CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

Consideration of Rialto Bioenergy Facility, LLC's Request to Approve a Time Extension for the Three Year Term of the Master Regulatory Agreement[1]

Rialto Bioenergy Facility, LLC
Application No. 14-SM011

Tuesday, August 15, 2017

Prepared By: *Ashley Bonnett, Program Manager*

SUMMARY

Applicant – Rialto Bioenergy Facility, LLC

Location – Bloomington, San Bernardino County

Industry – Biogas Capture and Production

Project – New Biogas Capture and Production Facility (Alternative Source)

Value of Qualified Property – $14,722,168

Estimated Sales and Use Tax Exclusion Amount[2] – $1,239,607

Amount of Time Requested –

- Three years and two weeks, until September 30, 2020, for the Term of the Master Regulatory Agreement (six years and two weeks from the date of initial CAEATFA Board approval)

REQUEST

In September 2014, the CAEATFA Board approved a sales and use tax exclusion ("STE") for Rialto Bioenergy Facility, LLC's ("Rialto" or the "Applicant") for the purchase of $14,722,168 of Qualified Property for the construction of an anaerobic digester that will convert wet organic matter derived from municipal solid waste into biogas (the "Project"). The Master Regulatory Agreement ("Agreement") initial term provided the Applicant with three years from the date of Board approval to utilize the STE award. The initial term of the Agreement can be extended by the Board upon a finding that an extension is in the public interest and advances the purposes of the program. [3]

[1] All capitalized terms not defined in this document are defined in the Program's statute and regulations.
[2] This amount is calculated based on the average statewide sales tax rate of 8.42%.
[3] The provision of the regulations allowing CAEATFA to waive the requirement that all purchases of Qualified Property be made within three years of Application approval is in Regulation Section 10035(b)(1)(A).

As of June 30, 2017, Rialto has not purchased any Qualified Property (0% of the total Qualified Property approved). Rialto is requesting to extend the Agreement initial term by three years and two weeks (until September 30, 2020) to accommodate delays in securing feedstock supply contracts, the addition of Federal permitting requirements after receiving a grant from the U.S. Department of Energy subsequent to Board approval, and a facility expansion to incorporate additional feedstock and biogas production that was originally envisioned to take place at a facility operated by Anaheim Energy, LLC ("Anaheim").

The Applicant represents that over $5.5 million has been spent developing the Project, including site acquisition, preliminary engineering, and permitting. In April 2016, Rialto secured a 20-year site lease agreement with the City of Rialto. However due to protracted renegotiations of waste franchise agreements, the Applicant represents securing a feedstock agreement has been impossible until now. The uncertainty over future territory control and associated solid waste volume projections prevented solid waste partners in Los Angeles County from entering into feedstock agreements. According to the Applicant, the franchise territories were announced by the city of Los Angeles in late 2016, and commitments with feedstock partners are being finalized, with executed contracts anticipated in Q4 of 2017.

The Applicant represents that the Project's scale and processes rely largely on the character and quantity of feedstock supply, therefore air permits could not be obtained until feedstock supply details became certain. With feedstock agreements being finalized, Rialto has met with the South Coast Air Quality Management District to begin the permitting process, and the Applicant anticipates submitting the full application at the end of August 2017 and securing permits by the end of February 2018. The Applicant represents a solid waste permit has been secured.

Additionally, in December 2016, the U.S. Department of Energy awarded Rialto a grant, one of six "Project Definition for Pilot- and Demonstration-Scale Manufacturing of Biofuels, Bioproducts, and Biopower." Because Rialto received this grant, the Project must now comply with Federal permitting requirements under NEPA and Title V, which was not previously required and has also extended the Project's schedule.

Finally, the facility will now incorporate additional feedstock and biogas production that was originally envisioned to take place at a facility operated by Anaheim. Anaheim and Rialto have the same parent company, and both Projects were approved by the Board in September 2014. Anaheim received an STE award for the purchase of $19,143,601 of Qualified Property for the construction of an anaerobic digester to convert wet organic matter derived from municipal solid waste into biogas at a facility in Anaheim (the "Anaheim Project"). However, the facility's proximity to residential areas created community opposition such that Anaheim was unable to secure a Conditional Use Permit after an Anaheim Planning Commission meeting held in August 2016. As a result, the Anaheim Project is being relocated to Rialto's facility, and facility processes, layouts, and equipment selection are being adjusted.

The Applicant represents commercial operation is anticipated in 2020.

About the Applicant

Rialto Bioenergy Facility, LLC ("Rialto" or the "Applicant"), formed in 2013, is a wholly owned subsidiary of Anaergia Services, LLC ("Anaergia").

Project Description

The Applicant plans to construct an anaerobic digester that will convert wet organic matter derived from municipal solid waste preprocessed at a municipal recycling facility into biogas, and will use the digestate left over from the digestion process to create solid, combustible fuel products (the "Project").

The Applicant will install two wet organics processing lines at Athens Services' facility. The processing lines will utilize Anaergia's Organics Extrusion Press technology, which the Applicant represents is a high pressure process to recover 95% of the digestible organic material. The processing lines will sort and preprocess solid waste collected from restaurants, wet compactors, theme parks, universities, grocery stores, produce markets, and food manufacturers to isolate the wet organic material, creating what is called the "wet organic fraction" of the waste. This wet organic fraction will be transported to Rialto's digestion facility and used as feedstock, along with liquid wastes and fats, oils, and greases, in the digestion process to create biogas. A portion of the biogas will be used as fuel for the drying system used to create the solid fuel product, and the remainder of the gas will be converted to electricity, a portion of which will be used to power the facility, and the remaining power will be sold to the grid. Digestate from the digestion process will then be dewatered using Anaergia's screw press technology and sent through a drying system, along with biosolids from wastewater treatment plants, to create a solid, combustible fuel product.

Consistent with CAEATFA policy, the Qualified Property in this Application will be used to manufacture biogas and solid combustible fuel products and includes a portion of the power generation equipment used to power the facility. The Project's equipment will consume 25 percent of the total amount of energy generated; therefore 25 percent of the power generation equipment is eligible for an STE under the Program. However, the remaining 75 percent of the power generation equipment is not included in this Application as this represents the proportion of electricity that the Applicant will sell to the grid.

Agreement Term Extension Request

Rialto has requested that the Agreement initial term be extended from September 16, 2017 to September 30, 2020 to accommodate delays in securing feedstock supply contracts, the addition of Federal permitting requirements after receiving a grant from the U.S. Department of Energy subsequent to Board approval, and a facility expansion to incorporate additional feedstock and biogas production that was originally envisioned to take place at a facility operated by Anaheim Energy, LLC.

Staff Evaluation

Rialto has indicated that although the Project timeline experienced setbacks as a result of delays in executing feedstock contracts, obtaining air permits that first required details of the anticipated feedstock supply, additional permitting requirements after receiving a Federal grant, and redesigning the facility to incorporate the Anaheim Project, Rialto is confident of the revised Project schedule, with commercial operation anticipated in 2020. Rialto represents that feedstock contracts have been negotiated and are near finalization, and that the permitting process is underway, along with the facility's redesign. Based on this information, and the fact that Rialto has recently received the support of the U.S. Department of Energy, staff believes extending the term of the Agreement will allow for the Project to be completed, and is therefore in the public interest and advances the purpose of the program.

Fees

In accordance with CAEATFA Regulations,[4] the Applicant will pay an Additional Administrative Fee of $500 because extending the initial term requires a modification to the Applicant's Master Regulatory Agreement.

RECOMMENDATION

Staff recommends the Board approve Rialto Bioenergy Facility, LLC's request to extend the initial term of the Agreement by three years and two weeks to September 30, 2020 as it is in the public interest and advances the purpose of the program.

Attachments

Attachment A: Rialto Bioenergy Facility, LLC's letter requesting waiver (July 26, 2017)
Attachment B: Rialto Bioenergy Facility, LLC's staff summary at the time of approval

[4] California Code of Regulations Title 4, Division 13, Section 10036

RESOLUTION APPROVING A TIME EXTENSION FOR RIALTO BIOENERGY FACILITY, LLC'S INITIAL TERM FOR THE MASTER REGULATORY AGREEMENT

August 15, 2017

WHEREAS, on September 16, 2014 the California Alternative Energy and Advanced Transportation Financing Authority (the "Authority"), a public instrumentality of the State of California, approved a Sales Tax Exclusion ("STE") in the amount of $14,722,168 of Qualified Property for **Rialto Bioenergy Facility, LLC** (the "Applicant"); and

WHEREAS, within three years of the approval by the Authority, the Applicant must make all purchases of the total amount of Qualified Property listed in the approval resolution (Regulations Section 10035(b)(1)); and

WHEREAS, upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three years of Application approval (Regulations Section 10035(b)(1)(A)); and

WHEREAS, the Applicant has requested a waiver of the requirement to purchase all of the Qualified Property within three years, due to unexpected delays in the Project timeline, extending the term by three years and two weeks to September 30, 2020; and

WHEREAS, granting the waiver will allow the Project to proceed and the state to receive the anticipated environmental and economic benefits that justified the initial approval of the Project in accordance with the law, thereby advancing both the public interest and the purposes of the Program.

NOW THEREFORE BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Authority finds that it is in the public interest and advances the purposes of the Authority to extend the initial term of the Agreement to September 30, 2020.

Section 2. This resolution shall take effect immediately upon its passage.

Attachment A: Rialto Bioenergy Facility, LLC's Letter Requesting Waiver (July 26, 2017)

Anaergia
Breaking Barriers to Sustainability

7/26/2017

Deana J. Carrillo - Executive Director
California Alternative Energy and Advanced Transportation Financing Authority
915 Capital Mall, Room 457
Sacramento, CA 95814

RE: Rialto Bioenergy Facility, LLC – Request for Extension

Dear Ms. Carrillo,

CAEATFA awarded sales and use tax exemption to Rialto Bioenergy Facility, LLC in 2014. The Rialto Facility will receive food waste that is entrained in municipal solid waste, after it is extracted off-site and hauled (as a slurry) to the Facility, where it is will be processed and anaerobically-digested to produce renewable biogas.

