



NEW FRONTIERS IN CLIMATE ACTION

2012

EOS ODS Offsets and the Market



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Recognition

California Governors Environmental and Economic Leadership Award (GEELA)

Environmental Finance market survey:

- Best Project Originator North America
- Best Project Developer (runner-up)



Media Coverage:

- National Public Radio
- NY Times
- Nature
- Triple Pundit
- Reuters/Point Carbon



Recognition

The screenshot shows the homepage of the California Air Resources Board (ARB). At the top left is the CA.GOV logo. The main header features the text "California Environmental Protection Agency" and "Air Resources Board" with a circular logo. Navigation links include "About ARB", "Calendars", "A-Z Index", and "Contact Us". A search bar is located on the right with the text "Search ARB" and options for "Google" and "Advanced". A secondary navigation bar contains "Home", "Reducing Air Pollution", "Air Quality", "Business Assistance", "Laws & Regulations", and "Health".

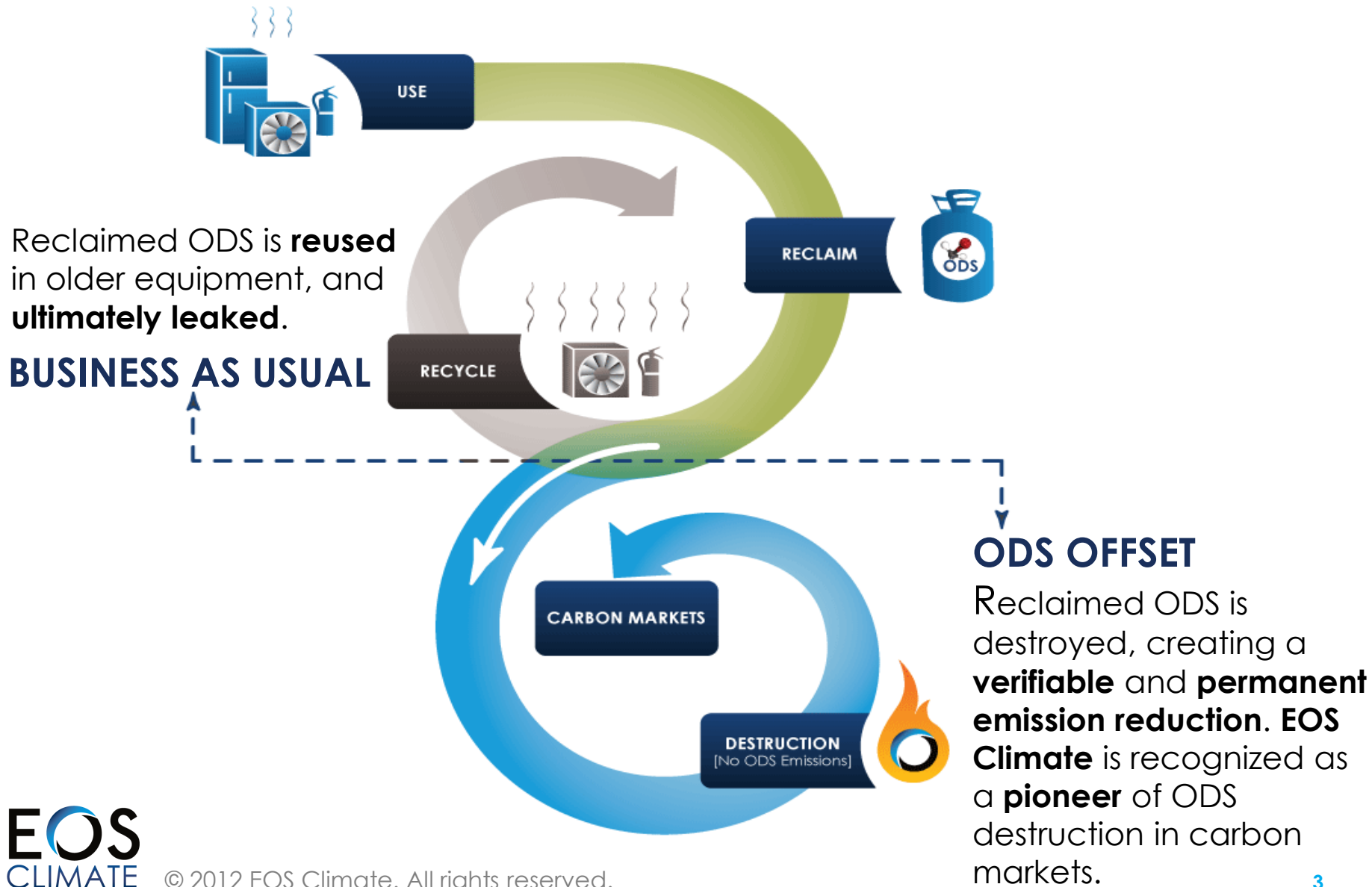
The main content area is dated "Thursday, January 5, 2012". It features a profile for "Office of Governor Edmund G. Brown Jr." with a "Visit his Website" link, and a profile for "BOARD CHAIRMAN Mary D. Nichols" with a "visit her page" link. Below these is a "POPULAR PAGES" section with links to "Advanced Clean Cars", "Aftermarket Parts", "Board Meetings", "Carpool Stickers", "Car Scrappage", "Climate Change Programs" (with a sub-link for "Cap-and-Trade"), "Diesel Activities", and "Registration / Permits" (with sub-links for "Drayage Trucks" and "Off-Road (DOORS)").

