

New Markets Tax Credit

CALIFORNIA

NMTC ALLOCATEE DV Community Investment LLC*

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COMMUNITY PROFILE

- Bakersfield, CA
- 21.3% poverty rate
- Median income 60.3% of Area Median Income
- 15.9% unemployment rate

PROJECT HIGHLIGHTS

- Energy power plant conversion
- Total Project Cost: \$43 million
- NMTC: \$9 million
- Investor: Chase
- Jobs: 90 construction, 30 retained, 8 new direct



Mt. Poso Cogeneration Company

Mt. Poso Cogeneration Company (MPCC) owns a biomass-fired power plant located near Bakersfield, California that began operations as a coal-fired facility in 1989. The plant is located in a high-distress census tract with an unemployment rate over 15 percent.

By 2009, changes in California air quality regulations signaled an end to the plant's coal operations. MPCC knew that closing the plant would have serious, negative impacts on the Bakersfield community and decided to keep the plant open by converting the facility into a sustainable biomass energy production plant.

MPCC had difficulty securing conventional financing for the \$43 million plant conversion due to the market risks associated with biomass fuel. DV Community Investment, LLC (DVCi) supplied one component of financing by providing \$9 million in NMTC financing, which, when combined with other conventional capital sources, made the project economically feasible.

In February 2012, Mt. Poso's power plant completed its conversion to biomass and successfully began delivering its full capacity of clean, renewable energy to the California grid. Conversion of the plant preserved 30 jobs, created 8 new jobs at the facility, 90 construction jobs, and an estimated 100 long-term jobs at local firms supplying biomass fuel and providing maintenance and other services to the plant.

All of the jobs at the plant are "green energy" jobs and offer above-average wages with medical benefits, a savings and investment plan, and advanced career and educational training. More than 80 percent of Mt. Poso's employees are residents of low-income communities. The company has forged alliances with a community college and local job training organizations to undertake further outreach into the low-income community. The project serves as a catalyst for job growth in the surrounding area.



Top: Mt. Poso's power plant

Bottom: Mt. Poso fuel handling
equipment