

# BC&E USA COLUSA 1 LLC SUMMARY

*A Sustainable Spark – 100 Ton Per Day Hybrid Renewable Center  
Weaving a Tapestry of Green Energy Certainty*



1. **Hybrid Renewal Energy Center (HREC):** BC&E USA COLUSA 1 LLC (BC&E) is developing and will be operating a 100 ton per day biomass waste to energy plant in Colusa County, California. This project will convert locally sourced biomass waste, such as agricultural residues, biosolids, forestry residues, cannabis waste, commercial wood waste, into renewable electricity. The electricity generated will be sold through a PPA to the local grid, offsetting fossil fuel dependence, and reducing greenhouse gas emissions.
2. **Technology and Innovation:** The BC&E USA facility will employ innovative, best available technologies (BAT) to maximize efficiency and minimize environmental impact:
  - Hybrid system:** Our biomass conversion technologies offer greater flexibility, higher efficiency, and economic viability.
  - Advanced emission control:** Air pollution control systems will minimize the release of particulate matter, nitrogen oxides, and sulfur dioxide.
  - Carbon capture and storage:** Exploring this technology as a potential future option to further reduce greenhouse gas emissions.

3. **What We Have Accomplished:** To ensure a reliable base load power to meet the executed PPA with the City of Colusa we have:
  - 1) A proven technology that has been permitted by the Sacramento Air Quality Management Board.
  - 2) We have obtained public support through transparent communication and community engagement.
  - 3) We have obtained site location with interconnect ability.
  - 4) We have partnered with technology providers, EPCs with extensive knowledge and expertise, and waste management experts to ensure efficient and sustainable operations.
  - 5) We have engaged permitting experts to assist with the permit to operate commercially in the state of California with our technology. Must be permitted in accordance with local requirements.
  - 6) We have a management team with experience and passion to effectively manage the operations in all phases.



The BC&E represents a bold step towards a more sustainable future. By harnessing the potential of waste, generating clean energy, and fostering innovation, this project can pave the way for a greener and more prosperous tomorrow.

4. **HREC Infrastructure:** The HREC will include 100 Ton Per Day proven Biomass Conversion Technology, over 45,000 square feet of solar panels, battery storage, and micro wind turbines. The HREC will be located on approximately 13 acres with over 55,000 square feet of processing and office buildings, 5 acres of Biomass management, two established interconnects, and pre and post processing of biomass and carbon char.

BC&E USA Colusa 1 LLC was formed as a Limited Liability Company with the Secretary of State of California 02/21/2023. The Company has resolved and shall be managed by a 5 (five) Member Board of Directors. The Member Board of Directors shall be comprised of the following:

- Appointee of Originating Manager
- Appointee of Developer
- Appointee of Investor Group
- Two appointees of the Members at large

## Distinct Perspectives on BC&E's 100 TPD Renewable Energy Powerhouse

### 1. The Environmental Champion:

- Focus: Climate change mitigation, carbon sequestration, sustainable waste management.
- Highlights: Reduced carbon footprint through biochar production and renewable energy generation, diverting waste from landfills, promoting responsible agricultural practices.
- Target audience: Environmental activists, policymakers, concerned citizens, municipalities, and farmers.
- Key message: BC&E is leading the way in building a cleaner future by transforming waste into clean energy and valuable resources.

### 2. The Economic Engine:

- Focus: Job creation, revenue generation, local investment.
- Highlights: 45 plus new jobs, diverse revenue streams (tipping fees, carbon credits, biochar sales), partnership with the City of Colusa through Power Purchase Agreement for electrical production and sales
- Target audience: Businesses, investors, community members seeking economic opportunities.
- Key message: BC&E's HREC is not just a green project; it is an investment in the City of Colusa economic future.

### 3. The Community Catalyst:

- Focus: Community engagement, collaboration, sustainable development.
- Highlights: Partnerships with local farmers and businesses, biochar utilization for soil improvement, open communication, and transparency.
- Target audience: Residents of Colusa, community organizations, local stakeholders.
- Key message: BC&E's HREC is a community project, creating a cleaner environment and a brighter future for everyone.

### 4. The Innovation Hub:

- Focus: Technological advancement, research and development, clean energy solutions.
- Highlights: Innovative technologies with diverse feedstock potential, potential for attracting talent and investment, contributing to advancements in renewable energy production.
- Target audience: Research institutions, technology companies, investors in clean energy solutions, municipalities, DOE, and institutions of higher learning.
- Key message: BC&E HREC is not just a clean energy project; it is a platform for innovation and the development of next-generation solutions.

### 5. Challenges, Considerations and Harmony:

- Feedstock Sourcing: Ensuring a sustainable and responsible supply of biomass is crucial. Partnerships with local farmers and transparent sourcing practices are key to preventing deforestation or competition with food production.
- Community Engagement: Open communication and addressing concerns about potential environmental impacts, traffic, and odor are essential to building trust and ensuring community support.
- Policy Landscape: Navigating regulations and securing government support for renewable energy projects like this is crucial for long-term success.