The central news article is titled "SF firm wins Governor's top environmental award" and sub-titled "EOS Climate destroys highly potent global warming gases in old appliances". It includes a photo of "EOS VP Todd English" working on an appliance. A list of related news items follows: "Application period opens for ARB's CoolCalifornia Small Business Awards", "Quebec adopts cap-and-trade", "San Joaquin Valley's Alex Sherriffs sworn in as new ARB Board member", and "Video tour of futuristic Advanced Clean Cars at 2011 LA Auto Show with Board Chairman Mary Nichols".

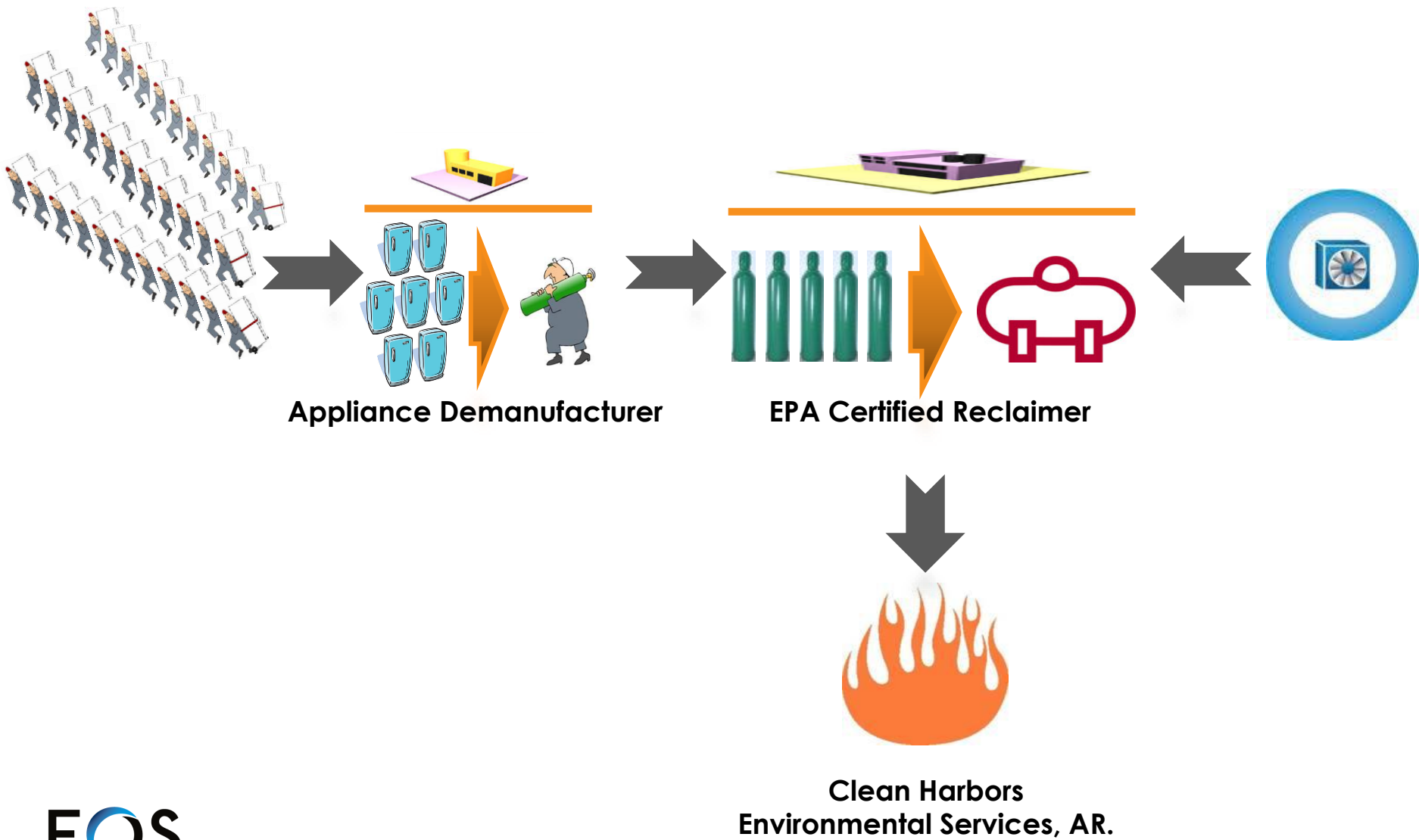
A "News Highlights" section lists "Delta, Lufthansa to hike prices to cover emissions". At the bottom of the main content area are buttons for "the Truck", "Resources", and "Learning Center".

