

North Fork Biomass Project Conference Call meeting Minutes – 8/17/12

Present: Elissa, Dan, Tad, Matt, Zach, Steve

1. Approve last meeting's minutes:

[Click here to see the minutes from the previous meeting.](#)

Action Items from last meeting

Zach – will draft a critical path analysis – what needs to be done to be prepared for the auction process.

2. WBUG grant – next steps and timing (Steve Haze)

Steve Haze got contacted by the Forest Service before the award was made and they let him know that there were some issues that needed to be corrected or modified. These were taken care of and we were awarded the grant. One of these was to extend the period from 9 months to 12 months. Steve has wrapped up the items, and the FS says they are sending out the grant agreement and we should receive it next week.

There were some stipulations, and the FS says they will not make reimbursements until these issues are taken care of.

Steve and Elissa have discussed how to move forward in selection of the consultant. Steve sent out notification to both bidders saying that the RC&D will start the selection process soon. Next week the RC&D's Executive Committee will discuss the selection process. They have invited Dan to participate because it is important that the CDC remain actively involved.

3. Business/Finance Committee

The project has been getting interest from 3 community development financing institutions (New Market Tax Credits). The are from 3 different areas. NMTC are awarded next spring and we would get funds in summer.

Process: There are likely more steps that we will have to go through to qualify for the NMTC. Elissa recommends that we form this committee in September to start working on these details. We need to start by figuring out what it is we need to get done.

The committee should include Dan, Steve, Elissa, Zach. TSS may be able to help, depending on the time commitment.

Steve indicated that we already have an MOU with the valley small business development corporation. They can work with us to help us develop a business plan.

4. Other funding options

- CEC grant - The application package comes out next month. A similar program had a \$2 million cap. The application is very technical. There will be 45 days to complete the application but we will need to have a lot of preparation done in advance. Resources needed: SNC may allocate some of Elissa's time. She will likely be able to head up this application.
- EPIC (Electric Power Investment Charge) funding - This is a potential funding source from the Public Goods Charge which is paid by rate-payers. It totals about \$152 million/year. The PUC manages the account. There was a carve out for the CEC of \$45 million/year. The CEC is looking for input on how to spend the funding. The funding will be used for technology demonstration and deployment. North Fork is a good candidate for this funding. Placer County wrote comments to the CEC suggesting a carve-out of 60% of the bioenergy funding to offset capital costs of small forest biopower facilities. The Governor's office has influence over this and has recommended that \$9 million/year be allocated to bioenergy. So that would be about \$6 million/year for forest biopower. The white paper lists the 9 small scale forest biopower projects currently being developed. The CEC will provide recommendations on the implementation plan this November and the PUC takes 6-7 months to think about it and will issue their decision in May 2013. This is too late to take into account in the auction process.
- SNC funding - The decision was to award the \$75,000 grant to the project. They are going to finalize the grant at their next board meeting. Contract will likely be signed in October.

5. Critical path analysis

Zach has had a couple talk to PG&E. The key thing they need to develop is a 'one line diagram' - what the electrical flow looks like on the site, and the exact type of generator they are using. They also need to show the exact point where they will connect to the grid. Zach has talked to Greg Stangl from Phoenix, he

has provided a list of different requirements and steps needed for the project come to fruition. Zach thinks that if we need to pull in another developer (for purposes of the FS grant), we should contract with them to do this type of work. They've done this work and know what the pitfalls are. The list includes

- one line diagram
- point of interconnection
- Gen set?
- Form Cs

Some of this could be part of the WBUG grant scope of work. We would need to formalize the relationship with Phoenix Energy, whether it is consultant or partner. We need the FS to be involved in this decision-making process to give us assurances that we're moving in the right direction.

After the PPA is signed, the plant needs to be up and running in 24 months.

We're at the point at the project where we need to do some preliminary engineering, there are a lot of options on who does it. We need to find out more detail about what is required by the FS. Then we'll make a decision on how we fulfill these requirements. The RC&D will meet with Phoenix representatives and to see what the options can be. This is likely to come to be wrapped up in the next 90 days or sooner.

6. Update on legislative initiatives

AB 2390 - Chesbro - That bill was a carve out of EPIC funding to support biomass transport and processing. That bill has died - it didn't make it out of senate appropriations committee. But there is still discussion of the EPIC funding for grants (see above).

SB 1122 - (Rubio) - This adds 250 MW of small scale renewable power to the 750 MW already carved out for the FiT program. That 250 MW would include 30 MW carved out for forest biopower. Calfire says that this bill is still active and may go somewhere. The PUC doesn't like it, though. We'll know more in our next conference call.

Field Tour - The biomass policy group is setting up a field tour for PUC commissioners and staff of forest issues. This would be helpful for engagement and education.

7. Media policy/Communication Plan

We are starting to get inquiries from reporters and environmental organizations.

We've also had an article about the WBUG award in the Sierra Star. The reporter's interest was more about RR than was appropriate for this point and Zach was able to redirect their attention to the actual grant.

The Communication Plan should direct the media discussions and have central points of contact that can make the response. Press releases can also be very helpful. We also need to keep a file of letter requesting information about permit applications. We should respond and let them know that they are on our list and will be notified appropriately.

The Sierra Nevada Alliance is having a conference where they will have discussions about biomass activities in the forest - Steve will be there and can get information about the perspectives/concerns about the environmental community. We should build off of existing collaborative projects. Tad will also be on the Sierra Nevada Alliance panel - this will be a good chance to understand what other stakeholders are saying about forest biopower. That can help us formulate a communications plan that is comprehensive. This could include FAQs, white paper, etc. So Communications is also a priority area.

Next Meeting: Friday, September 31, 8:30.