stimulus dollars through the grant program established via the American Recovery Act, can now apply for dollars through this private fund of fund instead. Respectfully, dollars provided by a grant vs. dollars provided through an investment vehicle such as the opportunity fund are a world of difference for any entrepreneur for a variety of reasons, which require different business models. Clearly, Florida renewable energy developers and clean tech manufacturers have had the rug pulled out from under them. This was a surprise to many.

We feel strongly that if there is a concern that perhaps the FECC is not the best body to determine viability of such technical projects, then, it should hire an outside group of consultants to review such applications, not send much-awaited federal funds to a private equity entity. Florida clean tech manufactures and renewable energy developers have been patiently waiting since February and playing by the rules. Sole funding through the Florida Opportunity Fund would not generate the jobs many startups are waiting to fill. These jobs are based on a business model that relied on assistance from the energy funding in the American Recovery Act, which were to be distributed as grants, as it was defined.

We urge you to have the clean energy program go forward as a competitive grant program as it was promised for almost a year. Florida private/ for-profit renewable energy company's have relied on and trusted the guidance given by government stakeholders for nearly a year with respect to federal stimulus funding. Many have had constant dialogue with the Energy Office throughout the year and were advised of the rules only to have them changed in the 11<sup>th</sup> hour. So, if the stimulus program is to bear fruit and create jobs quickly, we urge funding of the various projects that have been simply waiting for the energy office to release its RFP for funding.

With Warm Regards,



Michael Dobson  
President