Per the letter received from CAEATFA on June 26, 2017, the deadline to purchase qualified property for the Rialto facility is September 16, 2017. Through this letter we request a waiver for time extension through September of 2020. This document communicates not only the effort undertaken to develop the Rialto Bioenergy Facility project to this point, it also describes the factors that have extended the project schedule. Commercial operation is anticipated in 2020, and procurement of qualified property is expected to continue into 2020 as well. Rialto Bioenergy, LLC respectfully requests an extension of term for an additional 3 years (September 16, 2020), a timeline which is expected to be adequate to move the project through engineering, procurement, construction, and startup.

Rialto Bioenergy Facility, LLC is making this request to CAEATFA now that the path forward has become certain. We are confident in the revised project schedule now that we have line of site to feedstock supply agreements which are necessary for the long-term operation and financing of the project. Economics for the project rely on sales tax exemptions extended to RBF through CAEATFA, so we hope that CAEATFA agrees to the requested project extension since the benefits associated with biogas production will still be realized by the project.

This project has garnered the support of State and Local leaders, environmental organizations, municipalities, and utility managers. Example letters of support are included in Attachment 1, offered here as evidence of this Facility's importance to the region and its alignment with the goals of the CAEATFA program. Thank you for your support thus far for this innovative bioenergy project, which will offer a model of food waste recovery and renewable bioenergy production for communities throughout California to replicate. Please don't hesitate to contact me should you have any questions.

Respectfully,

Arun Sharma

Arun Sharma
President

CC: caeatfa@sto.ca.gov

5780 Fleet Street, Suite 310, Carlsbad, California, 92008 USA
T: +1.760.436.8870 F: +1.760.448.6847
www.anaergia.com

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Introduction

Rialto Bioenergy, LLC and its project partners are working to develop a project that will divert food waste from landfill and convert it renewable biogas, electricity, and fertilizer, offsetting fossil fuel consumption and reducing GHG emissions by approximately 21,300 MT annually. **So far, Rialto Bioenergy Facility, LLC has spent over $5.5M on the development of this renewable bioenergy center** which will to be constructed on an existing permitted industrial site in the City of Rialto (capital has been spent on costs such as site acquisition, preliminary engineering, permitting, legal fees, etc.). Full development of the Project as envisioned requires parallel track development of a number of contracts and permits, including: energy offtake contract, feedstock supply agreement, site lease agreement, air permits, a conditional use permit, CEQA approval, and Federal permits associated with accepting grant funding from the US Department of Energy. As the project moves forward, all of the required contracts/permits are in varying stages of completion, descriptions of each are included in the "Project Progress" section later in this document.

The project schedule has become protracted due to delays in securing feedstock supply contracts, and the addition of Federal permitting requirements which were introduced when the Project was awarded Grant funding from the US Department of Energy. Solid waste partners are necessary for the feedstock supply contracts that guarantee feedstock delivery over the life of the facility, and uncertainty has existed for the region's major solid waste companies as they have competed for territory in Los Angeles County's renegotiation of waste franchise agreements. This uncertainty over future territory control and associated solid waste volume projections made it impossible for solid waste partners to confidently project and commit to long-term feedstock supply. Territories and waste volumes crystalized when franchise territories were announced in late 2016, and commitments have been finalized with the final negotiation and execution of long-term hauling contracts in 2017.

The Facility has grown to accept additional feedstock and produce biogas for Anaheim Public Utilities (APU), which was envisioned for production at a different site in Anaheim under a separate project operated by Anaheim Energy, LLC (Anaheim Energy LLC and Rialto Bioenergy Facility, LLC are both owned by Anaergia Services, and both projects were awarded CAEATFA sales tax exemptions in 2014). The proposed Anaheim Energy project encountered an insurmountable permitting obstacle related to its proposed location, so the Rialto Bioenergy Facility has increased in size and capabilities in order to meet the biogas production obligations made to APU.

Now that Los Angeles' franchise agreements have been committed, Rialto Bioenergy Facility and a number of the basin's major waste hauling companies are in late-stage negotiations for feedstock supply agreements. Additionally, biogas production capabilities associated with the Anaheim Energy Facility have been incorporated into the Rialto Bioenergy site. **Commercial operation of the Facility is currently projected for 2020**.

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Project Progress

As described above, the Rialto Bioenergy project required significant investment of both time and capital. Major development requirements are shown in Table 1. Descriptions of the milestones, delays realized, and the current status of each of these milestones follow in this section.

Project Element	Original Finish	New Finish
Energy Offtake Contracts	8/2016	2/2018
Feedstock Supply Agreement	10/2014	9/2017
Site Lease Agreement	2015	4/2016
Air Permits	12/2015	2/2018
Conditional Use Permit	7/2015	3/2018
Federal and State Grants	NA	Ongoing

Energy Offtake Contracts

Two energy offtake contracts will secure revenue sources for the Facility in the long term. (1) Anaheim Public Utilities will purchase renewable biomethane to offset natural gas currently combusted at one of their electricity generation facilities, and (2) RBF will sell electricity to the grid though the SB1122 (BioMAT) program. The APU gas supply contract is expected to go to vote with the Anaheim City Council in August of 2017, and securing the SB1122 PPA is projected for mid-February of 2018. RBF is currently working on engineering related to the grid interconnection study, which is the first major step in acquiring approval for SB1122.

Feedstock Supply Agreements

Solid waste partners are necessary for the feedstock supply contracts that guarantee feedstock delivery over the life of the facility, and as described in the introduction, uncertainty existed in the region due to renegotiation of waste franchise agreements until earlier this year. Now that Los Angeles' franchise agreements have been committed, Rialto Bioenergy Facility and a number of the basin's major waste hauling companies are in late-stage negotiations for feedstock supply agreements. Executed feedstock supply agreements are anticipated in Q4 of 2017.

Site Lease Agreement

Rialto Bioenergy Facility, LLC has a fully executed 20 year site lease agreement with the city of Rialto (executed April 1st, 2016).

Permits

A number of permits are associated with the site development and operation. Three of the permit categories require significant attention: Air permits, Conditional Use Permit, and Solid Waste Permit.

Air permits are required for the Site, and RBF is undergoing the process of obtaining air permits from SCAQMD as well as a Title V permit, as required by the Federal EPA. Since the project's scale and processes rely largely on the character and quantity of feedstock supply, permitting efforts could not reliably progress until feedstock supply details became more certain. RBF met with the South Coast Air Quality Management District (SCAQMD) in July of 2017 to discuss the Facility's

application for submittal, and the full application is projected to be submitted near the end of August, 2017; Permits are anticipated by the end of February, 2018.

The Project was awarded a grant from the US Department of Energy which, like CAETAFA, recognizes Rialto Bioenergy's innovative approach and public benefit. The DOE grant requires that the project permits include additional Federal permits which were not otherwise included (NEPA and Title V). These additional permitting requirements have influenced the project schedule extension.

A conditional use permit is required for the site, and management now that feedstock quantities and project parameters are clearly defined, RBF has partnered with Sierra Research for CUP application preparation. The permit application will be submitted in August, 2017 with an anticipated approval in Q1 of 2018.

The RBF site already has a secured Solid Waste Permit for up 1,080 tons per day of organic waste, which includes 400 tons per day of wastewater treatment facility biosolids. This permit is integral to RBF accepting the feedstock, and it is in RBFs name.

Engineering

Engineering has progressed to finalize facility processes, layouts, equipment selection, and preliminary layouts. Engineering efforts are also required for permitting and eventually for full facility design. Example drawings which act as evidence of ongoing engineering are included in Attachment 2.

Federal and State Grants

The Rialto Bioenergy Facility will be a first of kind model of sustainable biogas generation while helping the State meet its visionary and ambitious goals of food waste diversion from landfills. Given the innovative nature of the approach, the project has attracted attention from the both the US Department of Energy and Cal Recycle. The DOE selected RBF as a grantee for funding under the Department's Office of Energy Efficiency and Renewable Energy (EERE). This grant will support Facility engineering and design, and additional funds are available to support Facility Construction (See Attachment 3 for the DOE's announcement).

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Attachment 1

Sample letters of Support for Rialto Bioenergy Facility

CALIFORNIA ASSOCIATION of SANITATION AGENCIES

1225 8th Street, Suite 595• Sacramento, CA 95814 • TEL: (916) 446-0388 • www.casaweb.org

February 20, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for Rialto Bioenergy's grant proposal

To Whom It May Concern,

The California Association of Sanitation Agencies is pleased to support Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

When operational, the $74.5-million revitalized RBF will convert 300 tons per day of food waste extruded from local municipal solid waste (MSW) into up to 3 MW of carbon-negative renewable electricity for export via a power purchase agreement to the Southern California Edison (SCE) electrical grid and 1.2 MW for onsite consumption. The revitalized facility will also produce significant amounts of high-nutrient, pelletized soil amendment for sale as a Class-A biosolid.

By helping to revitalize the mothballed RBF, the project aligns directly with CalRecycle's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) 82,250 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in a disadvantaged community; and 4) the reduction of the emission of criteria air pollutants, including nitrogen oxides (NOx), carbon monoxide (CO), and diesel particulates (PM10 and PM2.5) through a corresponding reduction in waste haul trip lengths associated with food waste disposal.

Public-private partnerships and innovative technology are necessary for the state to achieve its climate change mitigation objectives and we enthusiastically support Rialto Bioenergy's application.

If you have any questions about our support for the project, please feel free to contact me.

