

State of California  
AIR RESOURCES BOARD

Resolution 00-16

May 25, 2000

Agenda Item No.: 00-5-4

WHEREAS, the Legislature created the Rice Straw Demonstration Project Fund in 1997 to provide cost-sharing grants to proponents of projects which use rice straw in order to speed the development of a market for Sacramento Valley rice straw as the burning to dispose of the straw is phased down;

WHEREAS, the Air Resources Board (ARB or Board) has been directed to administer the Rice Straw Demonstration Project Fund (the Rice Fund) pursuant to sections 39750-39753 of the Health and Safety Code;

WHEREAS, the ARB adopted criteria on January 29, 1998, (Resolution 98-2) for disbursing the grants, as required by section 39752 of the Health and Safety Code, which are set forth in the ARB Report "The Rice Straw Demonstration Project Fund – Program Description and Proposed Invitation for Grant Requests" dated January 29, 1998;

WHEREAS, the following seven grant requests were submitted to ARB in response to the Rice Fund Invitation for Grant Requests 99-01:

*"Evaluation and Delivery of Rice Straw Needed for Gridley Ethanol Plant's Startup Year of Operation,"* submitted by Rice Straw Cooperative;

*"Rice Straw Export Project,"* submitted by Kuhn Hay, A California Corporation;

*"Development of a Commercial-Scale Composting Plant,"* submitted by Broken Box Ranch;

*"Rice Straw Silage Production for Cattle Feed,"* submitted by Smith Ranches;

*"Production of Ethanol from Rice Straw,"* submitted by Arkenol Holdings, L.L.C.;

*"Fibex-treated Animal Feeds and Ethanol From Sacramento Valley Rice Straw: Production and Commercial Assessment,"* submitted by MBI International; and

*"Biomass to Ethanol Facilitation Analysis,"* submitted by Sierra Economic Development District.

WHEREAS, an expert review panel independently evaluated the above seven grant requests using the funding criteria adopted by the Board at its January 29, 1998, public meeting; and

WHEREAS, the ARB staff has reviewed the seven projects and recommends five of them for funding.

NOW, THEREFORE, BE IT RESOLVED, that the Board finds that each of the projects recommended for funding meet the program criteria, and hereby awards grants from the Rice Straw Demonstration Project Fund to the following five projects, in the amounts specified:

*“Evaluation and Delivery of Rice Straw Needed for Gridley Ethanol Plant’s Startup Year of Operation,”* submitted by Rice Straw Cooperative, for \$380,000, and designates this project as Rice Fund Project Number 99-1;

*“Rice Straw Export Project,”* submitted by Kuhn Hay, A California Corporation, for a grant award of \$402,000, and designates this project as Rice Fund Project Number 99-2;

*“Development of a Commercial-Scale Composting Plant,”* submitted by Broken Box Ranch, for a grant award of \$297,900, and designates this project as Rice Fund Project Number 99-3;

*“Rice Straw Silage Production for Cattle Feed,”* submitted by Smith Ranches, for a grant award of \$50,100, and designates this project as Rice Fund Project Number 99-4; and

*“Production of Ethanol From Rice Straw,”* submitted by Arkenol Holdings, L.L.C., for a grant award of \$100,000, and designates this project as Rice Fund Project Number 99-5.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to initiate administrative procedures and execute grant agreements with the above applicants within 45 days from today in order to implement the grant awards.

I hereby certify that the above is a true and correct copy of Resolution 00-16, as adopted by the Air Resources Board.

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Pat Hutchens, Clerk of the Board