

SUMMARY OF NEIGHBORHOOD MEETING

The neighborhood meeting was held on June 18, 2015, at 6:30 p.m., at the Kentucky Center for African American Heritage. There was a thunderstorm at the start of the meeting so we delayed commencing for about 10 minutes to allow extra time to arrive. Mark Stoermann, COO of Nature's Methane, welcomed the attendees and gave the attached presentation. Given the similarities to the anaerobic digester project also under development at the West Louisville Food Port, we started the presentation with a review of the concerns raised at a neighborhood meeting for that project on June 16th as we anticipated many of the same concerns with respect to this project. We requested that questions and answers be held to the end of the presentation, but we did break several times to address the attendees. After the presentation, there was an extended period of questions and answers, and the meeting ended at approximately 8:30.

Below is a summary of the concerns raised with the responses provided at the meeting and proposed follow-up activity presented in the general order they were raised at the meeting:

1. Question: Why were two meetings held and why did we not receive notice of both meetings?

Answer: The company is developing two separate projects and notices for each meeting was only sent to the residents around each project.

2. Question: Does BP take title to the gas or just the credits created from the renewable natural gas?

Answer: BP does take title to the gas but not physical possession. The renewable natural gas is injected directly into the LG&E system.

3. Question: What percentage of the waste materials delivered to the site are left over?

Answer: We plan that at the end of each day, all material delivered to the site that day will be processed and injected into the buffer tank and that the floor of the reception building will be washed down. We showed pictures of, and explained, the odor control system, which is designed to clean and recirculate the air in the reception building three times every hour.

4. Question: Is waste received sealed and enclosed?

Answer: All material should be delivered in tanker trucks or sealed or covered roll-off dumpsters or self-contained compacting dumpsters. We do not anticipate delivery in garbage trucks or dump trucks.

Follow-up: The company will investigate the possibility of pre-processing off-site that will allow materials to be delivered in sealed tanker trucks.

5. Question: Have you presented to planning and zoning?

Answer: We have submitted a pre-application and this meeting is the next step in the process. We will need to file a final application and still must have a hearing before the Board of Zoning Adjustments.

6. Question: Councilwoman Woolridge asked why would residents or the community want companies to continue to dump on West Louisville and have a site with rodents and rats?

Answer: This question was not posed directly at Mr. Stoermann and more intended to garner support for her opposition of the project. We responded that we will be addressing that concern throughout the presentation.

7. Question: There was a follow-up question at this point by another attendee about why we were selecting West Louisville?

Answer: Anaerobic digesters processing organic waste (as opposed to manure from cow farms or sludge from waste water treatment plants) are best suited for urban areas. The facilities need to be near where the waste is being generated. Additionally, because of the design of the pipeline system, the injection point needs to be in an area of high gas usage, which is generally the case in urban areas.

Although this was discussed later in the context of a question about truck traffic, the company is negotiating with Heaven Hill, which is located adjacent to the site, to process a significant portion of its whole stillage, which is currently trucked out or sent to the sewer system. Given the proximity, we would be able to pipe the whole stillage from the distillery, reduce or eliminate the truck traffic currently going to the distillery, and reduce the energy used at our facility because of the temperature of the whole stillage.

8. Question: What chemicals are blended?

Answer: Only organic waste is processed at the plant and chemicals are needed for the digestion process. We will add polymers to the liquid that is removed from the tanks so that the remaining solids are easier to remove in the centrifuge.

9. Question: How large are the tanks?

Answer: The three digester tanks are approximately 42 feet tall and 65-70 feet in diameter. The buffer tank should be slightly smaller than that.

10. Question: While explaining the process to clean the gas to pipeline grade, an attendee asked what happens to the dirty gas?

Answer: The biogas generated in the digesters is generally 60% methane and 40% carbon dioxide, but there will be small amounts of nitrogen and hydrogen sulfide. The process removes the carbon dioxide into the atmosphere. The hydrogen sulfide is removed in the liquid and sent to the sewer system. The nitrogen is also released

into the atmosphere, but the amounts are small and the gas is inert when released. This is not the same nitrogen compound that can create particulate pollution.

