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Chesapeake Utilities Corporation Commences Operation of Eight Flags Energy combined heat and power Plant

AMELIA ISLAND, Fla., Aug. 1, 2016 /PRNewswire/ -- Chesapeake Utilities Corporation (NYSE: CPK) ("Chesapeake Utilities") announced today that the Company commenced operation of its Eight Flags Energy Combined Heat and Power ("CHP") Plant on Amelia Island in Nassau County, Florida.

The CHP plant began generating electricity in June and began producing steam in July. Rayonier Performance Fibers ("Rayonier"), a subsidiary of Rayonier Advanced Materials, is buying the steam for use in its cellulose specialties production facility, a pulp and paper mill. Capturing the thermal energy improves overall efficiency, generates savings and provides environmental benefits.

The CHP plant generates approximately 20 MW of base load power, producing enough electricity to meet 50 percent of Amelia Island's demand. Florida Public Utilities Company ("FPU") is buying the power for distribution to its electric retail customers on Amelia Island.

"We're happy to report that the Eight Flags Energy CHP Plant is officially in service, providing opportunities across our business units to deliver more value to our customers and shareholders," said Michael P. McMasters, President and Chief Executive Officer of Chesapeake Utilities Corporation. "FPU customers will benefit from reliable, environmentally friendly electricity in their homes and businesses and cost savings in the coming years. We're thrilled that the plant is operational, and we look forward to the many benefits for customers, shareholders, and the Amelia Island community."

The Eight Flags Energy CHP Plant operates with a Solar Turbines Titan 250 gas turbine generator set coupled with a Rentech heat recovery steam generator. CR Meyer led the construction of the facility, which took approximately 115,000 hours and employed nearly 100 workers. The plant's operations also yielded several new, full-time jobs.

"The Eight Flags Energy CHP Plant project was well executed on all fronts," added Jeffrey M. Householder, President of Florida Public Utilities Company. "Our partners in construction spent approximately 115,000 hours to bring this plant to fruition on time and on budget, all while operating under the most safe and reliable practices. With the additional steam generated by the new CHP plant, Rayonier Advanced Materials will gain greater operational flexibility for their production facility."

The plant is expected to generate \$3.7 million in margin in 2016, and \$7.3 million in margin on an annual basis.

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy company engaged in natural gas distribution, transmission and marketing; electricity distribution; propane gas distribution and wholesale marketing; and other related services. Information about Chesapeake Utilities Corporation and the Chesapeake family of businesses is available at www.chpk.com.

About Florida Public Utilities Company

Florida Public Utilities Company is a wholly-owned subsidiary of Chesapeake Utilities Corporation. Headquartered in West Palm Beach, Florida, FPU distributes natural gas and propane and provides electric services to approximately 100,000 customers in markets throughout Florida. For more information, visit www.fpuc.com.

About Rayonier Advanced Materials, Inc.

Rayonier Advanced Materials, Inc. is the leading global supplier of high-purity, cellulose specialties products, a natural polymer for the chemical industry. Working closely with its customers, the company engineers natural polymeric chemical chains to create dozens of customized high-purity performance fibers at its plants in Florida and Georgia. Rayonier Advanced Materials is consistently ranked among the nation's top 50 exporters and delivers products to 79 ports around the world, serving customers in 20 countries across five continents. For more information, visit www.RayonierAM.com.

Please note that Chesapeake Utilities Corporation is not affiliated with Chesapeake Energy, an oil and natural gas exploration company headquartered in Oklahoma City, Oklahoma.

Cautionary Note Regarding Forward-Looking Statements: Statements in this release that are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "target," "continue," "sustain," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that could cause actual results to vary materially from those indicated, including the factors described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, each of which is incorporated herein by reference, and in other documents that we file or furnish with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by law, the Company does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement after the date of this release, whether as a result of new information, future events, changes in assumptions or otherwise.

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