The Prasino Group

• “We Make Sustainability Real”
  • Sustainability consultants – Ag, Energy, Carbon, Water
  • Bioenergy and Biofuels practice in California
  • Project Development
  • Product Development – SEAM, BEAST
  • Project Finance
  • Environmental markets – carbon, RINs, LCFS
    • Alberta, CA, International
    • 50+ years of cumulative experience among partners
The CA Landscape

- **AB32 – Cap and Trade**
  - Successful auctions: V13 12.22, V16 11.10
  - Pricing relatively stable: offsets 9-10
  - For now, ARB has authority to continue auctions
  - Increased confidence, increased development

- **LCFS – Low Carbon Fuel Standard**
  - Very thinly traded
  - Increased interest in space, stacks with RFS2 RINs
  - Outstanding legal concerns
AB32 – What’s Needed?

• Protocols
  • Only four – dairy, ODS, forestry, urban forestry
  • No clarity about process for development
  • No clarity about where meaningful offset supply will come from

• Finance and price assurance mechanisms
  • 3-5 year contracts – state take the back end five
  • Green bank – state forward purchases at guaranteed price and resells at a profit
  • Prasino “Pre-Pay Consortium” Fund for pre-purchase. Pre-pay amount is “paid back” in first call on early vintages.
LCFS – What’s Needed?

• Legal resolution
• Fuel + LCFS + RINs = very attractive BUT
• No ability to get forward contracts, 1-2 years only
• Private enterprise wants 5 year contracts?
• State commit to 10 year contracts for fuels in fleets – shift the economics
• Local fuels into local fleets = air benefits
• Green Bank for environmental assets
• Private sector fund for environmental assets
Happy to discuss!

• Caitlin Sparks, SVP Strategic Development
  • csparks@prasinogroup.com
  • 510-908-1210