



## Carbon Emissions Reporting & Management Solutions for the U.S. Ethanol Industry

The U.S. EPA's Mandatory Reporting of Greenhouse Gases (GHG) Rule, which goes into effect on December 29, 2009, requires a number of industrial facilities across the US to submit reports on their GHG emissions on an annual basis beginning in January 2010.

Ethanol production facilities, which have fossil fuel GHG emissions in excess of 25,000 metric tons of CO<sub>2</sub> equivalent, will fall under the reporting category: General Stationery Fossil Fuel Combustion.

The EPA also proposed a secondary rule that would require ethanol facilities to report GHG emissions from onsite landfills and onsite wastewater treatment, in addition to general stationery combustion. Although this portion of the EPA's reporting requirement has not been finalized, it is likely in the near future that Ethanol producers will have to satisfy more reporting requirements.



## Turning Risk into Opportunity

The GIC Group and ClearCarbon, Inc., are launching a reporting, valuation, and financial projection service for US ethanol producers to comply with the new EPA reporting requirements, effective January, 2010. The service is available both for individual companies and on a multiple company or association membership basis. By conducting a comprehensive, detailed, and auditable GHG inventory, ethanol producers will not only be able to meet the reporting criteria of the US EPA, but also identify possible near-term cost savings with relatively short payback periods.

GIC and ClearCarbon can also work with producers to identify long-term mitigation strategies, which will prepare producers for operating in a carbon-constrained economy with implementation of nationwide cap and trade system. GIC and ClearCarbon can utilize GIC's Agricultural Carbon Index (GIC-ACI) to calculate the financial exposure of a particular biofuel company given its current GHG footprint and project the value of proposed mitigation strategies. GIC and ClearCarbon can also compare and contrast how the potential savings of a comprehensive carbon mitigation plan aligns with the EPA's proposed current cost estimates for ethanol producers.



## 3-Stage Approach to Effective Carbon Management

### Detailed Measurement

- Identify and measure all GHG sources required for current and future regulatory compliance.
- Create standardized reporting tool to facilitate compliance and minimize administrative burden.
- Calculate and understand financial value at risk due to GHG footprint and regulatory requirements

### Mitigation - Management

- Identify short-term and long-term opportunities for GHG mitigation.
- Implement and value low-cost abatement opportunities.
- Quantify and value potential of long-range mitigation technologies.
- Incorporate GHG reduction plan into company's long-range strategic and financial plans.

### Monetize Carbon Value

- Utilize the GIC-ACI index to project the value of GHG mitigation strategies and technologies.
- Estimate the impact to value of the firm's balance sheet from implementing a comprehensive GHG reduction plan.
- Hedge and offset the risk of the investment in a carbon mitigating technology with the GIC-ACI index.
- Develop a new carbon offset protocol that documents and captures the value of a new mitigation technology



To learn more about the GIC Group and ClearCarbon, Inc., visit our websites at:

[www.gicgroup.com](http://www.gicgroup.com)

[www.clearcarboninc.com](http://www.clearcarboninc.com)

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## A Cost Effective Solution

### Pricing Guidelines for Services

Service	Single Plant*	Group of Plants with Common Ownership/Operations*
GHG Measurement & Reporting**	3,500 to 7,000	Up to 50% Depending on data
Mitigation Strategy/Options	3,000 to 5,000	Up to 50% Depending on data
Cost Benefit Analysis	\$3,500	Up to 50% Depending on data
Implementation of Carbon **Management Strategy (3-year)	\$3,000/year	\$5,000/year
3-year Economic Assessment of Carbon Assets and Liabilities	\$3,000/year	\$5,000/year
Assessment and Valuation of a New Carbon Mitigation Technology	Provided to companies and/or industry groups. Price determined on a case-by-case basis.	
Development of Carbon Offset Protocol for New Technology	Provided to companies and/or industry groups. Price determined on a case-by-case basis.	

\*Price for single plants as well as a group of plants with common ownership/operations depends on the availability and quality of emissions data.

\*\*Additional discount would be available for measurement and reporting option, as well as the implementation of the carbon management strategy, if the plant operator/company enters the data into a standardized online template and provides all of its own data.

†All reported data will be auditable and the data collection systems will be repeatable. This will allow for a completely transparent GHG measurement and assessment methodology.