

During last Friday's UT Board of Trustees meeting Dr. David Millhorn, UT Executive Vice President gave a report to the Board's Research, Outreach and Economic Development Committee on the progress of the Tennessee Biofuels Initiative:

- Genera Energy, LLC, has been formed by the UT Research Foundation for the purpose of constructing and operating the cellulosic ethanol biorefinery. Genera Energy will help transform the technological developments made by researchers into products for the marketplace. We are in the process of acquiring the site and are still on track to construct and open the facility in 2010.
- Plans are to build the biorefinery at a capacity of two to four million gallons. As plans have progressed and technology has advanced over the last year, we now have a better understanding of what is needed in the biorefinery to later bring it to commercial scale, yet have a smaller and more flexible facility to be able to afford to conduct research and to introduce new technologies as they emerge. As the process continues, we will make decisions on the project that will yield the greatest opportunities for long-term success.
- We are pursuing relationships with Mascoma and other technology partners, and we continue to negotiate business terms.
- We continue to work with the Department of Energy on the process of being awarded the \$26 million they earlier announced they were granting to the Tennessee Biofuels Initiative.
- The first 723 acres of switchgrass have now been planted on 16 contract farms in 7 East Tennessee counties, and we anticipate a need for some 6,000 to 8,000 acres of switchgrass by 2010 when the facility commences operations.

I hope this update has been helpful. I recommend that you also read an article published today and written by the Chattanooga Times Free Press Washington correspondent: <http://timesfreepress.com/news/2008/jun/24/washington-fundraising-difficulties-wont-throw-fue/>.

If you have questions about the Biofuels Initiative, please call Dr. Kelly Tiller, Director of Operations, UT Office of Bioenergy Programs, 865-946-1130.

Thank you for your continued support of this important project.

All the best,

Joe