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State Funds Clean Power Project: \$1.1 million loan will reduce almond processor's greenhouse gas emissions

SACRAMENTO--The California Integrated Waste Management Board today approved a \$1,125,000 loan to a San Joaquin Valley start-up to help convert orchard trimmings and almond shells into heat for almond processing operations and electricity to power California homes and businesses.

The [low-interest loan](#) will reduce greenhouse gas emissions by facilitating the diversion of 3,900 tons of waste from landfills each year. The project will convert orchard trimmings into a synthesis gas that will power the generation of renewable energy for Pacific Gas and Electric Co.'s power grid.

"We are achieving two goals through this loan: reduce dangerous greenhouse gas emissions from landfills and take something we're throwing away right now and use it to create renewable energy," said Board Chair Margo Reid Brown. "By supporting projects through our market development loan program, we can bring the power of new technology to our nation-leading recycling effort."

Ortigalita Power Co. will use the loan proceeds to fund the purchase of gasification equipment for installation at Parreira Almond Processing Co. in Los Banos (Merced County). Parreira is a third-generation family-owned business that is one of the leading almond hulling and packing plants in the San Joaquin Valley. Locating the equipment on the farm will reduce the company's greenhouse gas emissions by eliminating the need to haul the waste from the farm to the landfill or to another processing plant.

Thirty-six million tons of waste was disposed in California landfills during 2008; 50 percent was paper or other organic materials, including agricultural crop and food processing residues. Recovering the energy potential from this biomass will contribute to meeting the state's Renewable Portfolio Standard of 33 percent by 2020.

Previously, the almond shells were sold to the cosmetic, industrial drilling, or pharmaceutical industries. Difficult economic times have reduced the market for the almond shells, so the new equipment makes these materials valuable commodities once again--this time as feedstock for a new product: electricity.

The new process will produce an estimated 3.9 million kilowatt hours of electricity, enough to power more than 500 homes each year. It will also create more than 15 billion BTUs of heat for almond drying, displacing propane use in Parreira's almond processing facilities.

Ortigalita Power Company LLC is located in the [Merced Regional Recycling Market Development Zone](#). There are 33 market development zones throughout California, covering roughly half of the state. The program plans to increase its coverage this year.

Through October 29, 2009, the Board will allow local communities outside existing recycling zone boundaries to apply for inclusion in the expanded coverage zones. The intent is to make additional recycling-content manufacturers eligible for assistance, which can come in the form of low-interest loans, technical assistance, and creative partnerships.

Recycling Market Development Zone Program Highlights

- For the first time since 1996, [the zone program is expanding its statewide coverage](#) to increase the number of new and existing businesses eligible for loans and technical assistance to help launch or expand recycled-product ventures.
- Local communities added to the zone program will benefit from new jobs and increased revenues. The environment benefits from reduced greenhouse gas emissions and natural resources used in manufacturing, and from reducing the flow of solid waste into landfills.
- Priority recyclables under the expanded business assistance zones will include construction and demolition materials, organics, paper, and plastics.

- The program offers technical assistance and low-interest loans of up to \$2 million as incentives to grow the recycled-materials segment of California's economy. Businesses in approximately half of the state are now eligible for assistance under the program, which began in 1990 and has now issued in excess of \$100 million in loans.
- Businesses receiving assistance through the zone program have added nearly 9,000 jobs to the state's workforce and annually direct more than 7 million tons of recyclable materials to higher and better uses.

The California Integrated Waste Management Board is the state's leading authority on recycling and waste reduction. It promotes reducing waste whenever possible, managing all materials to their highest and best use, and protecting public health and safety and the environment.

The California Integrated Waste Management Board is one of six boards, departments, and offices within the California Environmental Protection Agency ([Cal/EPA](#)).

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