

**SECRETARY'S ENVIRONMENTAL ASSESSMENT REPORT
FOR A COASTAL ZONE ACT PERMIT APPLICATION**

Re: Green Recovery Technologies, LLC

September 2014

Introduction

As required by the "Regulations Governing Delaware's Coastal Zone" (Section 8.3.4) dated May 11, 1999, and amended October 1, 2001, the Secretary is required to make an environmental assessment of the impact(s) of the project on the Coastal Zone of Delaware. This is done by evaluating the project's likely impact on the statutory and regulatory criteria and making a preliminary determination of the sufficiency of the Offset Proposal. The following is such an environmental assessment of the proposed project described in an application for a Coastal Zone Act (CZA) Permit, received from Green Recovery Technologies, LLC ("GRT").

The fact that DNREC considers an application to be preliminarily, administratively complete does not constitute the Department's position as to whether the application should be approved or denied. That decision will not be made until after the public hearing. The purpose of the Secretary's written assessment is to assist the applicant and the public to focus on issues presented in the application. It constitutes an administrative determination that the application is sufficient to proceed to a public hearing. In addition, should the Department eventually issue the CZA Permit, it does not automatically guarantee the applicant will receive other required permits.

The Proposed Project

Wastewater material ("sludge"), consisting of approximately 69% lipids, 29% protein, and 2% moisture, that originates at chicken processing plants in Delaware and surrounding states (e.g., Pennsylvania, Maryland, and Virginia), will be delivered on box trucks in 1-ton "supersacks"; estimated traffic is two trucks per day. The operation will take place inside a 120,000-square foot building, located on a parcel of property that is 9.13 acres in size, at 42 Lukens Drive, Riveredge Industrial Park, New Castle. A small quantity of liquefied flammable gas (dimethyl ether) will be used as a solvent to separate the proteins and lipids, resulting in a "high purity protein stream (free of oil)" and a "high purity lipid stream (free of protein)." The resultant byproducts will then be sold and shipped to manufacturers in the pet food industry.

Sufficiency Statement

This application for a CZA Permit, including supplemental information, has been reviewed by the Department to determine its completeness. After a thorough review of the company's application and file, the Department considers this application to be administratively complete and sufficient for proceeding to public hearing.

Environmental Assessment

The project will result in the following annual air emissions (in pounds) from the boiler used in the operation: NOx, 10,057; CO, 4,446; CO₂, 6,351,586; N₂O, 116; SO₂, 32; TOC, 582; Methane, 122; and VOC, 291. In addition, office solid waste will be generated totaling approximately 5,625 pounds annually. No other environmental impacts are anticipated.

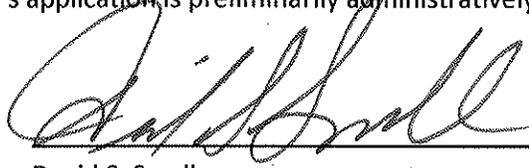
Offset Proposal

The applicant has obtained 7 tons of VOC Ozone Season credits from the Delaware Economic Development Office as their offset for the boiler emissions noted above; please see letter from DEDO, dated August 18, 2014, attached. Solid Waste generated will be offset through office recycling and solid waste recycling programs described in the offset proposal. Packaging waste will be completely recycled with pallets being reused and supersacks being returned and recycled with the manufacturer.

Conclusion

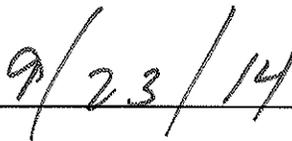
The company's application is preliminarily administratively complete.

Approved: _____



David S. Small
Secretary

Date: _____





STATE OF DELAWARE
EXECUTIVE DEPARTMENT
DELAWARE ECONOMIC DEVELOPMENT OFFICE

DEDO

AUG 29 2014

OFFICE OF THE DIRECTOR

August 18, 2014

Mr. Kenneth Laubsch
President & Chief Executive Officer
Green Recovery Technologies
42 Lukens Drive
New Castle, DE 19720

Dear Mr. Laubsch:

I am pleased to inform you that the Delaware Economic Development Office will grant to Green Recovery Technologies (GRT) effective immediately 7 Emission Reduction Credits (ERCs) necessary as required offsets for the issuance of a Delaware Coastal Zone permit allowing the operation of a steam generating boiler at GRT's facility.

These air credits are granted under the following terms and conditions.

1. The credits granted are for 7 VOC Ozone Season credits currently held in the DEDO credit bank; and
2. The credits are granted effective immediately upon receipt of a copy of this letter signed by an authorized officer of GRT acknowledging and accepting these terms and conditions.
 - GRT submits a \$500 application fee to DEDO prior to August 29, 2014.
 - GRT commences full operation of its New Castle, DE biomass conversion facility on or before December 31, 2014. Should operations not commence by that date, DEDO reserves the right to rescind this award and return the credits to the credit bank.
 - GRT agrees that they will employ a minimum of 15 full-time employees in the operation of the facility on or before December 31, 2015.
 - GRT will be required to certify the new jobs created and total employment on an annual basis beginning on December 31, 2014 and continuing through December 31, 2017. GRT shall certify, on a form acceptable to DEDO, the number and compensation level of all full-time permanent employees.

Mr. Kenneth Laubsch

August 18, 2014

Page 2

- GRT agrees that should its employment fall below 15 full-time employees for four consecutive months, or if the operation is idle for four consecutive months, DEDO reserves the right to rescind this award and return the credits to the credit bank.
- GRT agrees that the credits are for the operation of its boiler at 42 Lukens Drive, Suite 100, New Castle, DE and may not be sold or transferred in any manner to any other organization or utilized at any other location without the expressed written consent of DEDO. If DEDO does not approve a transfer, the credits will be returned to the credit bank.

If you need more information, please contact Jeff Stone at (302) 672-6849 or jeff.stone@state.de.us.

I appreciate your continuing investment in the State of Delaware and your efforts to preserve and enhance our environment and wish you continued growth and success in your operations.

Sincerely,



Alan B. Levin
Director

cc: David Small, Department of Natural Resources and Environmental Control
Ali Mirzakhali, Department of Natural Resources and Environmental Control
Phil Cherry, Department of Natural Resources and Environmental Control
Kevin Coyle, Department of Natural Resources and Environmental Control

On behalf of Green Recovery Technologies, I hereby acknowledge and accept the terms and conditions as detailed above.

By:  CTO

Name & Title

 CEO

08.22.2014

Date

8/26/2014