



NEWS RELEASE

CALIFORNIA STATE TREASURER BILL LOCKYER

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State Treasurer Lockyer Announces Bond Funding for Rice Straw, Waste Treatment Projects to Curb Global Warming, Provide Jobs *Projects Could Eliminate 170,000 Tons of Emission, Create More Than 600 Jobs*

SACRAMENTO – State Treasurer Bill Lockyer today announced California will provide \$180 million in tax-exempt bond financing for two projects that use innovative technology to recycle rice straw and solid waste to improve air quality, conserve water, reduce global warming emissions and create jobs.

“These projects continue to keep California on the front lines in the fight against global warming,” said Lockyer. “In addition to helping reduce climate changing emissions, these projects promise to improve air quality, conserve water, and add jobs and revenue to the local economies. Both projects prove that protecting the environment can propel economic growth.”

The California Debt Limit Allocation Committee (CDLAC), chaired by Lockyer as Treasurer, today approved \$100 million in tax-exempt bond financing for CalAg LLC’s (CalAg) proposed rice straw recycling plant, and \$80 million in such financing for EnerTech Environmental California LLC’s (EnerTech) planned solid waste facility.

CalAg’s CalPlant I project, located in Glenn County, will use recycled rice straw to make a formaldehyde-free medium density fiberboard (MDF) to substitute for existing wood-based products in homes and commercial buildings. Traditionally, removal of rice straw is completed by burning the straw or flooding rice fields to induce decomposition. Both methods harm air quality and produce methane emissions, a greenhouse gas that ranks as a leading contributor to global warming. By recycling the straw, CalAg estimates the project could save 35 billion gallons of water each year and cut annual methane emissions by 120,000 tons.

The project – which received initial approval Tuesday from the California Pollution Control Financing Authority, also chaired by Lockyer – will produce other environmental benefits. More than 6,600 acres of mature-growth forest will be saved each year from clear-cutting. And by reducing exposure to formaldehyde, the MDF will improve indoor air quality for families and workers.

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Additionally, the project will provide an economic boost, producing 150 million square feet of MDF annually, creating 150 permanent jobs and 450 temporary jobs, and generating additional yearly tax revenue.

EnerTech's three-structure facility in San Bernardino County will process approximately 675 wet tons of sewage waste into roughly 100 tons of renewable "E-fuel" pellets per day. By avoiding the land-based application normally used, the process will lower carbon dioxide (CO2) air emissions by 50,000 tons annually and improve water quality by reducing seepage of contaminants to ground water, according to EnerTech. The renewable fuel pellets are clean burning and can replace non-renewable fossil fuel energy sources used by cement kiln operators and other industrial consumers in the area. The project will create 15 to 20 full-time jobs.

CDLAC approved allocation for other noteworthy projects Wednesday. The California Department of Veterans Affairs will receive \$140 million to cover expanded eligibility for California veterans in the Department's home loan program. In San Diego County, the 16th and Market Apartments project will receive \$40 million to construct 134 affordable housing units and in Contra Costa County, the Crescent Park Apartments project will receive \$55 million to provide 341 affordable units.

In total, CDLAC allocated more than \$870 million in tax-exempt bond financing to 40 housing, economic development and small business projects.

Federal law limits how much tax-exempt debt a state can issue in a calendar year, with the cap determined by a population-based formula. CDLAC was created to set and allocate California's annual debt ceiling, and administers the tax-exempt bond program to issue the debt. In addition to the State Treasurer, the three-member body includes the Governor and State Controller.

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