Follow-up: The company will provide to the community the same information it will provide the air pollution control district for the air permit it must obtain.

11. Question: How does this project benefit West Louisville?

Answer: We expect to create at least 10 jobs at the facility. We had a slide with research that concluded for each job directly created at a renewable energy facility, one indirect job was also created. Many of the positions can be filled from within the local community. A high school diploma or equivalent along with the ability to operate equipment and some mechanical aptitude are the initial qualifications for the operators of the facility.

We are developing a large site with existing buildings that are in significant disrepair that do not appear to have marketability for many applications.

The company wants to do more than just conduct business at the site and wants to be active in the community, which can take shape in many different forms.

12. Question: What is the economic status of the communities in which the urban digesters shown in the presentation are located?

Answer: We prepared these slides in response to the concerns raised at the West Louisville Food Port meeting on Tuesday, and we did not have time to research that information. Mark mentioned that on his trip to England last month to visit several digester facilities of our digester technology partner, he sensed the communities were very diverse.

13. Question: What information and data do you have regarding health information related to anaerobic digesters in densely populated areas?

Answer: We do not have any specific information at this point and the data we can obtain is related to digesters at waste water treatment plants and in Europe. We explained that Germany has approximately 8,000 digesters and the European Union has approximately 10,000 digesters.

Follow-up: We will request information from our technology partner, Monsal, which is now part of GE Power and Water, for health information. Monsal has developed and operates over 200 digesters in the United Kingdom.

14. Question: There was then a comment that Europe needs to take more risks with respect to renewable energy for several reasons, but that West Louisville does not need to take those. There was concern about air quality followed by comments that the community has been trying to rid itself of industry causing health concerns. Multiple times the group mentioned Rubbertown, the Morris Forman treatment plant and the discharge from the distilleries.

Answer: We explained that our facility has a much different process than those described and that initial responses from the Metro Air Pollution Control District have indicated they do not view this as a high polluting facility.

15. Question: There was concern expressed about the affect on property values.

Answer: We stated we can only speculate on this affect but we are putting a vacant parcel to productive use.

16. Question: There was concern expressed about the possibility of odor from the facility and leakage of materials during delivery. This was brought in a discussion by an attendee and his experience in driving past a landfill everyday. There was also mention of the odors from the Morris Forman treatment plant.

Answer: We explained that this facility is not a landfill. We will accept and unload all materials inside the reception building. Before a truck leaves the building, it will be rinsed to reduce the residue leaving the building. We also described and showed pictures of the odor control system that circulates the air in the building three times every hour and uses a biofilter to remove any odor produced in the building:

In addition to the description above about daily processing, we explained that we have a financial incentive to reduce the amount of decomposition of the organic materials in the reception building because the breakdown is reducing the amount of energy that can be captured in the digester tanks.

We described that odor from the treatment plant comes from the primary and secondary open air tanks processing sewage. Again, this is a different operation than the treatment plant.

17. Question: How long has Star Energy Holdings operated?

Answer: The company has been in business for approximately 10 years, primarily in the wind renewable energy field. Nature's Methane currently has five projects under design but does not have an operating anaerobic digester. We have addressed this issue by partnering with GE Power and Water and using its Monsal technology. They will be heavily involved in the construction and ongoing operation of the facility.

18. Question: There were several discussions about the safety of the facility, including the potential for leaks and explosions.

Answer: We explained these are safe facilities when operated correctly. Mark explained that he built and worked on a digester on a dairy farm for 15 years and his sons worked there while in college. The gas we are producing is the same gas that everyone at the meeting is using in their homes.

The system is designed with many systems and controls to address safety. We will have monitors throughout the facility to detect any leaks. Additionally, because methane is lighter than air, any leak outside where the gas is produced will escape in the atmosphere. Methane is only explosive when mixed with gas that has about 5-15% oxygen. On startup of the facility and after any downtime, all pipes onsite carrying gas are flushed with nitrogen to avoid having any oxygen/methane mixture.

Follow-up: We will attempt to obtain safety records from Monsal's operations in the United Kingdom and distribute that information to the community.

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Anaerobic Digester Facility - 821 S. 17th Street
 Neighborhood Meeting Attendance Sheet
 June 18, 2015

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