Sincerely,

Greg Kester

Greg Kester
Director of Renewable Resource
Programs gkester@casaweb.org

825 East Third Street, San Bernardino, CA 92415-0835 | Phone: 909.387.8104 Fax: 909.387.8130
www.SBCounty.gov

SAN BERNARDINO COUNTY

Department of Public Works
- Environmental & Construction • Flood Control
- Operations • Solid Waste Management
- Surveyor • Transportation

Gerry Newcombe
Director

February 16, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: LETTER OF SUPPORT FOR RIALTO BIOENERGY'S GRANT PROPOSAL

To Whom it May Concern,

The San Bernardino County Department of Public Works is pleased to support Rialto Bioenergy LLC – a subsidiary of Anaergia – in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California —a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

When operational, the $74.5-million revitalized RBF will convert 300 tons per day of food waste extruded from local municipal solid waste (MSW) into up to 3 MW of carbon-negative renewable electricity for export via a power purchase agreement to the Southern California Edison (SCE) electrical grid and 1.2 MW for onsite consumption. The revitalized facility will also produce significant amounts of high-nutrient, pelletized soil amendment for sale as a Class-A biosolid.

By helping to revitalize the mothballed RBF, the project aligns directly with CalRecycle's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) 82,250 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in a disadvantaged community; and 4) the reduction of the emission of criteria air pollutants, including nitrogen oxides (NOx), carbon monoxide (CO), and diesel particulates (PM10 and PM2.5) through a corresponding reduction in waste haul trip lengths associated with food waste disposal.

Driven by California's requirements to divert organics from landfilling, facilities such as Rialto Bioenergy will provide local governments with much needed opportunities to beneficially reuse organics and food waste. Additionally, our research has satisfied us that the Anaergia team has a solid track record of delivering on research and demonstration projects. We, therefore, enthusiastically support Rialto Bioenergy's application.

If you have any questions about our support for the project, please feel free to contact me at (909) 387-7906.

Sincerely,

GERRY NEWCOMBE
Director

WATER ENVIRONMENT & REUSE FOUNDATION
WE&RF

571-384-2100
werf@werf.org

February 16, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for Rialto Bioenergy's grant proposal

To Whom it May concern,

The Water Environment & Reuse Foundation (WE&RF) is pleased to support Rialto Bioenergy LLC —a subsidiary of Anaergia—in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

Under the terms of a grant from the California Energy Commission, Encina Wastewater Authority hosted the prototype of the proposed pyrolysis system in 2015. At the conclusion of this Energy Commission-funded project, WE&RF was quite impressed with the technology and thought that it showed tremendous promise as a cost-effective way to address challenges faced by today's wastewater treatment facilities. In addition to increasing the net energy production of the facility, the resulting biochar product has potential application to agricultural or horticultural markets, improving the value of our related biosolids program.

We are very interested in seeing the results of the proposed CalRecycle-funded project and plan on staying in touch with Anaergia to track project results and explore the possibility of implementing the proposed technologies at commercial scale in the future.

If you have any questions about our support for the project, please feel free to contact me.
Sincerely,

Amit Pramanik, Ph.D., BCEEM
Director of Research

WASTE MANAGEMENT
1001 Fannin, Ste 4000
Houston, TX 77002
(713) 512-6200

February 16, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for Rialto Bioenergy's grant proposal

To Whom it May Concern,

Waste Management is pleased to support Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

When operational, the $74.5-million revitalized RBF will convert 300 tons per day of food waste extruded from local municipal solid waste (MSW) into up to 3 MW of carbon-negative renewable electricity for export via a power purchase agreement to the Southern California Edison (SCE) electrical grid and 1.2 MW for onsite consumption. The revitalized facility will also produce significant amounts of high-nutrient, pelletized soil amendment for sale as a Class-A biosolid.

By helping to revitalize the mothballed RBF, the project aligns directly with CalRecycle's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) 82,250 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in a disadvantaged community; and 4) the reduction of the emission of criteria air pollutants, including nitrogen oxides (NOx), carbon monoxide (CO), and diesel particulates (PM10 and PM2.5) through a corresponding reduction in waste haul trip lengths associated with food waste disposal

Based on our experience with the Anaergia team and their track record of delivering on research and demonstration projects, we enthusiastically support Rialto Bioenergy's application.

If you have any questions about our support for the project, please feel free to contact me.

Sincerely,

Eric R. Myers
Director of Organic Recycling

The Honorable Scott Smithline, Director
CalRecycle
1101 I Street
Sacramento, CA 95814

RE: Support for the Rialto Bioenergy Facility

Dear Director Smithline,

I am writing on behalf of the Bioenergy Association of California to support Rialto Bioenergy LLC—a subsidiary of Anaergia—in its application to the CalRecycle under the 2016-17 Organics Grant Program. The Rialto Bioenergy Facility will divert 300 tons per day of organic food waste and convert it to renewable power, reducing landfilling, air and climate pollution in a heavily impacted community. The project will help to meet the requirements of SB 1383 (Lara, 2016) to reduce landfilling and Short-Lived Climate Pollutants, increase biogas production and use, and protect air quality. The project will also create jobs and economic development in a highly disadvantaged community.

When fully operational as a pre-commercial integrated biopower facility in 2018, the RBF will convert 85,800 tons per year of food waste extruded from local municipal solid waste (MSW) into 3 MW of carbon-negative renewable electricity for export via a power purchase agreement (PPA) to the Southern California Edison (SCE) electrical grid, which will help meet the requirements of SB 1122 (Rubio, 2012). The revitalized facility will also produce significant amounts of high-nutrient, pelletized soil amendment for sale as a Class-A biosolid.

By helping to revitalize the mothballed Rialto Bioenergy Facility, the proposed project aligns directly with the EPIC Program's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) 82,250 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; and 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in an area classified by CalEnviroScreen as a disadvantaged community (DAC).

Significantly, all of these benefits as well as the proposed production of renewable electricity will occur in an area served by the Aliso Canyon underground natural gas storage facility, which is prohibited from injecting and storing more gas until a safety review is completed and the facility's wells are

deemed safe or removed from service. By exporting renewable electricity to the grid, the facility will improve grid reliability, reduce the need for natural gas storage, and displace the need for natural gas consumption in the region directly impacted by the recent Aliso Canyon natural gas leak.

Finally, the proposed approach represents an easily replicable model that water resource recovery/solid waste facilities, wastewater treatment plants, transfer stations, and waste disposal companies can use to meet a variety of needs—from biopower, GHG emissions reduction, and landfill diversion, to extending landfill life, complying with stringent federal and state regulations, advancing research and development of sustainable food-waste biomass-to-electricity systems, and reducing project risk through vertical integration of the supply chain.

In close collaboration with parent company, Anaergia, Rialto Bioenergy is well suited to lead the proposed project. Worldwide, Anaergia leads efforts to divert organic wastes contained within MSW away from landfills to higher uses, such fertilizers and renewable electricity. Anaergia actively works with municipalities, solid waste haulers, and management companies to extract massive amounts of organics while achieving diversion rates far higher than previously possible through operation of its innovative Organics Extrusion (OREX) machine—the only technology capable of cost-effectively extracting the vast majority (≥90%) of putrescible organic waste from mixed MSW, which is the largest organic waste feedstock in existence.

For all these reasons, the Bioenergy Association of California urges CalRecycle to support this important project.

Sincerely,

Julia A. Levin
Executive Director

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0076
(916) 319-2076
FAX (916) 319-2176

DISTRICT OFFICE
804 PIER VIEW WAY, SUITE 100
OCEANSIDE, CA 92054
(760) 433-7601
FAX (760) 433-7607

E-MAIL
Assemblymember.Chavez@assembly.ca.gov

Assembly
California Legislature

ROCKY J. CHÁVEZ
ASSEMBLYMEMBER, SEVENTY-SIXTH DISTRICT

COMMITTEES
VICE CHAIR: EDUCATION
BUDGET
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HIGHER EDUCATION
LEGISLATIVE ETHICS
VETERANS AFFAIRS

BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

February 16, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for the Rialto Bioenergy Facility

To Whom It May Concern,

I am pleased to express support for Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

When operational, the $74.5-million revitalized RBF will convert 300 tons per day of food waste extruded from local municipal solid waste (MSW) into up to 3 MW of carbon-negative renewable electricity for export via a power purchase agreement to the Southern California Edison (SCE) electrical grid and 1.2 MW for onsite consumption. The revitalized facility will also produce significant amounts of high-nutrient, pelletized soil amendment for sale as a Class-A biosolid.

By helping to revitalize the mothballed RBF, the project aligns directly with CalRecycle's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) ~22,600 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in a disadvantaged community; and 4) the reduction of the emission of criteria air pollutants, including nitrogen oxides (NOx), carbon monoxide (CO), and diesel particulates (PM_{10} and $PM_{2.5}$) through a corresponding reduction in waste haul trip lengths associated with food waste disposal.

Anaergia is well suited to lead the proposed project. Worldwide, the company leads efforts to divert organic wastes contained within MSW away from landfills to higher uses. Anaergia actively works with municipalities, solid waste haulers, and management companies to extract massive amounts of organics while achieving diversion rates far higher than previously possible through operation of its innovative Organics Extrusion (OREX) machine – the only technology capable of cost-effectively separating the vast majority (≥90%) of extractable putrescible organic waste from mixed MSW, which is the largest organic waste feedstock in existence.

Again, I am excited to support this. If you have any questions at all about my support, please call my Capitol Director, Kelly Ash, at (916) 319-2076 or email her at Kelly.ash@asm.ca.gov.

Sincerely,

Colonel Rocky J. Chávez
Assemblymember 76th District

City of Rialto
California

February 16, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for the Rialto Bioenergy Facility

To Whom It May Concern,

The City of Rialto is pleased to support Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

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Again, our organization is excited to support this project. If you have any questions at all about our support, please call or email me.

Sincerely,

p.p. John Dutrey for Robb Steel

Robb R. Steel
Assistant City Administrator
Phone: 909-820-8008
Email: rsteel@rialtoca.gov

150 South Palm Avenue • Rialto, California 92376

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
http://dpw.lacounty.gov

GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

February 16, 2017

IN REPLY PLEASE
REFER TO FILE: EP-4

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for the Rialto Bioenergy Facility

To Whom It May Concern,

The Los Angeles County Department of Public Works (Public Works) is pleased to support Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

Anaergia is well suited to lead the proposed project. Worldwide, the company leads efforts to divert organic wastes contained within MSW away from landfills to higher uses. Anaergia actively works with municipalities, solid waste haulers, and management companies to extract massive amounts of organics while achieving diversion rates far higher than previously possible through operation of its innovative Organics Extrusion (OREX) machine – the only technology capable of cost-effectively separating the vast majority (≥90%) of extractable putrescible organic waste from mixed MSW, which is the largest organic waste feedstock in existence.

