

GHS BIOMASS BOILER UPDATE

4/8/08

I. Since Last Update 1/22/08

- a) Late Jan 08 update showed some issues but economics were still good
- b) 3 days later stoker auger jammed on a Friday
- c) 2 days after that main feed auger sheared on a Sunday
- d) Early February gear box and sonic indicator failed
- e) Early February warranty discussions with subcontractor, AE, Swank and SD#5 ongoing
- f) Early Feb discussed strategy and road ahead, next steps with SD management team
- g) Mid Feb conferred with DNRC program coordinator on options
- h) Mid Feb discussed with PES how to vary speed of conveyor
- i) Mid Feb Air compressor went out
- j) Mid Feb PES & Swank address fuel specification concerns
- k) Feb 18, another SD management team strategy meeting
- l) Feb 20 Stoker Auger failed
- m) Feb 21 toured Eureka Biomass Boiler
- n) Feb 26 PES Ltr regarding non-compliant fuel
- o) Feb 28 another SD5 management team meeting
- p) I have not included any of March's or April's events in this list
- q) 300 emails relating to Biomass Boiler since end of January (4/day average)

II. Options

- a) Status Quo use double grind hog fuel
- b) Use chipped product only
- c) Modify system to handle multiple fuels

III. Recommended course of Action

- a) Have a small team analyze all the pertinent data and recommend the next step in the next 30 days