



Press Release

Office of Economic Development

FOR IMMEDIATE RELEASE

SAN JOSE MOVES FORWARD WITH PROPOSAL TO BE FIRST CITY IN U.S. TO DEVELOP ORGANICS-TO-ENERGY BIOGAS FACILITY

Large scale production of renewable energy to further San Jose Green Vision goals, grow innovation and create jobs

SAN JOSE, CALIF., June 17, 2009—The San Jose City Council has moved San Jose closer to becoming 100 percent energy independent by authorizing the City Manager to negotiate and execute a Memorandum of Understanding (MOU) to develop guidelines and potential lease terms for the development of an organics-to-energy biogas facility on a 40-acre site near the San Jose/Santa Clara Water Pollution Control Plant.

The biogas facility is planned to be constructed and operated by Zanker Road Biogas.

The MOU would set forth the guidelines and workplan for the potential lease terms of a biogas project.

If the negotiations for the MOU are successful, the City of San Jose would issue the lease to Zero Waste Energy Development Company, Inc., a

partnership between GreenWaste Recovery and their sister company, Zanker Road Resource Management.

For this project, GreenWaste would partner with Harvest Power, Inc.—a company funded in part by Kleiner Perkins Caufield & Byers that provides industry leading technology and project development capability to harness the renewable energy in organic waste.

The proposed facility would be the first in United States, pending development of lease terms and the necessary regulatory and environmental approvals, as well as approval of the City's partners in the Water Pollution Control Plant.

The facility could take in up to 150,000 tons of organic waste per year to process and produce energy—from waste what would have been destined for a landfill. The resulting energy could supply power to the adjacent San Jose/Santa Clara Water Pollution Control Plant (Plant) or be sold back into the regional electrical utility power grid.

The Zanker Road Biogas facility is proposed to be located on the north side of Los Esteros Road, adjacent to the Plant and bound on either side by two solid waste recovery and recycling facilities owned and operated by Zanker Road Resource Management, Ltd.

“This project not only demonstrates San Jose’s leadership in the production of renewable energy but will help us meet the economic development, zero waste and energy goals of our city’s Green Vision,” said San Jose Mayor Chuck Reed.

“Creating green jobs that can’t be outsourced overseas is essential to rebuilding our local and state economy. Through projects like this, San Jose

is becoming the world center for clean tech innovation. The proposed Zanker Road Biogas facility can be a model for other municipalities, showing how this technology can help solve their energy challenges,” Reed said.

The proposed facility could employ 30 to 40 during development and construction and is expected to create and retain 50 to 60 direct and supporting jobs when fully operational.

The technology at Zanker Road Biogas would use a process known as dry anaerobic fermentation to generate renewable biogas and high-quality compost. Using this proven technology, which is common in Europe, the proposed facility would be the first of its kind in California and in the United States, and further provide additional organics recycling capacity—which is in short supply in the San Francisco Bay Area.

“As San Jose furthers its position as the world’s center for cleantech discovery and advances, it’s our hope that Zanker Road Biogas will solve immediate waste infrastructure and renewable energy needs and also be an innovation destination that functions as a demonstration and research facility for scientists, waste managers and public agencies nationwide,” said Paul Krutko, chief development officer, City of San Jose.

Facility to help fulfill San Jose Green Vision and Zero Waste Strategic Plan

The San Jose Green Vision goals of receiving 100 percent of the city’s electrical power from clean renewable sources, diverting 100 percent of its waste from landfills and converting waste-to-energy would all be a step closer to reality if the proposed project succeeds in obtaining the necessary approvals. Additionally, San Jose adopted a Zero Waste Strategic Plan in

2008 to further its Green Vision goals. The Plan—the first major assessment of the City’s integrated waste management system since the early 1990’s—puts in place strategies addressing waste generation, solid waste facilities, waste processing technologies, and approaches for increased diversion, including development of conversion technology at the Plant.

“Zanker Road Biogas is a perfect example of San Jose’s ability to establish strategic partnerships with private sector companies that can drive our community to achieve our ambitious Green Vision goals,” said John Stufflebean, director, Environmental Services Department, City of San Jose. “This proposed facility combined with other key zero waste strategies – reducing single-use packaging, lowering carbon emissions of our facilities, and building the necessary waste processing infrastructure – would help ensure that environmental sustainability continues to be a guiding principle for San Jose. This type of project would, if brought to fruition, also align with the Zero Waste Strategic Plan goals of generating revenue, contributing to research and development of renewable energies and clean technologies, and transforming the Plant into an energy supplier,” Stufflebean said.

The proposed project site would be adjacent to two existing facilities owned by Zanker Road Resource Management, who, together with GreenWaste make up the partnership that is Zero Waste Energy Development Company. GreenWaste and Zanker's existing and currently proposed recyclables processing facilities push San Jose closer to establishing a fully integrated waste management system “ecopark.” GreenWaste owns and operates a state-of-the-art Material Recovery

Facility that would provide material to the new facility and Zanker Road Resource Management owns and operates three facilities including a material processing facility, a resource recovery facility and landfill and the second largest composting facility in California.

Richard Cristina, president of GreenWaste, touted this synergy by saying, “Our local expertise and experience operating these four facilities, together with Zanker Road Biogas, would provide the most environmentally sound options for San Jose’s collection, hauling, recycling and waste-to-energy production needs.”

