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Chesapeake Utilities Corporation to Celebrate Commencement of First Combined Heat and Power Plant Operation

-New Combined Heat and Power (CHP) plant provides reduced emissions, increased reliability and savings for Amelia Island, Florida customers -

DOVER, Del., Sept. 1, 2016 /PRNewswire/ -- Chesapeake Utilities Corporation (NYSE: CPK) (Chesapeake Utilities) will celebrate the commencement of operations of its first combined heat and power (CHP) plant, Eight Flags Energy, on September 6 in Fernandina Beach, Florida with a scheduled commissioning event at the plant.

During the commissioning event, officials representing the Florida Environmental Protection (FDEP), the State of Florida, Nassau County, the City of Fernandina Beach and the Public Service Commission will join the Company's leadership and partners who helped construct the plant. The CHP plant will yield significant cost-savings for customers on Amelia Island, while reducing the risk of electric grid disruption on the island. The CHP plant also provides environmental benefits, including reduced greenhouse gas emissions, and dramatically lower water use than conventional utility power plants.

According to the EPA and Center for Clean Air Policy, CHP systems are a critical tool needed to reduce carbon emissions and save energy users nationwide significant costs, approximately \$10 billion a year.

"We're excited to launch the Company's first CHP plant as we continue to expand our footprint and develop smart energy offerings, further diversifying our business," said Michael P. McMasters, President and Chief Executive Officer of Chesapeake Utilities Corporation. "This clean, highly-efficient, forward-thinking project is an example of our employees' commitment to developing effective ways to grow strategically while continuing to deliver value to our employees, customers, investors and the communities we serve."

The CHP plant is powered by natural gas, highly regarded as one of the cleanest, safest, and most efficient energy options. The natural gas provided by Florida Public Utilities Company (FPU) and Peninsula Pipeline Company, two subsidiaries of Chesapeake Utilities Corporation, will produce three energy sources: electricity, steam and heated water. Rayonier Advanced Materials will purchase the steam and heated water for use in its cellulose specialties production facility. FPU will purchase the electricity for distribution to its retail customers in the area which will yield cost-savings and increased reliability.

The Eight Flags Energy CHP Plant generates approximately 20 MW of base load power, producing enough electricity to meet 50 percent of Amelia Island's average demand.

"The Eight Flags Energy CHP system is a welcome addition to the Fernandina plant, improving our reliability and the robustness of our operations," said Rayonier Advanced Materials plant manager C.A. McDonald.

"This plant is one of the most energy-efficient cogeneration power plants in the United States, with a target efficiency of 78 percent," added Jeffrey M. Householder, President of Florida Public Utilities Company. "We're continually looking for new ways to increase efficiencies, provide cost savings and add value to our customers and the communities we serve. I believe it's that commitment to Rayonier and all our customers that has resulted in the development of this state-of-the-art CHP plant."

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy company engaged in natural gas distribution, transmission, marketing, gathering and processing; electricity distribution and generation; 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 121,000 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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