



We Energies plans biomass plant at Domtar Rothschild Mill site
50-megawatt renewable energy facility to be fueled by wood

From: Brian Manthey, (414) 221-4444
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ROTHSCHILD, Wis. – We Energies announced today the proposed construction of a \$250 million biomass-fueled power plant at Domtar Corporation’s Rothschild, Wisconsin paper mill site. Wood, waste wood and sawdust will be used to produce 50 megawatts of electricity and will also support Domtar’s sustainable papermaking operations. The project would be funded by We Energies.

The partnership between We Energies and Domtar will result in a highly efficient use of resources and will add another technology to We Energies’ renewable energy portfolio.

That portfolio includes the state’s largest wind development -- the 145 megawatt Blue Sky Green Field Wind Energy Center in Fond du Lac County and the proposed 162 megawatt Glacier Hills Wind Park in Columbia County. Together, these three projects will be capable of delivering nearly 360 megawatts of renewable energy, enough to supply approximately 120,000 homes.

Today’s announcement was made by Gale Klappa, president and chief executive officer of We Energies and John D. Williams, president and chief executive officer of Domtar Corporation. Wisconsin Governor Jim Doyle joined State Senator Russ Decker, State Representative Donna Seidel, Rothschild Village President Neal Torney and local labor leaders at the announcement.

“Forest sustainability has long been a hallmark of Domtar’s operations in Rothschild, and we’re delighted to tap into this expertise as we expand our production of renewable energy,” said Gale Klappa, We Energies chairman, president and chief executive officer.

John D. Williams, Domtar’s president and chief executive officer added, “With this partnership with We Energies we have the potential to create a real win-win situation by bringing jobs to the community, improving our mill’s competitiveness and providing more green power to the State of Wisconsin.”

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Under Wisconsin law, utilities statewide must use renewable energy to meet 10 percent of the electricity needs of retail customers by the year 2015.

The project is expected to create approximately 400 construction jobs and 150 permanent jobs in the surrounding community, including independent wood suppliers and haulers from northern and central Wisconsin who will secure waste wood for the project.

Wood is a substantial renewable resource that can be used as fuel for producing electricity while reducing greenhouse gas emissions. Local independent contractors secure the waste wood from area forests and transport it to the mill site. Studies indicate that area forests within a 75-mile radius of the Rothschild Mill can support this proposed power plant, and the project could provide a significant opportunity to further improve forest health.

Domtar Corporation is approximately 77% energy self-sufficient across its North American manufacturing footprint of 15 pulp and paper mills. The average Domtar pulp and paper facility draws approximately 84% of its thermal energy (energy required to make steam) from renewable fuels such as biomass and spent cooking liquor. Since 2002, Domtar has increased its use of renewable energy by 12.5% and decreased its use of non-renewable energy by 22%.

The proposed construction of this steam plant will help improve the Domtar Rothschild mill's energy efficiency by providing access to more renewable energy sources and virtually eliminating its use of fossil fuels. The project also supports Domtar's commitment to environmental leadership.

We Energies will file an application for a Certificate of Authority with the Public Service Commission of Wisconsin in early 2010, requesting approval for the biomass plant. If approved, the plant is expected to be completed in the first half of 2013.

