

An Update on the Calera Creek Waste Cooking Oil Recycling/Biodiesel Production Facility

Whole Energy Fuels.

The biodiesel project at the Calera Creek Water Recycling Plant is reaching an important milestone: completion of permits and the beginning of construction. Whole Energy Fuels and the City of Pacifica have worked together to bring this innovative green industry to Pacifica.

The locally produced, sustainable biodiesel will result in 78% lower CO2 emissions than the equivalent petro-diesel, reducing by many tons the carbon released into our atmosphere: using 125 gallons of biodiesel instead of regular diesel saves one ton of CO2. This product will be retailed locally. Whole Energy is also looking for qualified personnel for specific employment opportunities (see details below).

The plant is designed to provide, in addition to renewable fuel, electricity for the wastewater recycling plant, which together with the on-site solar array will further reduce the City's energy bill. We will use only recycled water in the production process. All emissions will be scrubbed using an innovative biological soil scrubber, exceeding Bay Area Air Quality Management District (BAAQMD) requirements.

Here is what our team has accomplished to date:

- We completed an environmental impact analysis prepared by a TRA Environmental Sciences as an addendum to the Calera Creek plant's Environmental Impact Report. This report assessed the mitigation measures planned as part of the project to avoid negative environmental impacts including visual and traffic as well as containment and emissions controls.
- We obtained BAAQMD approval to construct the plant; their analysis covered all estimated emissions for the plant, including the boiler, generator and tank evaporation. Requirements concerning equipment installation, record keeping and volume limits were determined for the plant. The BAAQMD estimated that total volatile emissions from the plant would be less than 2 pounds per day - less than a typical gas station.

- We began serving Bay Area biodiesel users in preparation for our imminent plant launch including Allied Waste in San Mateo. We are also currently in discussions to supply biodiesel to several other local fleets.
- We obtained the Coastal Development Permit. The California Coastal Commission required that the environmental impact addendum and the BAAQMD permit be secured as part of their review process. In addition, we met on site with representatives from the US Fish and Wildlife Service and the California Department of Fish & Game and incorporated their recommendations including wildlife fencing, additional containment measures, and external lighting and truck traffic limits. Coastal Commission staff reviewed the construction and operating plans in detail and recommended approval of the project subject to conditions regarding traffic impact, odor control and emissions and dust control from construction activities. The Coastal Commission approved the project unanimously at their July 11, 2008 meeting. You can see the video at <http://www.cal-span.org/cgi-bin/media.pl?folder=CCC> and click on the video for July 11, 2008.
- We completed the process for our City of Pacifica Building Permit. We worked with the City Planning Department to obtain the permit for the building and the structural support for the interior plant in 2008 and are now working to complete the portions of the permit for the tanks, vessels, pumps and all safety aspects of the plant's interior. Whole Energy is currently working with the North County Fire Authority to coordinate the final review of fire prevention and materials management plans.
- We are very close to starting construction. The building itself has been ordered and should be delivered soon. In the meantime, we will be starting work to prepare electrical and utility connections. The erection of the building will commence as soon as it arrives on site; the assembly of the plant components and implementing new contours in the surrounding site for spill containment requires the final plan approval we are currently engaged in as described above.

We are on track to have production underway this summer: the foundation is ready, the steel building will go up quickly and we can then assemble the interior of the plant. The permitting process, as

any project developer will tell you, can be time consuming. Nevertheless, we have been participating in a rigorous and thorough level of oversight for this project, which we expected and encourage.

Whole Energy is looking to hire qualified local personnel as plant operators, sales representatives, a general manager, and an accountant. We prefer to hire people locally from the Pacifica community and look forward to receiving responses to the following position announcement, which is currently open:

- Sales Representative: 5+ years experience selling to fleets, retailers. Deep understanding of fuel delivery and management infrastructure in Northern California. Full time, commission-based compensation. Please submit resumes including compensation history to: info@whole-energy.com.

We will also be posting job opportunities for experienced plant operators, a plant manager and accounting positions after the plant is commissioned later this year.

If you have further questions or want to communicate with WEF regarding this project, go to our web site at: www.pacificabiodiesel.com or www.whole-energy.com.

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