

September 19, 2006

Mayor John Nader  
City Hall  
258 Main Street  
Oneonta, NY 13820-2589

Dear Mayor Nader:

Catalyst, along with many sincere environmentally concerned people, believes that clean, sustainable alternative energy is critical if we are ever to displace coal and imported energy while reducing air pollution and the threat of global warming.

Biomass energy production is New York State's clean energy solution. As countless experts have pointed out, New York State's primary and renewable energy resources are wood and water. With no additional hydrological resources available, clean wood to energy technology is the clear path to renewable energy independence in New York State.

In fact, New York is in a unique position to lead the nation in the sustainable generation of clean energy.

So when Catalyst first approached the City of Oneonta, we believed that a state-of-the-art alternative energy facility that:


- 1) created 20 permanent high-paying jobs and 150 regional jobs;
- 2) would provide an estimated \$2+ million in new tax revenue to the City every year;
- 3) would be the cleanest biomass energy production facility ever constructed by surpassing even the most stringent permitting requirements for air quality and sustainable forest management; and
- 4) would redevelop the long-dormant Oneonta rail yard, a heavy industrial-zoned brownfield redevelopment site;

provided a clear vision for sustainable development that would be welcomed as a win-win-win proposition for the environment, the City, and its taxpayers.

Your letter dated September 15, 2006, clearly states that our renewable energy project "does not seem consistent with the city's vision for the Roundhouse site."

As a result, we regret to inform you that we plan to suspend the SEQRA process at this time and will be pursuing one of our alternative sites for this facility.

Sincerely,



Eric Spomer  
President