In previous years, Southern California has not received equitable grant funding for organic waste recycling facilities. In order to reduce our reliance on landfills and reduce greenhouse gas (GHG) emissions, it is necessary for many biogas production projects in Southern Claifornia to receive funding. Benefits of the project include GHG emissions reductions, diversion of food and otherr organic waste from the landfill, and displacing the need for natural gas consumption in the region directly impacted by the recentAliso Canyon natural gas leak.

The county of Los Angeles' Roadmap to a Syustainable Waste Management Future identifies strategies for meeting these organics recycling and GHG reduction goals in which producing renewable electricity is among the highest and best uses. Concerns regarding high costs for project development, collection infrastructure and environmental impacts continue to be challenges in developing biomass-to-energy facilities in los Angeles County. Due to these factors, the County of Los Angeles considers the success of this project to be critical to the County's efforts to comply with the State's organics recycling and GHG reduction goals. Grant incentives like CalRecycle's allow for projects like Rialto Bioenergy LLC's to succeed, and they are essential to furthering our clean air and clean energy goals.

We are fully confident in Rialto Bioenergy LLC's ability to meet the Program's goals and the County of Los Angeles highly reecommends it for receipt of funding.

Very truly yours,

Gail Farber
Director of Public Works

for DANIEL J. LAFFERTY
Assistant Deputy Director
Environmental Programs Division

PH:jl

The National Resource Development Council on Local Government

February 16, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for the Rialto Bioenergy Facility

To Whom It May Concern,

The National Resource Development Council on Local Government is pleased to support Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

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By helping to revitalize the mothballed RBF, the project aligns directly with CalRecycle's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) ~22,600 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in a disadvantaged community; and 4) the reduction of the emission of criteria air pollutants, including nitrogen oxides (NOx), carbon monoxide (CO), and diesel particulates (PM_{10} and $PM_{2.5}$) through a corresponding reduction in waste haul trip lengths associated with food waste disposal.

Anaergia is well suited to lead the proposed project. Worldwide, the company leads efforts to divert organic wastes contained within MSW away from landfills to higher uses. Anaergia actively works with municipalities, solid waste haulers, and management companies to extract massive amounts of organics while achieving diversion rates far higher than previously possible through operation of its innovative Organics Extrusion (OREX) machine – the only technology capable of cost-effectively separating the vast majority (≥90%) of extractable putrescible organic waste from mixed MSW, which is the largest organic waste feedstock in existence.

Again, our organization is excited to support this project. If you have any questions at all about our support, please call or email me.

Sincerely,

Steve Reyes
NRDC-LG Co-Chair
NRDC-LG
Phone: (951) 682-4646
Email: stever@mhmandoassictaes.com

CAPITOL OFFICE
STATE CAPITOL
ROOM 4061
SACRAMENTO, CA 95814
TEL (916) 651-4020
FAX (916) 651-4920

DISTRICT OFFICES
11760 CENTRAL AVENUE
SUITE 100
CHINO, CA 91710
TEL (909) 591-7016
FAX (909) 591-7096

464 W. 4TH STREET
SAN BERNARDINO, CA 92401
TEL (909) 888-5360
FAX (909) 591-7096

California State Senate

SENATOR
CONNIE M. LEYVA
TWENTIETH SENATE DISTRICT

CHAIR
DEMOCRATIC CAUCUS

COMMITTEES
RULES
APPROPRIATIONS
EDUCATION
ENERGY, UTILITIES & TELECOMMUNICATIONS
JOINT LEGISLATIVE AUDIT
TRANSPORTATION & HOUSING

February 16, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, California 95814-4025

RE: Letter of Support for the Rialto Bioenergy Facility

To Whom It May Concern,

As the State Senator representing Bloomington, California, I am pleased to support Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

When operational, the $74.5-million revitalized RBF will convert 300 tons per day of food waste extruded from local municipal solid waste (MSW) into up to 3 MW of carbon-negative renewable electricity for export via a power purchase agreement to the Southern California Edison (SCE) electrical grid and 1.2 MW for onsite consumption. The revitalized facility will also produce significant amounts of high-nutrient, pelletized soil amendment for sale as a Class-A biosolid.

By helping to revitalize the mothballed RBF, the project aligns directly with CalRecycle's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) ~22,600 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in a disadvantaged community; and 4) the reduction of the emission of criteria air pollutants, including nitrogen oxides (NOx), carbon monoxide (CO), and diesel particulates (PM_{10} and $PM_{2.5}$) through a corresponding reduction in waste haul trip lengths associated with food waste disposal.

In order to meet California's ambitious state and national environmental goals, I believe that we need to continue to support innovative projects such as this one. By effectively leveraging existing infrastructure and expanding bioenergy production, this project showcases how we can use technology to produce ongoing environmental benefits where we need it the most. The district I represent suffers disproportionately from poor air quality and my constituents feel the negative health consequences of that pollution on a daily basis. In order to improve our communities' health and quality of life, it is imperative that we encourage projects that can deliver tangible improvements to those most affected by pollution and poor air qualtiy.

If you have any questions regarding my support for this important project, please feel free to contact Phillip Vander Klay on my staff at (916) 651-4020.

Sincerely,

CONNIE M. LEYVA
State Senator, 20th District

July 13, 2016

Jonathan Male, PhD

Director, Bioenergy Technologies Office

Office of Energy Efficiency & Renewable Energy

Forrestal Building

1000 Independence Avenue, SW

Washington, DC 20585

RE: Letter of Support for Rialto Bioenergy's grant proposal to DE-FOA-0001232

Dear Dr. Male,

The City of Richmond Water Resource Recovery Department is pleased to support Rialto Bioenergy LLC—a subsidiary of Anaergia—in its application to the Office of Energy Efficiency & Renewable Energy for funding from the 2016 *Project Development for Pilot and Demonstration Scale Manufacturing of Biofuels, Bioproducts, and Biopower (PD2B3)* grant program.

The Department of Energy (DOE) is tasked to support energy research that advances energy science and technology through research, development, and demonstration projects. Anaergia is hoping to partner with the DOE on an important infrastructure project to be constructed in Southern California.

Rialto Bioenergy proposes to design, build, and operate an integrated renewable energy facility that will convert 160 tons per day of post-anaerobic digestion biosolids, 140 tons per day of post-anaerobic digestion food wastes, and 300 tons per day of food waste into 6.4 megawatts (MW) of low-carbon, renewable biopower. When operational, the proposed system will incorporate an innovative, low-temperature pyrolyzer that will enable Rialto Bioenergy to simultaneously enhanced energy production from anaerobic digestion and produce Class A biosolids, which comply with strict requirements on levels of pathogens, metals, and odors and are suitable for a broad array of beneficial land applications.

Based on our experience with the Anaergia team and their track record of delivering on research and demonstration projects, we enthusiastically support Rialto Bioenergy's application.

If you have any questions about our support for the project, please feel free to contact me.

Sincerely,

Ryan Smith

Director of Water Resource Recovery

EBDA

EAST BAY DISCHARGERS AUTHORITY
2651 Grant Avenue
San Lorenzo, CA 94580-1841
(510) 278-5910
FAX (510) 278-6547

A Joint Powers Public Agency

July 8th, 2016

Jonathan Male, PhD
Director, Bioenergy Technologies Office
Office of Energy Efficiency & Renewable Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585

RE: Letter of Support for Rialto Bioenergy's grant proposal to DE-FOA-0001232

Dear Dr. Male,

The East Bay Dischargers Authority is pleased to support Rialto Bioenergy LLC—a subsidiary of Anaergia—in its application to the Office of Energy Efficiency & Renewable Energy for funding from the 2016 *Project Development for Pilot and Demonstration Scale Manufacturing of Biofuels, Bioproducts, and Biopower (PD2B3)* grant program.

Rialto Bioenergy proposes to design, build, and operate an integrated biorefinery that will convert 160 tons per day of post-anaerobic digestion biosolids, 140 tons per day of post-anaerobic digestion food wastes, and 300 tons per day of food waste into 6.4 megawatts (MW) of low-carbon, renewable biopower. When operational, the proposed system will incorporate an innovative, low-temperature pyrolyzer that will enable Rialto Bioenergy to simultaneously enhance energy production from anaerobic digestion and produce Class A biosolids, which comply with strict requirements on levels of pathogens, metals, and odors and are suitable for a broad array of land applications.

We enthusiastically support Rialto Bioenergy's approach and believe it to be an exceptional and creative solution to the challenges faced by today's wastewater treatment facilities. This technology will enable wastewater treatment plants to increase bioenergy production from currently processed feedstocks by converting non-digested organic material into a digestible liquid oil intermediate. The solution is elegant—a simple downstream add-on process that leverages existing biogas treatment and generation infrastructure well known to wastewater treatment facilities. Further, the proposed project is in direct alignment with many of the goals stated in the Bioenergy Technologies Office's 2016 Multi-Year Program Plan—including the need for the deployment of cost-effective, integrated conversion technologies for the production of bioenergy—as well as with California's regulatory requirements to produce 110 MW of biopower in the state and divert organics from landfills.

If you have any questions about our support for the project, please feel free to contact me.

Sincerely,

David G. Stoops for

Michael S. Connor
General Manager
East Bay Dischargers Authority
2651 Grant Avenue San Lorenzo, CA 94580-1841
mconnor@ebda.org

NACWA
A Clear Commitment to America's Waters

July 14, 2016

Jonathan Male, PhD
Director, Bioenergy Technologies Office
Office of Energy Efficiency & Renewable Energy
Forrestal Building, 1000 Independence Avenue, SW
Washington, DC 20585

RE: Letter of Support for Rialto Bioenergy's grant proposal to DE-FOA-0001232

Dear Dr. Male,

The National Association of Clean Water Agencies (NACWA) is pleased to support Rialto Bioenergy LLC—a subsidiary of Anaergia—in its application to the Office of Energy Efficiency & Renewable Energy for funding from the 2016 *Project Development for Pilot and Demonstration Scale Manufacturing of Biofuels, Bioproducts, and Biopower (PD2B3)* grant program. NACWA represents the interests of over 280 publicly owned wastewater treatment plants across the country. NACWA's members serve the majority of the sewered population in the U.S. and are actively engaged in efforts to explore innovative and sustainable approaches to managing the thousands of tons of biosolids they generate on a daily basis.

