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October 20, 2016

By Electronic Mail

File No. 4743-01

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Re: *Hitachi Zosen Inova*

Dear Ty:

As suggested by the Board on Tuesday, Appellants have a number of questions they wish to pose to your client, Hitachi Zosen Inova (together with affiliates, "Applicant") concerning its anaerobic digestion plant (ADP) project on Old Santa Fe Road.

The questions are:

- 1) Actual Experience. Has the Applicant built one or more identical ADP projects that are or have been in operation anywhere in the world? "Identical" means the same design, technology, layout, component equipment, waste input mix, and size/tonnage as the subject project.
 - a) If so, please identify each and every location(s) (by address, date operations began/stopped and contact information for the plant(s)'s manager). Appellants are considering inspecting the actual operations of one or more of these plants.
 - b) For each of the "identical" ADP projects, please provide the contact information to the governmental official most involved in the approval and/or inspection of such ADP projects.
 - c) For each of the "identical" ADP projects, please identify the number and nature of all formal and informal complaints received due to the project's operation.
 - d) Do any of the other "identical" ADP projects utilize noise barriers (walls, berms, etc.)?
- 2) Observable Data. Which of the technical data provided in the Applicant's expert reports constitutes data from actual observations from the above plants?

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- 3) Capacity/Data. For the technical data provided related to the subject project's operations (especially traffic, noise, odor/air quality), at what capacity (in tonnage and percentage of plant capacity) is the data derived? Please provide support.
 - a) What is the expected operational capacity needed during the first 6 months of operation?
 - b) What is the maximum capacity that Applicant is seeking under the CUP?
- 4) Technical. When the ADP plant burns biogas, it appears to produce Sulfur Dioxide (SO₂). How is this mitigated?
- 5) Technical. How will the Applicant be able to confirm complete combustion of the ammonia (i.e. greater than 99.9999%) other than the temperature of the flare? Will there be a catalyst?
- 6) Birds. What experience has the Applicant had with birds present at similar plants?
 - a) What is the Applicant's proposal to mitigate the odor and waste from the birds who likely will be attracted to the plant?
 - b) What is the Applicant's proposal to mitigate the presence of birds in light of neighboring uses (particularly the airport)?
- 7) Technical. What is the anticipated efficiency of the flare?
 - a) What are the measured results from the flares on the identical ADP?
 - b) What percentage of the gas will not be burned?
- 8) Technical. What is the process for the biogas purification scrubber?
 - a) What is the fraction of ammonia (SO₂ and H₂S) that will be removed with the scrubber?
 - b) How often is the scrubber maintained/cleaned and what process does the Applicant intend to use?
- 9) Technical. What is the process for the disposal of digester liquid (which appears to contain significant amounts of ammonia)?
- 10) Grant. Please provide details on the grant to which Applicant is applying, including the amount (or range) of the grant applied for, the granting agency, and name of grant program.
- 11) Financial/Insurance. What is the estimated cost of constructing the ADP project?

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- a) What is the expected annual sales, operating expenses, and net return at the plant for the operation levels identified in the performance data provided?
 - b) Is the Applicant a publicly traded company? In what country or countries?
 - c) If not publicly traded, what is the Applicant's ownership structure? Are any of the equity holders in Applicant local to the Central Coast? California? Who?
 - d) What is the net worth of the Applicant? What assets are located in the United States? In California?
 - e) What insurance coverages (policy limits and coverages) is Applicant carrying or intending to carry?
- 12) Noise. What is the dB level when the doors to the facility are open?
- a) How many times does the Applicant anticipate opening the doors each weekday? How was the 41 dB number calculated?
- 13) Comparative. During the presentation, Applicant identified several ADP projects that have had mitigated negative declarations issued. For each such project, please identify the owner of the project, the address of the project, whether the project uses the same component equipment as the subject project, and the status of the project (approved, litigated, under construction, in operation).

Please provide complete answers (with supporting information) as soon as possible. Once received, Appellants (and their experts) request a follow-up meeting to discuss the responses. Appellants also may have additional questions as Applicant's information is reviewed.

Very truly yours,



John W. Fricks

JWF/lf

cc: Board of Supervisors
Clients