

Media Release, March 24, 2017

First Kompogas[®] Plant in the US to be Built in San Luis Obispo, CA

On March 23, 2017, Japan Bank for International Cooperation as the main financier signed the financing agreement for the first Kompogas[®] project in the US. The dry anaerobic digestion plant in San Luis Obispo County, California, marks the first DBFOO project for Hitachi Zosen Inova (HZI).

Financing Secured

The signing of the financing agreement between Japan Bank for International Cooperation and the operating company Kompogas SLO LLC on March 23, 2017 gave the official green light to the construction of the first Kompogas[®] plant in the US. The project will be realized in close collaboration between HZI USA, HZI Zurich, and the parent company Hitachi Zosen Corporation in Osaka, Japan.

Hitachi Zosen Inova's First DBFOO Project

In addition to engineering, procurement, and construction (EPC), HZI and HZC will also be financing, owning, and operating the plant in San Luis Obispo. Kompogas SLO LLC is thus HZI's first DBFOO (Design, Build, Finance, Own, Operate) project. The 20-year operations and maintenance agreement will enter into force after commissioning in summer 2018. The plant will produce around 2,900,000 Nm³ of biogas and 22,000 US tons of high-grade compost and liquid fertilizer per annum from 33,000 US tons of green waste and biowaste. All of the biogas will be converted into electricity, delivering a power yield of 6,200,000 kWh/a, enough to cover the annual consumption of more than 600 US households. The compost will be sold separately as high-grade fertilizer for farming and residential gardening.

US Legislation

The 75 Percent Initiative launched by California in 2011 has created the ideal framework for the San Luis Obispo project. This initiative sets out the state's declared goal of achieving a 75% reduction in total waste by 2020. The strategies envisaged for achieving this are recycling, composting / dry anaerobic digestion, and reducing waste at the source. One of the first steps toward achieving this is the removal of biological waste from landfill sites. This measure is relatively simple to implement, and promises considerable potential with the possibility of cutting waste by 50%. "Thanks to the anaerobic treatment of the biological waste fraction, greenhouse gas emissions from landfill sites will be reduced significantly. With the construction and operation of Kompogas SLO LLC, HZI will be supporting the authorities in achieving important environmental goals, while also creating additional jobs in the local labor market," said Markus Stangl, CEO Hitachi Zosen Inova USA LLC, about the project. The production of the renewable fuel biogas and compost will further enable the ecologically sustainable and profitable recycling of biowaste as a raw material.

About Hitachi Zosen Inova

Zurich-based Hitachi Zosen Inova (HZI) is a global leader in energy from waste (EfW), operating as part of the Hitachi Zosen Corporation Group. Formed from the former Von Roll Inova, HZI acts as engineering, procurement and construction (EPC) contractor delivering complete turnkey plants and system solutions for thermal and biological EfW recovery. Its solutions are based on efficient and environmentally sound technology, are thoroughly tested, can be flexibly adapted to user requirements, and cover the entire plant life cycle. The company's customers range from experienced waste management companies to up-and-coming partners in new markets worldwide. HZI's innovative and reliable waste and flue gas treatment solutions have been part of over 600 reference projects delivered since 1933. To find out more about HZI, please visit www.hz-inova.com.

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