NACWA understands that Anaergia/Rialto Bioenergy is hoping to partner with the DOE on an important infrastructure project to be constructed in Southern California. Specifically, Rialto Bioenergy proposes to design, build, and operate an integrated renewable energy facility that will convert 160 tons per day of post-anaerobic digestion biosolids, 140 tons per day of post-anaerobic digestion food wastes, and 300 tons per day of unidigested food waste into 6.4 megawatts (MW) of low-carbon, renewable biopower. When operational, the proposed system will incorporate an innovative, low-temperature pyrolyzer that will enable Rialto Bioenergy to simultaneously enhance energy production from anaerobic digestion, and create a biochar product suitable for agricultural/horticultural use, exceeding Class A biosolids standards.

Based on our experience with the Anaergia team and the value this particular project will provide to national efforts to expand renewable energy generation, we are pleased to support Rialto Bioenergy's application. If you have any questions about our support for the project, please feel free to contact me at 202-833-9106.

Sincerely,

Chris Hornback
Chief Technical Officer

National Association of Clean Water Agencies
1816 Jefferson Place, NW
Washington DC 20036-2505

p 202.833.2672 f 202.833.4657
www.nacwa.org · info@nacwa.org

ORO LOMA SANITARY DISTRICT

July 13, 2016

Jonathan Male, PhD
Director, Bioenergy Technologies Office
Office of Energy Efficiency & Renewable Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585

SUBJECT: Letter of Support for Rialto Bioenergy's Grant Proposal to DE-FOA-0001232

Dear Dr. Male,

Oro Loma Sanitary District is pleased to support Rialto Bioenergy LLC—a subsidiary of Anaergia—in its application to the Office of Energy Efficiency & Renewable Energy for funding from the 2016 Project Development for Pilot and Demonstration Scale Manufacturing of Biofuels, Bioproducts, and Biopower (PD2B3) grant program.

Rialto Bioenergy proposes to design, build, and operate an integrated biorefinery that will convert 160 tons per day of post-anaerobic digestion biosolids, 140 tons per day of post-anaerobic digestion food wastes, and 300 tons per day of food waste into 6.4 megawatts (MW) of low-carbon, renewable biopower. Our agency faces similar challenges as the local service provider for wastewater and solid waste/recycling services. Successful operation of a facility at this scale would open the door for further application throughout our State and beyond.

We enthusiastically support Rialto Bioenergy's approach and believe it to be an exceptional and creative solution to the challenges faced by today's wastewater treatment facilities. This technology will enable wastewater treatment plants to increase bioenergy production from currently processed feedstocks by converting non-digested organic material into a digestible liquid oil intermediate. The solution is elegant—a simple downstream add-on process that leverages existing biogas treatment and generation infrastructure well known to wastewater treatment facilities. Further, the proposed project is in direct alignment with many of the goals stated in the Bioenergy Technologies Office's 2016 Multi-Year Program Plan, as well as with California's regulatory requirements to produce 110 MW of biopower in the State and divert organics from landfills.

If you have any questions about our support for the project, please feel free to contact me at 510-276-4700.

Sincerely,

Jason Warner

Jason Warner
General Manager
jwarner@oroloma.org

2655 Grant Ave ■ San Lorenzo, CA 94580 ■ (510) 276-4700 ■ Fax (510) 276-1528 ■ Email: info@oroloma.org
www.oroloma.org

825 East Third Street, San Bernardino, CA 92415-0835 | Phone: 909.387.7910 Fax: 909.387.7911
www.SBCounty.gov

SAN BERNARDINO COUNTY

Department of Public Works
- Flood Control
- Operations
- Solid Waste Management
- Surveyor
- Transportation

Gerry Newcombe
Director

February 21, 2017

CalRecycle
1001 I Street, PO Box 4025
Sacramento, CA 95814-4025

RE: LETTER OF COMMITMENT FOR THE RIALTO BIOENERGY FACILITY

To Whom It May Concern,

The San Bernardino County Department of Public Works is pleased to support Rialto Bioenergy LLC, a subsidiary of Anaergia, in its application to CalRecycle for funding under the 2016-17 Organics Grant Program to help revitalize the currently mothballed Rialto Bioenergy Facility (RBF) in Bloomington, California—a disadvantaged community characterized by extremely high levels of ozone, particulate matter, and hazardous waste—through the installation of a 3-million-gallon, high-solids anaerobic digester (HSAD) and various supporting appurtenances.

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By helping to revitalize the mothballed RBF, the project aligns directly with CalRecycle's funding initiatives. The upgraded plant will deliver numerous benefits, including: 1) 82,250 metric tons (MT) per year of greenhouse gas (GHG) emissions reductions; 2) annual diversion of 85,800 tons of food and other organic wastes from the landfill; 3) the creation of 30 temporary, full-time jobs during design and construction and 14 permanent, full-time operations jobs in a disadvantaged community; and 4) the reduction of the emission of criteria air pollutants, including nitrogen oxides (NOx), carbon monoxide (CO), and diesel particulates (PM_{10} and $PM_{2.5}$) through a corresponding reduction in waste haul trip lengths associated with food waste disposal.

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If you have any questions about our support for the project, please feel free to contact me at (909) 387-7906.

