



May 25, 2012

Honorable Governor Jerry Brown
c/o State Capitol, Suite 1173
Sacramento, California 95814

Subject: CalRecycle Letter Rescinding Legal Opinion Regarding Plasco Energy Eligibility for Renewable Portfolio Standards

Dear Governor Brown,

The Salinas Valley Solid Waste Authority (SVSWA) was informed on Wednesday, May 23, 2012, by our conversion technology vendor, Plasco Energy, that the Director for CalRecycle has issued a letter rescinding her agency's November 23, 2010, legal opinion that the Plasco/Salinas Valley gasification project is a qualifying renewable energy project in the State of California. We are deeply concerned over this unannounced action by CalRecycle and the long range implications it has for both our project and all businesses considering similar projects in California.

Our agency and Plasco Energy have relied extensively on CalRecycle's ruling and the California Energy Commission's (CEC) Renewable Portfolio Standard certification, as well as CalRecycle's historic promotion and advancement of conversion technologies, to move this critical energy and solid waste management project forward. The Plasco/Salinas Valley project is intended to support many of California's major environmental and economic objectives (as well as our own) to develop new sources of energy, create green sector jobs, end our unsustainable dependence on landfills, and create a more business friendly environment for economic development. We also understand that your office had previously contacted Plasco representatives directly to offer your support for their desire to do business in California

The SVSWA has made a significant investment of public funds and 7 years of dedicated work by elected officials, staff and consultants to follow the path laid by CalRecycle and their predecessor agency, in order to find an integrated solution to end our future dependence on unsustainable landfills. In short, our agency is trying to do something about the very problems we have all collectively been debating for the last two decades. This action by CalRecycle is contradictory and impactful to our efforts and sends a very disconcerting message to the very businesses we are all collectively trying to attract to our State.

For your background, we have attached a few reference documents related to this issue: CalRecycle's original opinion letter, CEC Renewable Energy Portfolio (RPS) pre-certification issued to Plasco, and a letter from various legislators commending Natural Resources and CalRecycle's actions in support of the Plasco

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PO Box 2159, Salinas CA 93902-2159 • 128 Sun Street, Ste. 101, Salinas CA 93901
tel. (831) 775-3000 • fax (831) 755-1322

project. We have also included a copy of the rescission letter from CalRecycle along with the creatively crafted opposition letter threatening administrative action against CalRecycle for issuance of their 2010 opinion.

This action by CalRecycle may have dramatic repercussions on a potential multibillion dollar industry that is seeking a clear path forward in California. In addition, this action will set back the Salinas Valley Solid Waste Authority's 7-year vision to create a permanent non-landfill based waste management system we hope would be a model for other agencies in California. We have attached a copy of the Economic Impact Analysis for this project so you can also see the value and economic growth opportunities this project would bring to our low-income community.

Our agency has been regularly asked to present our non-landfill based waste management vision to industry groups, jurisdictions and energy leaders across the State, U.S. and even across our borders. We have found that there is an incredible interest and support for what we are doing both in and outside the State. We have and continue to promote the development of these new ideas and waste management philosophies coming from our California models of sustainable waste management. We implore your office to override CalRecycle's rescission and to take whatever immediate steps are available to create a more open and consensus building process to support sustainable waste management practices and avoid the loss of another company interested in doing business in our California community. There is no one perfect solution to our long range waste issues, but there are integrated solutions right at our finger tips to solve this problem today, but only if open minds are at the table. We appreciate your consideration of our dilemma and any support or leadership you may lend to this situation.

Yours truly,



R. Patrick Mathews
General Manager/Chief Administrative Officer
Salinas Valley Solid Waste Authority
128 Sun Street, Suite 101
Salinas, CA 93901
(831) 775-3000
patrickm@svswa.org

Attachments: CalRecycle Opinion Letter re: Plasco/Salinas Valley Project, 11/23/2012
CEC RPS Pre-Certification, 1/18/2011
California Legislative Letter of Support, 3/9/2011
SVSWA Economic Analysis for Plasco Project, 10/2011
CalRecycle Rescission Letter, 5/23/2012
Opposition Letter regarding CalRecycle Opinion, 1/23/2012

Copy to: Cliff Rechtschaffen, Office of Governor Jerry Brown
Martha Guzman, Office of Governor Jerry Brown
Caroll Mortensen, Director, Calrcycle
Assembly Speaker John A. Perez
Senate President pro Tem Darrell Steinberg
Commissioners, California Energy Commission
Secretary John Laird, Natural Resources Agency
Julia Levin, Deputy Secretary Natural Resources Agency