

TO: Attendees and Contacts

FROM: Jere Melo

SUBJECT: Meeting Summary, Potential Biomass Plant near Fort Bragg
Friday, June 27, 2008

DATE: June 27, 2008

The meeting was called to order at about 9:33 AM, and it concluded about 12:40 PM. Attending were George Reinhart (NHUDG), Stephen Levesque (Campbell/Hawthorne/Usal Redwood), Paul Johnson (Retired GP), Harold Sipila, Beth Pine and Jim Hurst (MCRPD), Scott Miller and Duane Boggs (Mendocino County Solid Waste), Marie Jones (City of Fort Bragg), Steve Jolley and John Wood (Marubeni Sustainable Energy), Steve Dunncliff (Mendocino County Economic Development), Doug Heitmeyer (Georgia-Pacific) and Jere Melo.

Under agenda review, there were no revisions.

Correspondence included: (1) E-mail from Bill Carlson to Craig Blencowe about financial results for a 5 MW plant; and, (2) CFA news items about renewal of the investment tax credits, plus a letter from the Treasury Department indicating that the President supports renewal of the tax credits for renewable energy sources; and, (3) E-mail from Bill Carlson to Craig Blencowe about potential developers.

George Reinhart made a presentation and led a discussion about established and developing technologies, based on his own research. He provided an outline of his points and a second reference page to five sources of information about developing technologies. His outline of points included: (1) Opportunities and Risks; (2) Assets, Challenges and Scale; (3) Five ways in development that biomass can be used for fuel, power and products. Terms included were biomass, biopower, biofuels, bioproducts and Bio Charr. A main point is that combined heat and power outputs for a plant is important. Also, during this discussion, points were made about the need to clearly inform the local community about the concepts being considered.

Because the Mendocino County Solid Waste attendees needed to leave, the next matter discussed was the analysis for a new solid waste transfer station. Discussion indicated that landowners of the four sites on Highway 20 had been contacted and that some initial work had been started on environmental analysis. A pro forma financial analysis indicated that a new transfer station cost is about \$3.5 million.

John Wood and Steve Jolley from Marubeni then made a Powerpoint presentation about their company facilities, and each slide led to a considerable discussion. The major points were that their company has several plants in the 10 to 20 MW size, and that the company considers this to be a niche market. Large power companies would not ordinarily accept a challenge to develop plants much smaller than 50 MW. Marubeni also operates plants to provide cooling services in urban settings. They currently own the power plant at Fairhaven, west of Eureka, and they have made substantial investments to bring this old plant to modern standards during the past five years. A project they are ready to bring to production that is somewhat similar to the Fort Bragg concept is at

Lakeview, Oregon, where a small log sawmill will be co-located with a new power plant. Also, waste wood from private, U.S. Forest Service and Bureau of Land Management lands have been committed to support that plant. Community support and agency agreements took about four years to work out in public meetings.

Beth Pine and Jim Hurst provided handout maps and information about the MCRPD property, 600 acres, east of Summers Lane and north of Highway 20. The current design includes space for a potential solid waste transfer station, a golf course, ball fields, a community park and walking trails. Estimated costs are about \$17.3 million; sources of funds are estimated at \$10 million from revenue bonds, \$0.75 million from a grant for the community park portion and \$ 6.55 million from “partnerships” with public or private entities. “Partnerships” could evolve from outright contributions, sharing costs for development or from purchase of some property not dedicated to planned recreation facilities. There were discussions about potential for relocation of some features to allow for a partnership with a sawmill and biomass plant and about water supplies.

The next item on the agenda was to be a discussion about plant size and community acceptance. However, because there had been considerable similar discussion at several points during the meeting, this specific matter was dropped. The group made the following specific assignments in preparation for the next meeting:

- Jere Melo will create a **draft outline for a community education workshop** for consideration at the next meeting. The group believes it is best to come forward with some general information to estimate community concerns. The workshop would potentially be sponsored by the City of Fort Bragg, and possibly Mendocino County and MCRPD. Information from the California Biomass Collaborative, **U.C. Davis and with George Reinhart’s assistance**, will be included. Through Craig Blencowe and Bill Carlson, information from the **Pacific Institute about environmental effects** will be featured. Marubeni Sustainable Energy will be requested to provide information about the **Lakeview Oregon saw mill and biomass plant and the sources of fuel and intended costs and benefits**.
- John Wood of Marubeni introduced the concept of “New Markets Tax Credits”. Steve Dunicliff **was assigned the task of providing information**.
- Jere Melo volunteered to meet with the MCRPD folks to **create a revised map** of the MCRPD property that might allow for a partnership.
- Stephen Levesque agreed to create an **estimate of logs and waste wood** available for the next few years. This will be different from the Carlson estimate which assumed no sawmill at a power plant location.
- Craig Blencowe and Bill Carlson were assigned to **contact other potential developers** from Mr. Carson’s list for potential discussion with the group at future meetings.

The next meeting date is Friday, August 15, 2008, AT THE FORT BRAGG FIRE DEPARTMENT CONFERENCE ROOM, 141 North Main Street. The Police Department conference room was booked for the same date.