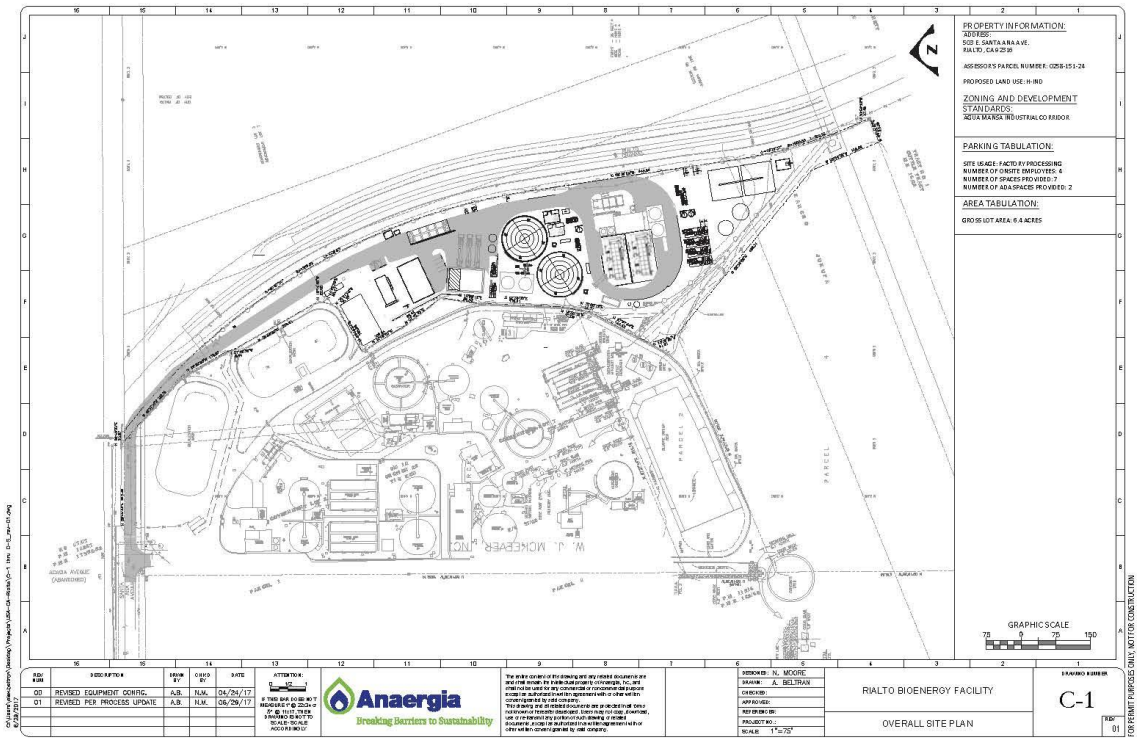
Sincerely,

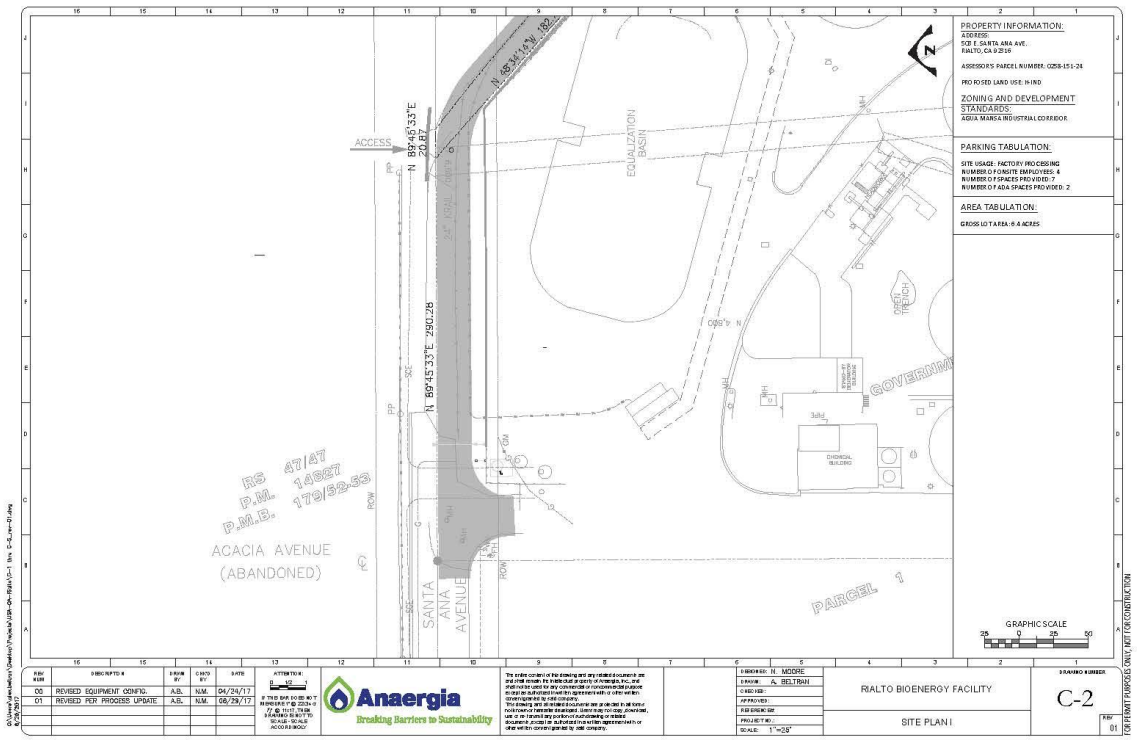
GERRY NEWCOMBE
Director

Anaergia
Breaking Barriers to Sustainability

Attachment 2

Sample Engineering Documents


PROPERTY INFORMATION:
ADDRESS:
SOI E. SANTA ANA AVE.
RIALTO, CA 92316
ASSESSOR'S PARCEL NUMBER: 0258-151-24
PROPOSED LAND USE: M-IND
ZONING AND DEVELOPMENT STANDARDS:
AQUA MARSA INDUSTRIAL CORRIDOR
PARKING TABULATION:
SITE USAGE: FACTORY PROCESSING
NUMBER OF ONSITE EMPLOYEES: 4
NUMBER OF SPACES PROVIDED: 7
NUMBER OF ADA SPACES PROVIDED: 2
AREA TABULATION:
GROSS LOT AREA: 6.4 ACRES
GRAPHIC SCALE
75 0 75 150
REV DESCRIPTION BY CHKD DATE
00 REVISED EQUIPMENT CONFIG. A.B. N.M. 04/24/17
01 REVISED PER PROCESS UPDATE A.B. N.M. 06/29/17
ATTENTION:
IF THIS BAR DOES NOT MEASURE 1" @ 22x34 or 0.5" @ 11x17, THEN DRAWING IS NOT TO SCALE! SCALE ACCORDINGLY
Anaergia
Breaking Barriers to Sustainability
DESIGNED: N. MOORE
DRAWN: A. BELTRAN
CHECKED:
APPROVED:
REVISED BY:
PROJECT NO.:
SCALE: 1"=75'
RIALTO BIOENERGY FACILITY
OVERALL SITE PLAN
DRAWING NUMBER
C-1
REV 01
FOR PERMIT PURPOSES ONLY, NOT FOR CONSTRUCTION


PROPERTY INFORMATION:
ADDRESS:
SOI E. SANTA ANA AVE.
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NUMBER OF ADA SPACES PROVIDED: 2
AREA TABULATION:
GROSS LOT AREA: 6.4 ACRES
ACCESS
N 89°45'33"E 20.87
N 89°45'33"E 290.28
N 48°31'14"W 182
EQUALIZATION BASIN
RS 4747
P.M. 14827
P.M.B. 179/52-53
ACACIA AVENUE (ABANDONED)
SANTA ANA AVENUE
PARCEL 1
GRAPHIC SCALE
25 0 25 50
REV DESCRIPTION BY CHKD DATE
00 REVISED EQUIPMENT CONFIG. A.B. N.M. 04/24/17
01 REVISED PER PROCESS UPDATE A.B. N.M. 06/29/17
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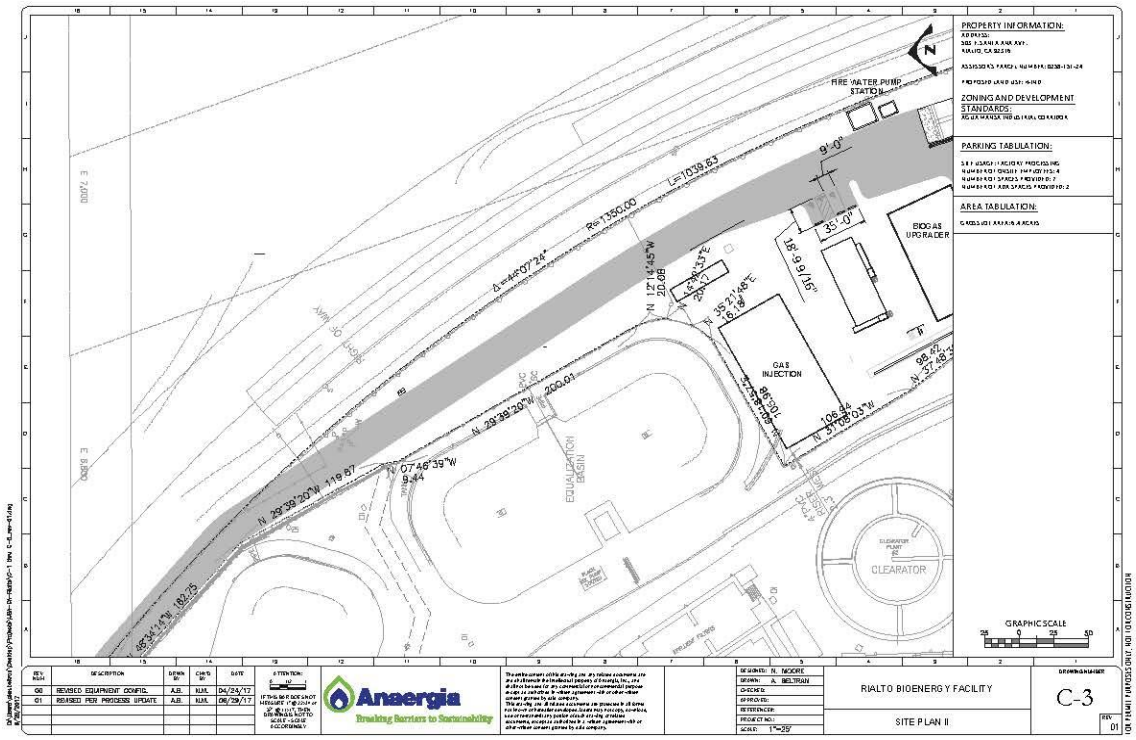
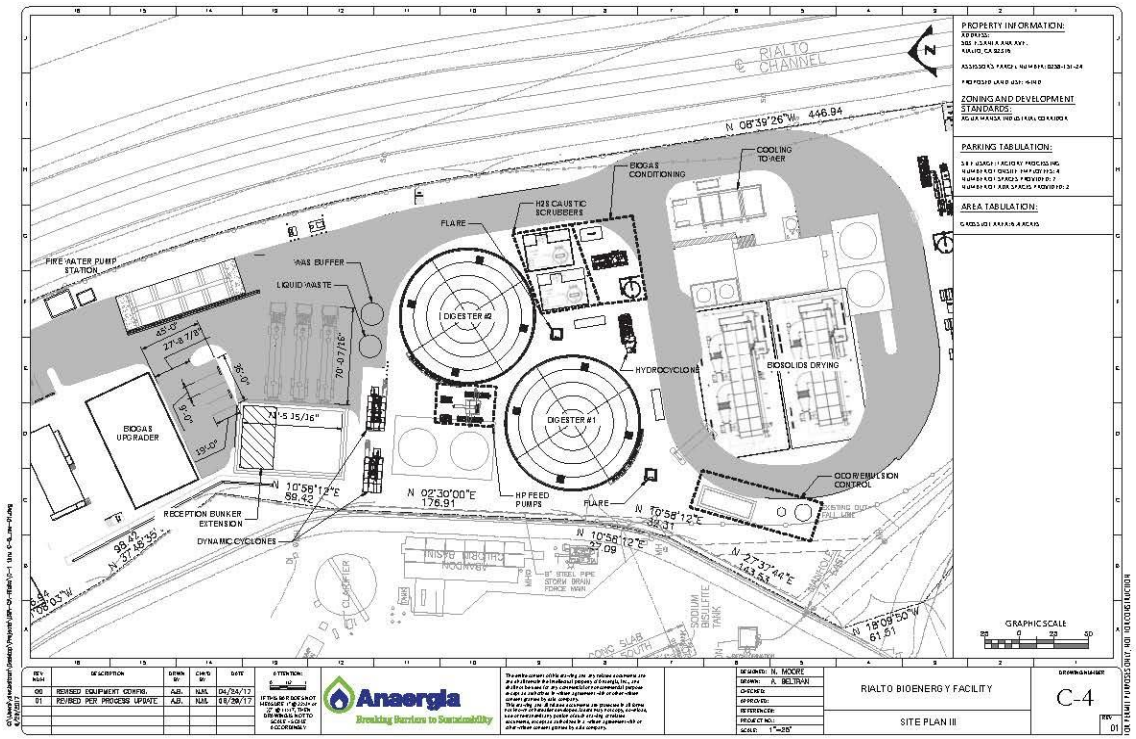
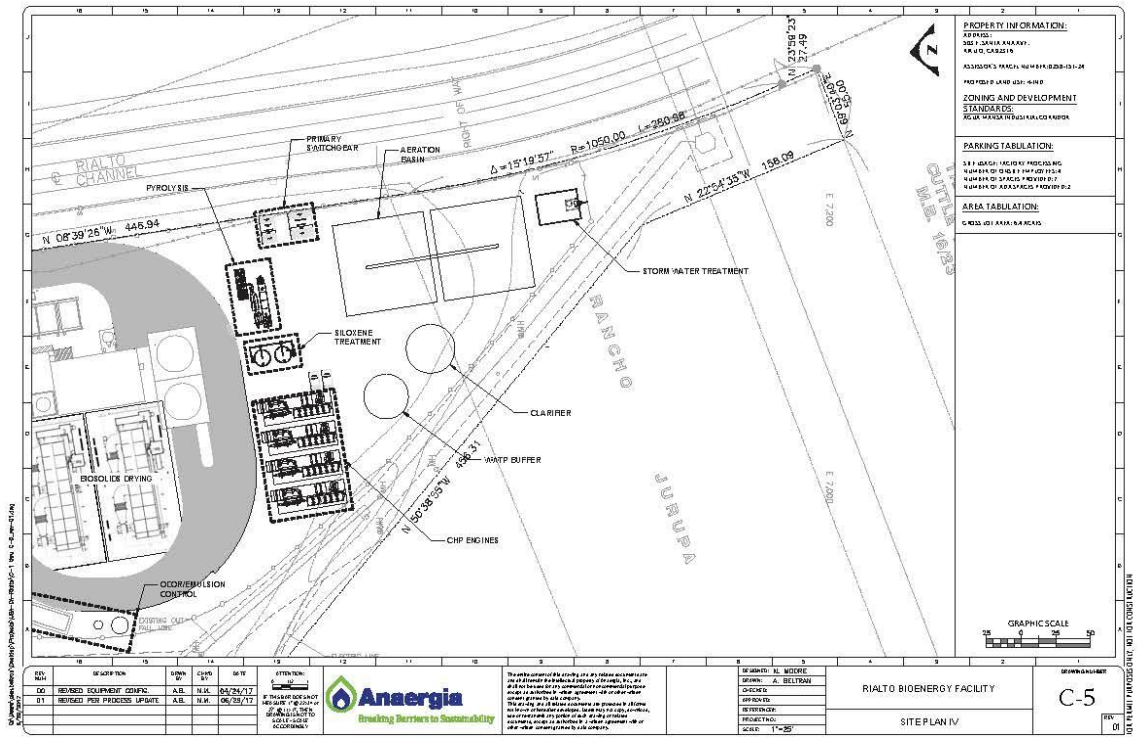
Anaergia
Breaking Barriers to Sustainability
DESIGNED: N. MOORE
DRAWN: A. BELTRAN
CHECKED:
APPROVED:
REVISED BY:
PROJECT NO.:
SCALE: 1"=25'
RIALTO BIOENERGY FACILITY
SITE PLAN I
DRAWING NUMBER
C-2
REV 01
FOR PERMIT PURPOSES ONLY, NOT FOR CONSTRUCTION


