



AG BIOMASS COUNCIL INC



LEVERAGING THE 2008 US FARM BILL FUNDING TO AGRICULTURE

The Ag Biomass Council (ABC) is a nonprofit organization that strives to add new dimensions to California agriculture. The ABC seeks the development of value added markets for residues from crop production. Our primary mission is to supply sound, agronomic, science-based information and practical recommendations for its members and the public. A team of members are looking forward to the opportunity to have our technical knowledge and substantial experience put to use. They are prepared to make the time commitments required to expedite obtaining PG&E's objectives. The following is an outline of agribusiness concerns, implementation strategies and utility benefits that can be applied at the grassroots level in rural, agricultural communities throughout California.

Targeted Concerns:

- Current agricultural practices lack a relationship to soil, tith and nutrient management.
- Agriculture waste stream issues need mitigation and have been overlooked as a sustainable feedstock for onsite soil amendmets and energy production.
- Farmers are withdrawn from environmental and energy regulatory policy that directly impacts farm operations.
- Promotion of large scale mono crops for biofuels.
- Realities of the corn for Food or Fuel debate.

Implementation Methods:

- Integrate farm energy production systems.
- Database(s) development on existing feedstock sources for biomass project developers.



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- Case studies that highlight technologies and net benefit for waste stream mitigation and energy production.
- Carbon footprint mapping and cost benefit analysis associated with agriculture biomass energy conversion systems.

ABC Proposed New Programs:

- California Farm Bill
- Biomass Mitigation Fund
- Cal AgStar Dairy Program

Utility Benefits:

- Retain existing energy customers within agriculture.
- Expand customer base to include distribution to new, rural energy markets.
- Localizing the energy grid through regional agricultural based power from biomass energy systems.
- Localized technical strategic planning.
- Improved customer relations by supporting agriculture's role in honoring a sustainable food system for California and supporting onsite renewable energy programs.
- Recognized for social responsibility and environmental stewards.
- Support independence from foreign oil.

Project Timeline and Budget:

ABC prefers payment to commence each phase of work required in an effort to display accountabilities and deliverables. This long-term, three year approach allows the ABC and PG&E to benefit from a thorough and reliable source of viable information and knowledge gathering. The following are proposed dates and stages of the collaboration:



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	Description of Work	Start and End Dates
Phase One	Produce a formal proposal	August 19- Sept 1st 2008
Phase Two	Pre-program development	Sept 1st - Jan 1st 2008
Phase Three	3 year implementation	Jan - 2009 through Dec - 2012

	Description of Work	Anticipated Costs
Phase One	Produce a formal proposal	\$ 10,000 - advance
Phase Two	Pre-program development	\$ 40,000 in progress payments
Phase Three	3 year implementation	\$ 450,000 in payments
	Total	\$ 500,000

RESPONSE

This letter correctly sets forth the understanding of the Ag Biomass Council, Inc., outline in producing a formal proposal to PG&E.

Accepted by

Title

Date

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