## A Symphony of Sustainability:

Due to our diversity in feedstocks, it brings a multitude of benefits:

- Reduced environmental impact: By utilizing waste streams from various sources, the facility minimizes reliance on traditional biomass like virgin wood, protecting forests and ecosystems.
- Enhanced economic resilience: Creating a market for diverse agricultural and industrial waste streams incentivizes sustainable practices and supports local businesses involved in waste collection and processing.
- Fueling innovation: Research and development on optimizing pyrolysis for different biomass types can lead to advancements in technology, making it even more efficient and versatile.

*BC&E's HREC is not just about generating clean energy; it is a vibrant tapestry woven with diverse revenue streams, each thread strengthening the local communities environmental and economic fabric. BC&E can transform waste into a symphony of green profits:*

#### 1. Tipping Fees:

Imagine turning waste disposal into a stable revenue source. By accepting a variety of biomass from local farms, woodchippers, commercial wood production facilities, wastewater treatment plants and even cannabis processors, the facility generates income through tipping fees, creating a win-win for both BC&E and waste producers.

#### 2. Carbon Char:

Our innovative technology does not just Convert; it transforms. The biochar produced is a valuable soil amendment, rich in carbon and nutrients. Farmers, landscapers, and nurseries will eagerly pay for this potent soil enhancer. Carbon Char is utilized in air and water filtration, pigmentation, and activated carbon. Due to the diverse applications and product utilization Carbon Char adds a steady stream of carbon-infused revenue to the facility's coffers.

#### 3. Carbon Credits:

Every ton of CO<sub>2</sub> sequestered through biochar and by using clean energy earns BC&E precious carbon credits. These credits can be brokered on the Carbon Credits market, both nationally and internationally generating significant revenue while contributing to global climate goals.

4. Carbon and CO2 Sequestration:

Not all heroes wear capes. Biochar's superpowers include locking away carbon deep within the soil, acting as a natural carbon sink. This service, invaluable for offsetting emissions from other sectors, will be available to companies seeking carbon neutrality, bringing in yet another revenue stream.

5. Distributed Grid Electricity:

BC&E's clean energy is not just for show; it is ready to power homes and businesses. By providing electricity directly to the local grid or through microgrids, the facility becomes a decentralized energy hub, fostering energy independence and generating stable income.

**Location:**

2861 Niagara Ave. Colusa CA 95932

**Capitalization:**

Shareholder	Ownership Percentage	Number of Shares / Units
Founders	34%	34,000
City of Colusa	12.5%	12,500
EPC Contractors	21.5%	21,500
Equity Investor	15%	15,000
General Counsel	5%	5,000
Equity Participants	10%	10,000
To Be Allocated	2%	2,000
<b>Total</b>	<b>100%</b>	<b>100,00</b>

**Investment Terms:**

- System Cost:** Shall be \$108,589,00.00 with projected ITC of \$54,446,992 to be monetized .
- Valuation:** Appraised Total Assets of the Business (Going Concern) \$116,000,000 with a Real Estate Only value \$16,400,000, dated February 04, 2024.
- Performance Bond:** The EPC (Site Constructors, Ins and Herling Construction, Inc) shall secure a performance bond to insure completion of buildout.
- ITC Wrap Insurance:** BC&E Will obtain insurance for recapture risk.
- Schedule:** Permitting and Commissioning to commence 6 months after capital receipt for the 8 and 40 TPD and 9 months after capital funding and deposits for the system. Permit to construct, construction of new 30,000 sq. ft building, site work and required infrastructure immediately upon capital funding.
- Milestone Financing:** The EPC disbursement will be subject to the achievement of certain milestones or targets agreed upon by the parties, with subsequent tranches to be released to the EPC upon successful completion of each milestone.

**Exemptions:** Exemptions and exclusions will be agreed upon by the parties and detailed in the final agreement. These are to be items that would be considered out of scope due to unforeseen circumstances such as geotechnical data, Airport Management Board, interconnect costs, survey, or changes in local ordinances that would require a change order to be generated. Items not included in this proposal but limited to are the following:

- Security system if desired or required by the LLC. Such as perimeter fencing, motion, video surveillance, and other types of security monitoring.
- Any additional Emissions controls or suppression measures.
- Traffic controls that may be required by local authorities.
- Environmental controls that may be required by EPA or EIA for stormwater / drainage impact.
- Requirements imposed by the Airport Management Board
- Any other requirements needed to secure a valid Commercial Operating Permit

**Summary Table:**

Total HREC Cost	\$108,589,889
Property Valuation	\$116,000,000
Investment Tax Credits	\$54,446,922
Tax Equity - City of Colusa	\$32,000,000
Debt- Cressida Capital	\$50,000,000
Equity From Founders and EPC	\$26,589,998
<b>TOTAL HREC COST</b>	<b>\$108,589,889</b>