



terra pass

Livestock / Digestion Carbon Offset Projects

Project creation and offset value

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Who is TerraPass?

- Engaging consumers and businesses in climate change
- Founded in 2004 and based in San Francisco
- Carbon offset originator and retailer
- Renewable energy project developer
- Goal: Proliferate high quality offset projects in the US by offering stable long-term revenue streams to project owners

What makes a good project?

- Must be eligible! Probably no feedlots, bad for certain geographies
- Size, size, size
- Commitment of project developer (producer or 3rd party)



How do projects get paid for?

- Developed by farm vs. by developer
- Equity, loans, pre-payments and more
- Don't forget "free money"
- Main revenue streams: energy, RECs, carbon, bedding/digestate



Who buys carbon offsets? Why?

- Voluntary
 - Personal and corporate social responsibility
- Pre-compliance / Regulatory
 - Big focus is on California
 - Financial Players: speculating on future value
 - Utilities: currently limited
- Volatile and illiquid market

What are they worth?

- “Primary” vs “secondary” credits
- Very few options for price discovery
- Major driver of price is who is taking what risk
 - Operational Risk
 - Regulatory Risk
 - Price Risk



Who do project owners sell to?

- Some advantages to an originator
- Offset quality, sound volume projections, experience
- Diligence and operational assessments
- Single project vs. managed portfolio
- Experience in monetizing offsets

Thanks and questions

- Thanks!
- Please don't hesitate to be in touch, we're always happy to talk

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