PROPERTY INFORMATION:
ZONING AND DEVELOPMENT STANDARDS:
PARKING TABULATION:
AREA TABULATION:
FIRE WATER PUMP STATION
BIOGAS UPGRADER
GAS INJECTION
EQUALIZATION BASIN
CLEARATOR
GRAPHIC SCALE
Anaergia
Breaking Barriers to Sustainability
RIALTO BIOENERGY FACILITY
SITE PLAN II
C-3


PROPERTY INFORMATION:
ZONING AND DEVELOPMENT STANDARDS:
PARKING TABULATION:
AREA TABULATION:
RIALTO CHANNEL
COOLING TOWER
BIOGAS CONDITIONING
H2S CAUSTIC SCRUBBERS
FLARE
WAS BUFFER
LIQUID WASTE
FIRE WATER PUMP STATION
DIGESTER #2
DIGESTER #1
HYDROCYCLONE
BIOSOLIDS DRYING
BIOGAS UPGRADER
ODOR/EMULSION CONTROL
HP FEED PUMPS
RECEPTION BUNKER EXTENSION
DYNAMIC CYCLONES
GRAPHIC SCALE
Anaergia
Breaking Barriers to Sustainability
RIALTO BIOENERGY FACILITY
SITE PLAN III
C-4


PROPERTY INFORMATION:
ZONING AND DEVELOPMENT STANDARDS:
PARKING TABULATION:
AREA TABULATION:
GRAPHIC SCALE
RIALTO BIOENERGY FACILITY
SITE PLAN IV
C-5
Anaergia
Breaking Barriers to Sustainability
PRIMARY SWITCHGEAR
AERATION BASIN
PYROLYSIS
SILOXENE TREATMENT
CLARIFIER
WWTP BUFFER
CHP ENGINES
STORM WATER TREATMENT
BIOSOLIDS DRYING
ODOR/EMULSION CONTROL
RIALTO CHANNEL
RANCHO JURUPA
CUTTLE MB 16/23
N 08°39'25"W 446.94
Δ=15°19'57" R=1050.00 L=280.86
N 22°54'35"W 158.09
N 50°38'55"W 456.31

Anaergia
Breaking Barriers to Sustainability

Attachment 3

DOE Award Announcement

Office of
ENERGY EFFICIENCY & RENEWABLE ENERGY

Office of Energy Efficiency & Renewable Energy

Energy Department Announces Six Projects for Pilot- and Demonstration-Scale Manufacturing of Biofuels, Bioproducts, and Biopower

DECEMBER 28, 2016

Today, the Energy Department (DOE) announced the selection of six projects for up to $12.9 million in federal funding, entitled, "Project Definition for Pilot- and Demonstration-Scale Manufacturing of Biofuels, Bioproducts, and Biopower." These projects, required to share the cost at a minimum of 50%, will develop and execute plans for the manufacturing of advanced or cellulosic biofuels, bioproducts, refinery-compatible intermediates, and/or biopower in a domestic pilot- or demonstration-scale integrated biorefinery.

The projects will be evaluated in two phases. Award recipients will design and plan their facilities in Phase 1. In order to continue to Phase 2, projects will be evaluated on Phase 1 progress, as well as the ability to secure the required 50% cost share

funding for Phase 2. DOE anticipates Phase 2 awards to be made in fiscal year 2018 to construct and operate the pilot- or demonstration-scale facility. Projects could receive additional federal funds of up to $15 million for pilot-scale facilities or $45 million for demonstration-scale facilities.

The six Phase 1 projects will utilize thermochemical, biochemical, algal, and hybrid conversion technologies to generate the data required to enable future commercial-scale facilities.

Demonstration-Scale Integrated Biorefineries:

- **AVAPCO, LLC (Atlanta, Georgia): The AVAPCO, LLC ($3.7 million) project will develop a demonstration-scale integrated biorefinery that combines AVAPCO's biomass-to-ethanol process with project partner Byogy's alcohol-to-jet process to create an integrated process that produces jet fuel from woody biomass. In addition to the jet fuel primary product, the demonstration facility will also produce cellulosic renewable diesel and other bioproducts with another project partner, Genomatica.**
- **LanzaTech, Inc. (Skokie, Illinois): LanzaTech, Inc. ($4 million) has brought together a large team to design, construct, and operate an integrated demonstration-scale biorefinery that will use industrial waste gases to produce 3 million gallons per year of low-carbon jet and diesel fuels. LanzaTech and the Pacific Northwest National Laboratory have already successfully demonstrated their renewable jet fuel production technology.**

Pilot-Scale Integrated Biorefineries:

- **Global Algae Innovations (San Diego, California): Global Algae Innovations ($1.2 million) has developed novel technologies that improve several stages of the algae production process. This project seeks to design a pilot-scale algae biofuel facility with improved productivity of open pond cultivation and more energy-efficient algae harvest.**
- **ThermoChem Recovery International, Inc. (Baltimore, Maryland): ThermoChem Recovery International, Inc. ($0.8 million) will work in collaboration with project partners to design a pilot-scale integrated biorefinery to produce transportation fuels from woody waste and agricultural feedstocks. The project proposes many improvements throughout the system, which in combination would allow for smaller, more cost-effective integrated biorefineries with increased liquid fuel yield.**

Pilot-Scale Waste-to-Energy Projects:

- **Rialto Bioenergy, LLC (Carlsbad, California): Rialto Bioenergy LLC ($2 million) plans to design the Rialto Advanced Pyrolysis Integrated Biorefinery facility that will have the capacity to convert 300 tons per day of biomass such as food extracted from municipal solid waste and wastewater treatment plant biosolids into a high-nutrient fertilizer and up to 6.4 megawatts of carbon-negative, renewable biopower.**
- **Water Environment & Reuse Foundation (Alexandria, Virginia): Water Environment & Reuse Foundation ($1.2 million) will design a pilot-scale integrated biorefinery that utilizes wastewater treatment plant sludge. This project will convert residual sludge and solids into biocrude oil, biogas, and fertilizer. The biocrude oil, when upgraded, is comparable to fossil-derived crude and can produce a variety of fuels including gasoline, jet fuel, and diesel with nearly zero net carbon emissions. The biogas produced by the system will be used to offset power needs elsewhere in the plant or will be sold to the grid.**

DOE's Office of Energy Efficiency and Renewable Energy (EERE) accelerates the development and deployment of energy efficiency and renewable energy technologies with market-based solutions that strengthen our nation's energy security, environmental quality, and economic vitality. The Bioenergy Technologies Office contributes to EERE's mission by working with industry, academia, and national laboratory partners on a balanced portfolio of research in bioenergy technologies.

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Attachment B: Rialto Bioenergy Facility, LLC's Staff Summary at the Time of Approval

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

Request to Approve Project for Sales and Use Tax Exclusion (STE)[5]

Rialto Bioenergy Facility, LLC
Application No. 14-SM011

Tuesday, September 16, 2014

Prepared By: *Ashley Bonnett*

SUMMARY

Applicant – Rialto Bioenergy Facility, LLC

Location – Bloomington, San Bernardino County

Industry – Biogas Capture and Production

Project – New Biogas Capture and Production Facility

Value of Qualified Property – $14,722,168

Estimated Sales and Use Tax Exclusion Amount[6] **–** $1,239,607

Estimated Net Benefits – $1,188,254

Application Score[7] **–**

Fiscal Benefits Points:	1,341
Environmental Benefits Points:	617
Net Benefits Score:	**1,959**
Additional Benefits Points:	63
Total Score:	**2,022**

Staff Recommendation – Approval

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[5] All capitalized terms not defined in this document are defined in the Program's statute and regulations.
[6] This amount is calculated based on the average statewide sales tax rate of 8.42%.
[7] Point values in the staff summary may not add up correctly due to rounding in the Application worksheet.