About We Energies

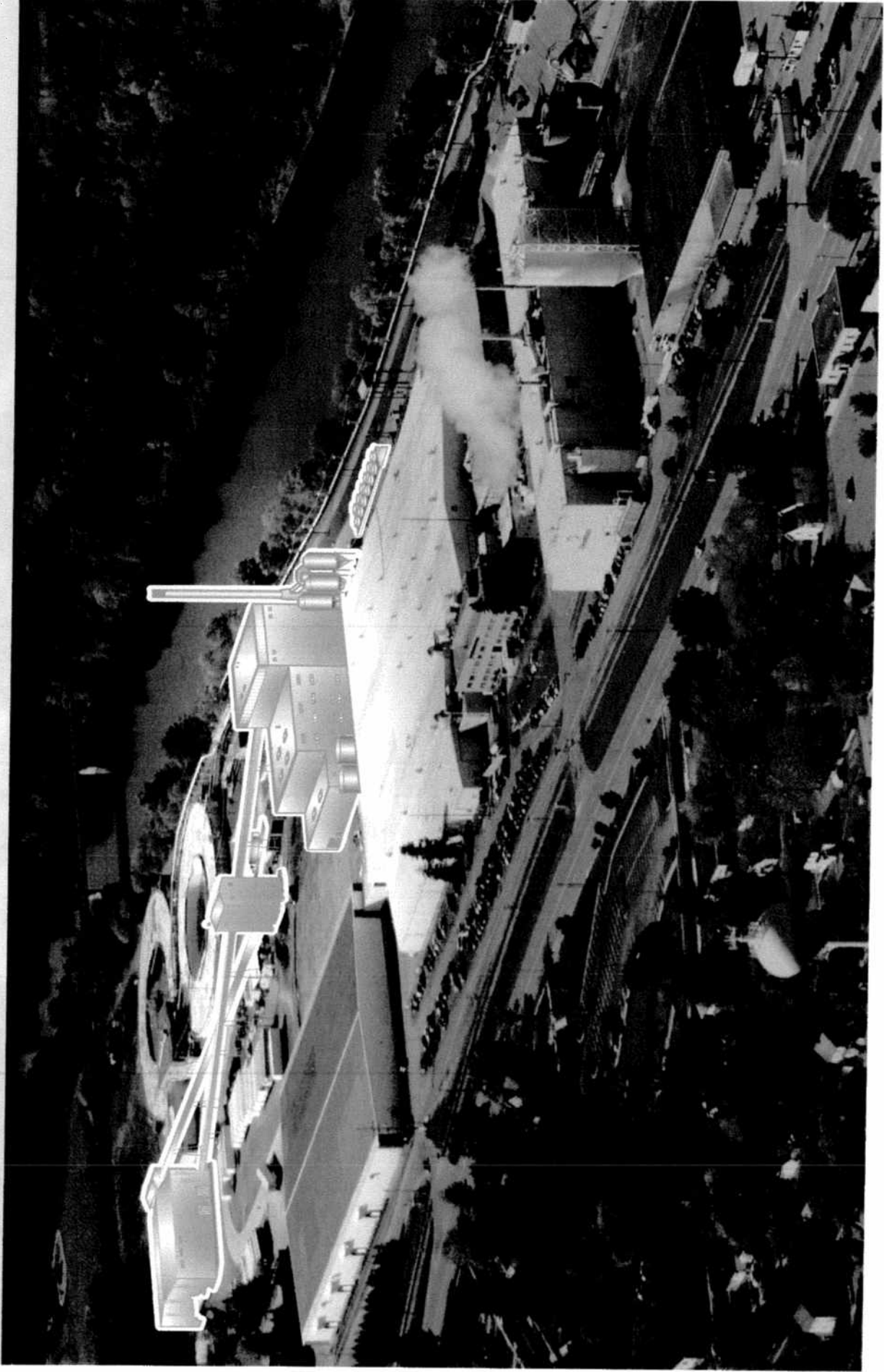
We Energies serves more than 1.1 million electric customers in Wisconsin and Michigan's Upper Peninsula and more than 1 million natural gas customers in Wisconsin. Our electricity prices are well below the national average. We Energies is the trade name of Wisconsin Electric Power Company and Wisconsin Gas LLC, the principal utility subsidiaries of Wisconsin Energy Corporation (NYSE: WEC). Visit the We Energies Web site at www.we-energies.com. Learn more about Wisconsin Energy Corporation by visiting www.wisconsinenergy.com.

About Domtar

Domtar Corporation (NYSE/TSX:UFS) is the largest integrated manufacturer and marketer of uncoated freesheet paper in North America and the second largest in the world based on production capacity, and is also a manufacturer of papergrade, fluff and specialty pulp. The Company designs, manufactures, markets and distributes a wide range of business, commercial printing and publishing as well as converting and specialty papers including recognized brands such as Cougar®, Lynx® Opaque, Husky® Offset, First Choice® and Domtar EarthChoice® Office Paper, part of a family of environmentally and socially responsible papers. Domtar owns and operates Domtar Distribution Group, an extensive network of strategically located paper distribution facilities. Domtar also produces lumber and other specialty and industrial wood products. The Company employs nearly 10,500 people. To find out more, go to www.domtar.com

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Biomass Energy Project

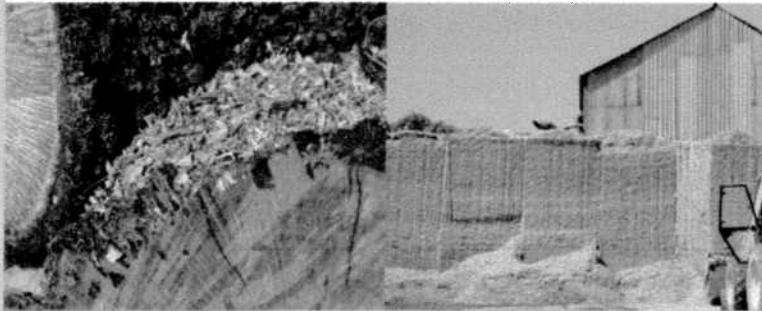




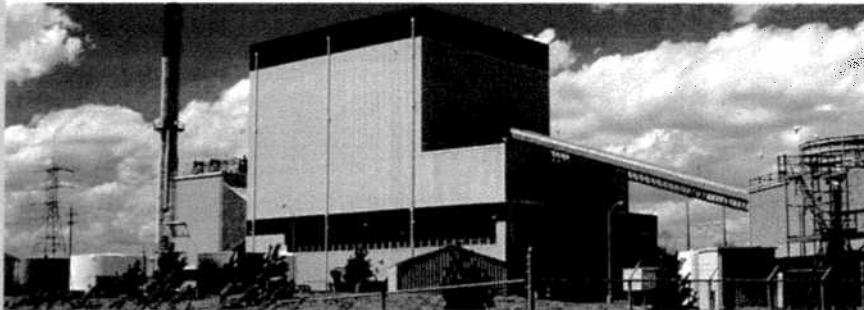
JOB S



Sustainable Forestry



Fuel from logging, paper mills and saw mills



Biomass Generating Facility in Rothschild, Wis.



**Steam for
Domtar mill**

**Renewable Energy for
We Energies customers**