

US EPA ARCHIVE DOCUMENT



CA Bioresources Alliance Symposium Sacramento, CA

September 18, 2013

Caitlin Sparks, SVP Strategic Development

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

