

MARIPOSA BIOMASS PROJECT

Project Development Progress Report

April-June 2017

HIGHLIGHTS

- MBP completed a major milestone with the filing of the Interconnect Application with PG&E. PG&E has 60 business days to complete the System Impact Study, which includes an estimate of the cost to connect the facility to the grid.
- MBP also completed a second major milestone with the filing of the Use Permit application with the county. This permit includes all the CEQA documentation, which addresses the project's impact on the environment and the neighbors. During the application process, public comment will be solicited by the county. It normally takes about three months to complete the Use Permit process.
- Cortus Energy advised MBP that they had made an investment decision to proceed with the gasification project in Sweden. This will be the first full scale facility and will pave the way for future projects including Mariposa.
- The Smallcombes hosted a party to celebrate the award of the EPIC grant and to thank the investors for help funding the land purchase.
- As part of the community outreach program, MBP participated in the Arbor Day Event at the Arts Park
- Power Engineers completed the interconnect application including the single line drawing
- Bollard Acoustical Consultants completed the onsite noise study. No significant issues were raised.
- TKJM completed the traffic study. No significant issues were raised.

WORK COMPLETED

Meetings

- A total of six biomass group meetings were held in April through June
- MBP met with Cortus Energy in Mariposa to review progress and next steps
- MBP participated in several conference calls on interconnect cost issue
- MBP attend the RCDI meeting in Sacramento on May 16.

System Impact Study

- Power Engineers completed the application and single line drawing
- MBP was advised by Christiana Darlington that the project will likely require a Detailed Study by PG&E
- Cortus was advised that the proposed step up transformers were undersized, if they are to provide 100% redundancy
- MBP filed the application with PG&E, who accepted the application as complete.

Permitting

- The Traffic Study was completed by TKJM. No significant impacts were noted as a result of the study.
- Ballard Acoustical Consultants completed their work on the Noise Study. The study concluded that there would be no significant noise impact on the neighbors.
- MBP filed the Use Permit application with the county.

LOOKING AHEAD

Meetings

- Monthly MBP meetings in July
- Conference calls on the interconnect cost issues

Permitting

- Respond to any questions raised by the county regarding the Use Permit.
- Prepare and RFP for the air permit (Authority to Construct) consultant

System Impact Study

- Respond to any questions raised by PG&E concerning the System Impact Study

Community Outreach

SCHEDULE

- PG&E has 60 business days to complete the study. This implies that the study will be completed near the end of September.

- The county estimates it will take approximately 3 months to complete the application process and issue the permit. This implies the permit will be issued in late September.

DEVELOPMENT ISSUES

- Cortus Energy is looking for a suitable US development partner to possibly participate in plant operations, fuel supply and/or financing.
- Even though MBP may have the permits completed as early as September, 2017, an investment decision is not expected until second quarter 2018.