According to Cristina, the proposed Zanker Road Biogas project would be developed in three phases, with each designed to increase capacity by 50,000 tons per year of organic materials—a combination of primarily food waste and the organic portion of the municipal solid waste stream—and produce two products: a renewable biogas containing methane and high-quality compost.

All of the existing anaerobic digestion systems in common use in the United States, including at the Plant, currently process wet waste. By contrast, the technology for the proposed Zanker Road Biogas would use the dry fermentation technology specifically designed to process the relatively dry organic portion of the municipal solid waste stream which is difficult to recycle without extensive pre-processing and currently ends up in a landfill. This proprietary anaerobic digestion system technology has been commercially demonstrated in Europe by BEKON Energy Technologies, which has built 12 facilities in Germany and Italy and has 13 additional facilities scheduled for construction in 2009.

BEKON's authorized representative in North America and the joint venture partner in Zanker Road Biogas is Harvest Power, Inc., a technology provider and project developer located in Waltham, Massachusetts, with Kleiner Perkins Caufield & Byers as its lead investor. Harvest provides integrated technology, project development, project financing and plant operations to allow waste managers and municipalities to harness the renewable energy contained in organic waste. Paul Sellew, CEO of Harvest Power commented, "We applaud the City of San Jose for its proactive effort in making renewable energy from organic waste a reality. Our organic waste project will be a major step in moving the City to 100% renewable energy while at the same time enriching local soils with our high quality compost product."

For information about the Zanker Road Biogas project, please visit, http://www.sanjoseca.gov/clerk/Agenda/20090616/20090616_0701.pdf

ABOUT GREENWASTE RECOVERY & ZANKER ROAD RESOURCE MANAGEMENT

GreenWaste Recovery, Inc., a privately owned solid waste and recycling company that specializes in the collection and processing of residential and commercial trash, yard trimmings, curbside recyclables, food waste and construction and demolition debris. GreenWaste has pioneered cost-effective waste management practices in Northern California since 1991. Our newly completed Material Recovery Facility (MRF) in San Jose is one of the most innovative processing facilities in the world, capable of sorting and recovering 85% of household waste. Our 85% diversion rate translates into huge volumes of material that are not buried in a landfill, but rather given new life as usable products. GreenWaste works with its sister company Zanker Road Resource Management, Ltd. to operate three facilities: a state of the art Material Recovery Facility; Zanker Road Landfill- a national leader in construction and demolition diversion; and Z-Best Composting in Gilroy- where we transform yard trimmings and food waste into nutrient rich soil amendments. Together, these three facilities provide the most environmentally sound options for local communities' collection, hauling and recycling needs. For additional information on our companies visit www.greenwaste.com or www.z-best.com.

ABOUT HARVEST POWER, INC.

Harvest Power, Inc. provides industry leading technology and project development capability to harness the renewable energy in organic waste. We partner with compost facilities and waste managers in North America to build, own and operate next-generation alternative energy power plants. Our process, developed by BEKON AG, uses dry fermentation to capture the energy content in foodwaste and yardwaste, a process that has been fully tested and implemented at fifteen plants around the world. In

addition to technology we also bring significant project equity and finance capital to all of our projects, and top-tier talent to engineer, construct and operate the facilities, as well as the ability to market the finished compost product. With fifteen plants currently in operation, the technology is proven, and demonstrates high energy production with limited upfront and ongoing costs. To learn more about our business contact us at info@harvestpower.com or view our website at www.harvestpower.com

ABOUT KLEINER PERKINS CAUFIELD & BYERS

Since its founding in 1972, Kleiner Perkins Caufield & Byers has backed entrepreneurs in over 600 ventures, including AOL, Amazon.com, Citrix, Compaq Computer, Electronic Arts, Genentech, Genomic Health, Google, Intuit, Juniper Networks, Netscape, Lotus, Sun Microsystems, Symantec, Verisign and Xilinx. KPCB portfolio companies employ more than 250,000 people. More than 150 of the firm's portfolio companies have gone public. Many other ventures have achieved success through mergers and acquisitions. The firm has offices in Menlo Park, California; Beijing, China; and Shanghai, China. For additional information visit, www.kpcb.com.

ABOUT SAN JOSE'S GREEN VISION

On October 7, 2007, Mayor Chuck Reed introduced San Jose's Green Vision, which sets 10 ambitious goals for environmental protection and economic development. This 15-year plan envisions: creating 25,000 Clean Tech jobs; building or retrofitting 50 million square feet of green buildings; installing 100,000 solar roofs (1/10 of Governor Arnold Schwarzenegger's 1 million solar roofs for California initiative); reducing per capita electricity use by half; becoming a zero waste city; recycling and reusing 100 percent of the city's water; and moving to 100 percent renewable energy. For more information, visit www.sanjoseca.gov/greenvision/.

ABOUT THE CITY OF SAN JOSE

From its founding in 1777 as California's first city, San Jose has been a leader, driven by its spirit of innovation. Today, San Jose stands as the largest city in Northern California and the Capital of Silicon Valley—the world's leading center of innovation. The city, the 10th largest in the U.S., is committed to remaining a top-ranked place to do business, to work and to live. For more information, visit, www.sanjoseca.gov.

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