

Genesee Regional Bio-Fuels

August 24, 2009

The Honorable David A. Paterson, Governor
State Capitol Office
State Capitol
Albany, New York 12244

Re: Plan for a Clean Energy Economy

Dear Governor Paterson:

This letter is to endorse and support the broad outlines of your plan as well as to provide comment and outline how, as CEO of Genesee Regional Bio-Fuels, can help in reducing our dependence on imported energy by the nurturing and growth of a buoyant and sustainable renewable energy industry in New York State.

As has become clear, fuel made from renewable and/or sustainable sources, along with aggressive public conservation will materially help in reducing our dependence on, and economic domination by, foreign entities. Bio-fuels (ethanol and diesel) made from wood and agriculture waste and/or energy crops (non-food) offer the best sources for such fuels. In addition to their environmental benefits, they offer real opportunity to create "green economy jobs" in industrial and rural areas, especially if married together and reliant on rail transport for moving the feedstocks from their rural sources to the urban bio-refinery.

Genesee Regional Bio-Fuels (GRBF) is a Rochester based corporation formed to develop bio-refineries in under-utilized industrial locations within New York (and adjacent Great Lakes) State that will produce fuel ethanol and other bio-chemicals, thus reducing demand for imported oil. A key co-product of the process is lignin, which can be used to replace coal in electricity generation.

Our first plant is planned for the Eastman Business Park (Kodak Park) in Rochester, taking advantage of existing but underutilized infrastructure, including power, steam, water, wastewater treatment, and rail. Feedstock to supply the plant will initially consist of agricultural waste such as corn cobs and woody biomass from forest operations transported to Rochester by rail from regional collection cooperatives. Successful implementation of our plans will result in significant jobs creation in both the urban plant location and the rural agricultural locations where the biomass will be grown, collected, and processed before being sent by rail to the bio-refinery.

Word of our endeavor has already spread, and we have recently held discussions with people interested in additional projects in the Albany, Buffalo, and Corning areas.

Your Plan has outlined five key strategies for this program. Viewed from the view point of a bio-fuels manufacturer, it is clear that you are on the right track. A few comments are imbedded below.

◆ **Produce, deliver, and use energy more efficiently;**

GRBF will produce ethanol from existing agricultural and forest biomass at underutilized industrial sites in urban areas. While the capital required by this unique approach will be less than that required by a greenfield construction, bio-refineries require significant investment and public support.

◆ **Support the development of in-State energy supplies;**

GRBF is planning to build bio-refineries to manufacture fuel ethanol and other bio-chemicals at multiple industrial sites throughout New York.

◆ **Invest in energy and transportation infrastructure to support policy objectives;**

GRBF will utilize existing industrial and rail infrastructure wherever possible. Construction of the bio-refinery itself, as well as rolling stock and storage yards for transport of the feedstocks in and ethanol out will require significant capital.

◆ **Stimulate innovation in energy technologies to support the transition to a clean energy economy; and**

Since the technologies to successfully transform biomass into ethanol in an economically viable fashion is still immature, GRBF will de-risk the project by working with 2-3 industry leaders in parallel feedstock conversions.

◆ **Engage communities, local governments, neighboring states, and the federal government in energy-related activities.**

A viable bio-fuels industry, and the resulting energy independence that comes with it, will require putting idle and/or underutilized croplands into production. New York (and neighboring Pennsylvania) has millions of acres of idle agricultural land in rural farming communities. The pending 'cap and trade' legislation came perilously close to allowing only existing croplands to be utilized, thereby exacerbating the 'food vs. fuel' debate rather than reinvigorating a moribund rural economy.

Very truly yours,

Genesee Regional Bio-Fuels



Phillip J. Clark, P.E.
Chief Executive Officer