THE APPLICANT

Rialto Bioenergy Facility, LLC ("Rialto" or the "Applicant"), formed in 2013, is a wholly owned subsidiary of Anaergia Services, LLC ("Anaergia").

The major shareholders (10.0% or greater) of Anaergia are:	The corporate officer of Anaergia is:
UTS Bioenergy Holdings, LLC (88.5%)	Arun Sharma, President

THE PROJECT

The Applicant, in partnership with Athens Services, a waste management firm with a municipal recycling facility located in La Puente, will construct an anaerobic digester that will convert wet organic matter derived from municipal solid waste preprocessed at Athens Services' municipal recycling facility into biogas, and will use the digestate leftover from the digestion process to create solid, combustible fuel products (the "Project").

The Applicant will install two wet organics processing lines at Athens Services' facility. The processing lines will utilize Anaergia's Organics Extrusion Press technology, which the Applicant represents is a high pressure process to recover 95% of the digestible organic material. The processing lines will sort and preprocess solid waste collected from restaurants, wet compactors, theme parks, universities, grocery stores, produce markets, and food manufacturers to isolate the wet organic material, creating what is called the "wet organic fraction" of the waste. This wet organic fraction will be transported to Rialto's digestion facility and used as feedstock, along with liquid wastes and fats, oils, and greases, in the digestion process to create biogas. A portion of the biogas will be used as fuel for the drying system used to create the solid fuel product, and the remainder of the gas will be converted to electricity, a portion of which will be used to power the facility, and the remaining power will be sold to the grid. Digestate from the digestion process will then be dewatered using Anaergia's screw press technology and sent through a drying system, along with biosolids from wastewater treatment plants, to create a solid, combustible fuel product.

Consistent with CAEATFA policy, the Qualified Property in this Application will be used to manufacture biogas and solid combustible fuel products and includes a portion of the power generation equipment used to power the facility. The Project's equipment will consume 25 percent of the total amount of energy generated; therefore 25 percent of the power generation equipment is eligible for an STE under the Program. However, the remaining 75 percent of the power generation equipment is not included in this Application as this represents the proportion of electricity that the Applicant will sell to the grid.

ANTICIPATED COSTS OF QUALIFIED PROPERTY

The anticipated Qualified Property purchases are listed below:

Solids Handing and Digestion		$ 10,957,981
Biogas Handling		500,000
Electrical Generation (25% of total cost)		1,574,087
Site Construction and Processing Accessories		1,690,100
	Total	**$14,722,168**

Note: The Qualified Property purchases reported in the Application and shown here in staff's report are estimated costs. At the termination of the master regulatory agreement a finalized project equipment list will be prepared detailing the value of the Project equipment acquired and detailing the actual tax benefit realized pursuant to Revenue and Tax Code Section 6010.8. Variance from the costs shown in the Application and in this report may occur prior to the closing due to increased costs of certain components (of the Project) over original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation, or for other reasons.

TIMELINE

The Applicant represents that it is in the process of securing a lease for a six acre site in Bloomington for the digestion facility, and that it has already executed a Letter of Intent and is currently negotiating a feedstock agreement with Athens Services. Rialto expects that all major agreements will be in place before the end of 2014. Initial construction is scheduled to commence in September 2015, and improvements to the preprocessing site are expected to commence at the beginning of 2016. Commercial startup is expected to begin February 2017.

PROJECT EVALUATION

NET BENEFITS

The total cost of the Qualified Property purchases is anticipated to be $14,722,168 and the total net benefits are valued at $1,188,254 for the Project. The Project received a Total Score of 2,022 points, which exceeds the required 1,000 point threshold and a total Environmental Benefits Score of 617 points, which exceeds the 100 point threshold.

A. Fiscal Benefits (1,341 points). The net present value of the total fiscal benefits over the lifetime of the Qualified Property is derived from the Applicant's sales taxes, personal income taxes paid by the firm's employees, firm taxes on profits, property taxes and other indirect fiscal benefits of the Applicant which amounts to $1,662,628 resulting in a Fiscal Benefits score of 1,341 points for the Project.

B. Environmental Benefits (617 points). The Project will result in $765,232 of total pollution benefits over the life of the Facility resulting in an Environmental Benefits Score of 617 points for the Project. These benefits derive from displacing the use of

fossil fuel through the production of biogas and solid combustible fuel products and the avoidance of emissions that would otherwise be produced if the municipal solid waste was sent to a landfill to decompose.

C. Additional Benefits (63 points). Applicants may earn additional points for their Total Score. The applicant submitted information and received 63 additional points.

1. **Permanent Jobs (20 of 75 points).** The Applicant's Project will support a total of 15 permanent jobs at its Facility. CAEATFA estimates that approximately one of these jobs will be attributable to a marginal increase in jobs created due to the approved STE resulting in a Permanent Jobs Score of 20 points for the Project.

2. **Construction Jobs (30 of 75 points).** The Applicant's Project will support a total of 20 construction jobs at its Facility. CAEATFA estimates that approximately two of these jobs will be attributable to a marginal increase in jobs created due to the approved STE resulting in a Construction Jobs Score of 30 points for the Project.

3. **Unemployment (13 of 50 points).** The Applicant's Project is located in San Bernardino County which has an average annual unemployment rate of 10%. This is above 110% of the statewide average annual unemployment rate which is currently 8.8% resulting in an Unemployment Score of 13 points for this Project.

STATUS OF PERMITS/OTHER REQUIRED APPROVALS

The Applicant represents that Athens Services' existing solid waste permit for its preprocessing site will require only a modification, and anticipates the CEQA Conditional Development Permit with a Mitigated Negative Declaration is expected in June 2015.

The Applicant also represents that there are other permits and approvals it must acquire for the Project, including a CalRecycle solid waste facility permit; a South Coast Air Quality Management District Air Permit; local grading, water quality management, site utilities, and building structures permits; and a wastewater discharge permit. The Applicant anticipates all of these permits will be in place by December 2015.

LEGAL QUESTIONNAIRE

Staff reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. The responses did not disclose any information that raises questions concerning the financial viability or legal integrity of this Applicant.

CAEATFA FEES

In accordance with CAEATFA Regulations,[8] the Applicant has paid CAEATFA an Application Fee of $7,361.08 and will pay CAEATFA an Administrative Fee of up to $58,888.67.

RECOMMENDATION

Staff recommends approval of Resolution No. 14-SM011 for Rialto's purchase of Qualified Property in an amount not to exceed $14,722,168 anticipated to result in an approximate sales and use tax exclusion value of $1,239,607.

[8] California Code of Regulations Title 4, Division 13, Section 10036

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A MASTER REGULATORY AGREEMENT WITH RIALTO BIOENERGY FACILITY, LLC

September 16, 2014

WHEREAS, the California Alternative Energy and Advanced Transportation Financing Authority (the "Authority" or "CAEATFA") has received the Application of **Rialto Bioenergy Facility, LLC** (the "Applicant"), for financial assistance in the form of a master regulatory agreement (the "Agreement") regarding tangible personal property utilized in an Advanced Manufacturing process or for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems ("Qualified Property") as more particularly described in the staff summary and in the Applicant's Application to the Authority (collectively, the "Project"); and

WHEREAS, the Applicant has requested the Authority to enter into the Agreement to acquire Project equipment with an estimated cost not to exceed $14,722,168 over a period of three years; and

WHEREAS, the Applicant believes that this form of financial assistance will enable it to avail itself of the benefits of an exclusion from sales and use taxes relative to the Qualified Property pursuant to California Revenue and Taxation Code Section 6010.8; and

WHEREAS, approval of the terms of the Agreement and authority for the Executive Director, Deputy Executive Director, or Chair of the Authority to execute the necessary documents to effectuate the Agreement is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority, as follows:

Section 1. The Project constitutes a "project" within the meaning of Public Resources Code Section 26003(a)(8)(B).

Section 2. The requested master regulatory agreement constitutes "financial assistance" within the meaning of Public Resources Code Section 26003(a)(6).

Section 3. The Applicant is a "participating party" within the meaning of Public Resources Code Section 26003(a)(7).

Section 4. The Executive Director, Deputy Executive Director, or Chair of the Authority (the "Authorized Signatories") are hereby authorized for and on behalf of the Authority to approve any changes to the Project as the Executive Director shall deem appropriate, provided that the amount of the Qualified Property to be purchased may not be increased above the amount approved by the Authority.

Section 5. The proposed form of the Agreement between the Applicant and the Authority, as filed with the Authority prior to this meeting, is hereby approved. The Authorized Signatories

are hereby authorized and directed, for and on behalf and in the name of the Authority, to execute, acknowledge and deliver to the Applicant the Agreement in substantially the form filed with or approved by the Authority, with such insertions, deletions or changes therein as the Authorized Signatory executing the same may require or approve, and with particular information inserted therein in substantial conformance with the staff summary and in the Applicant's Application to the Authority, such approval to be conclusively evidenced by the execution and delivery thereof. The Authority understands and agrees that pursuant to the terms of the Agreement, the obligations of the Applicant may, under some circumstances, be carried out or assumed by a successor or assignee entity, or by an affiliate of the Applicant.

Section 6. Each of the Authorized Signatories, acting alone, is hereby authorized and directed to do any and all ministerial acts, including (without limitation) the execution and delivery of any and all documents and certificates they may deem necessary or advisable in order to consummate the Agreement and otherwise effectuate the purposes of this Resolution.

Section 7. The Applicant shall assure CAEATFA that all Qualified Property listed in the semi-annual reports pursuant to the Agreement shall be installed, maintained and operated in compliance with all applicable local, state and federal laws.

Section 8. The Agreement shall only apply to Qualified Property that the Applicant certifies will be installed, maintained and operated at facilities within the State of California.

Section 9. The adoption by the Authority of this Resolution for the Applicant shall not be referred to in any application before any governmental agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to acquire, construct or operate the Project.

Section 10. This Resolution is effective immediately and will remain in full force and effect unless the Regulatory Agreement, as defined in CAEATFA Regulations Section 10035(a), is not executed within thirty (30) days of the date of this Resolution. The Executive Director may extend the thirty days if necessary.