

May 22, 2015

Louisville Metro Planning and Design Services
444 South Fifth Street
Suite 300
Louisville, KY 40202

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PLANNING &
DESIGN SERVICES

Re: 822 South 15th Street Anaerobic Digester

Dear Sir or Madam:

On behalf of Jefferson AD II, LLC, a Kentucky limited liability company (the "Applicant") and a subsidiary of Nature's Methane Holdings, LLC, I have enclosed a Conditional Use Permit Pre-Application (the "Pre-App") for an anaerobic digester facility (the "Facility") to be developed at 822 South 15th Street (the "Property"). In prior correspondence, Ms. Emily Lui noted to the Applicant that Planning and Design Services will treat the Facility as a "non-accessory alternative energy system" as defined in the Metro Land Development Code (the "LDC"). Section 4.2.38 of the LDC states that a "non-accessory alternative energy system" may be developed within the EZ-1 zoning classification, which is the classification of the Property, upon the granting of a conditional use permit.

The Applicant will develop the Facility and install anaerobic digester technologies that will produce renewable natural gas for injection into the LG&E gas pipeline. The renewable natural gas will be purchased by a global energy company through an offtake agreement with the Applicant and then be sold back immediately to LG&E. The project will also produce a marketable by-product in the form of high grade organic fertilizer.

An anaerobic digester is a closed, oxygen-free (anaerobic) biological system that uses naturally-occurring bacteria to break down (digest) organic waste into useable components with economic and marketable value. Sources of the organic waste include: food waste from hospitals, restaurants, food processing plants, schools, and other sources; expired and damaged produce from wholesalers and grocery stores; distiller's slop; yard waste; and fats, oils, and greases.

These organic materials are mixed together in a series of sealed tanks and allowed to be digested by the bacteria for approximately 20 days. As the material is digested by the bacteria, biogas is created and captured in the sealed tanks. The captured biogas, which is approximately 60% methane, is then processed to remove the other components of the biogas (mainly carbon dioxide). The end product is renewable natural gas (biomethane) that meets LG&E specifications and is injected into the natural gas pipeline grid.

15C4P1023
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Thank you for your attention to this application and we look forward to receiving your comments.

Sincerely,



Brian D. Zoeller

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