

ITEM 151-1001-R0511

Authorization to Construct a Biomass Gasification Steam Plant at The University of Montana – Missoula; The University of Montana – Missoula

THAT

Consistent with the provisions of MCA 18-2-102, MCA 20-25-302 and HB 98 of the 61st legislature, the Board of Regents of the Montana University System authorizes The University of Montana -Missoula to enter into a performance contract with McKinstry for the construction of a Biomass Gasification Steam Plant. The project cost will not exceed \$16,000,000. This authorization is contingent on the issuance of an air quality permit and the assignment of the qualified energy conservation bonds (QECB) from the state to The University of Montana. The University anticipates asking for Regent authority to sell bonds needed to finance the project in September, 2011.

EXPLANATION

In 2009, The University began exploring the feasibility of replacing its current natural gas fired boilers with a boiler fired by woody biomass as a means to reduce the University's carbon footprint. After extensive due diligence, McKinstry was selected to be our performance contactor and Nexterra was selected as the provider of the gasification system. The following steps/actions have been completed:

- Public comment has been solicited during two University hosted forums. The 9 Feb 11 forum was a publicly noticed scoping session as required by the Montana Environmental Policy Act (MEPA). All comments have been considered.
- Working with both Missoula County and the Montana Department of Environmental Quality a draft Air Quality Construction Permit has been issued. This constitutes permission from the county to construct the biomass plant.
- As required by MEPA, a draft Environmental Assessment has been completed.

A complete financial pro forma has been developed. The project is financially feasible.

ATTACHMENTS

Executive Summary
Financial Pro-Forma