

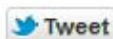


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## Columbia Biogas defends financing plan

By Christina Williams

Sustainable Business Oregon



Columbia Biogas officials on Friday defended their plan to develop a waste-to-energy plant in Northeast Portland, which includes asking the city to back a portion of the debt the company will use to build the \$55 million facility.

"We take issue with the fact that it's an inappropriate role for the city," said John McKinney, Columbia Biogas president. "This is exactly what it's all about — sustainability, renewable energy. We take issue with the fact that this project is being portrayed as risky."

McKinney spoke in response to [a report in The Oregonian](#) that said that the proposed financing arrangement for the Columbia Biogas plant could require the city to kick in as much as \$900,000 a year for up to 20 years. The report also aired concerns about Ken Rust, the city of Portland's former chief administrative officer who is employed as a lobbyist by Columbia Biogas.

The Columbia Biogas plant, which is [planned for the Cully neighborhood](#) near the intersection of Northeast Columbia Boulevard and I-205, would leverage debt, a portion of which would be backed by the city. The debt would accompany federal energy and New Market tax credits to fill out the financing picture for the project, which has been in the planning stages for about 18 months.

"We're not asking the city to write a check," McKinney said.

McKinney said he's been working closely with the city's Bureau of Environmental Services to document the savings that many businesses would realize, including food processors, restaurants, beverage manufacturers, grocery stores and the like. Those businesses currently dispose of waste by sending it to the landfill or composting facilities. Columbia Biogas would take in that waste at a lower upfront cost and convert it to electricity that would be sold to Pacific Power.

The plant would produce 3 megawatts of power initially, with plans to ramp up to 5 megawatts. The company has contracts in place with the utility to sell the power and with Metro for the waste it would need to operate, McKinney said.

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The Columbia Biogas plant would take in liquid and solid food waste and convert it to electricity and fertilizer.

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"We sent a letter to the mayor in support of the project," said Sandra McDonough, president and CEO of the Portland Business Alliance.

McDonough said Columbia Biogas was attractive for the potential cost-savings it offered Portland businesses and the fact that it's a creative energy project and an entrepreneurial business.

"We haven't looked at the financing so I can't really comment on that part of it," McDonough said.

The plant would use anaerobic digester technology — which breaks down biodegradable material — to create power. Fertilizer would also be produced at the plant. Columbia Biogas estimates that 85 construction jobs would be created by the plant, with an ongoing staff of 20 permanent jobs.

The plant was originally projected to cost \$40 million, but a more detailed engineering plan added to the cost.

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