On the right side, there are three promotional banners: "Advanced Clean Cars" with the text "New standards for tomorrow's cars", "AB 32" with the text "Reducing air pollution and improving energy efficiency", and a "More..." link.

ODS Destruction Offsets - Additionality



Project Case Study



Units Received



Now What?

- ⑩ Current EOS ODS CRT issuance:
 - Over 2.3 million CRTs
 - All eligible for Conversion to CCO's
- ⑩ Next Steps:
 - What needs to be in place?
 - Timeline
 - Process
 - Marketing/Selling the Product
 - Outstanding Questions

ARB Offsets

- ⑩ ARB Protocol and Procedures
 - 4 Approved Offset Protocols
 - “Additional information about early action offset credits will get posted on the Early Action Offset Credit page (**coming soon**) at a later date.” –ARB Website

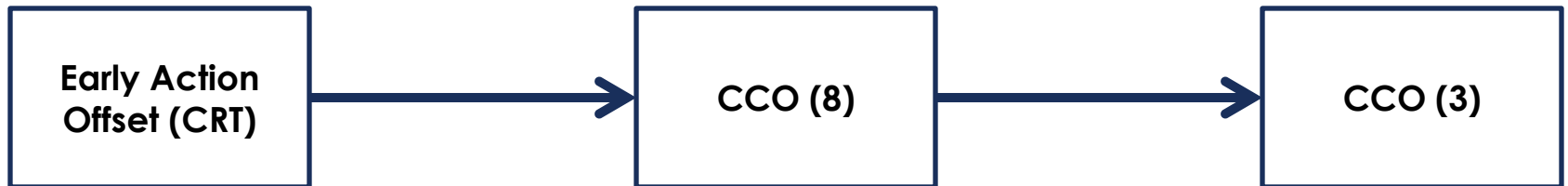
- ⑩ CITSS
 - Test Auction
 - Distribution of Allowances
 - First Auction (Nov. 14)

- ⑩ Registry Approval
 - Multiple Registries have submitted applications to ARB
 - Expect approval (ask ARB) but we are guessing:

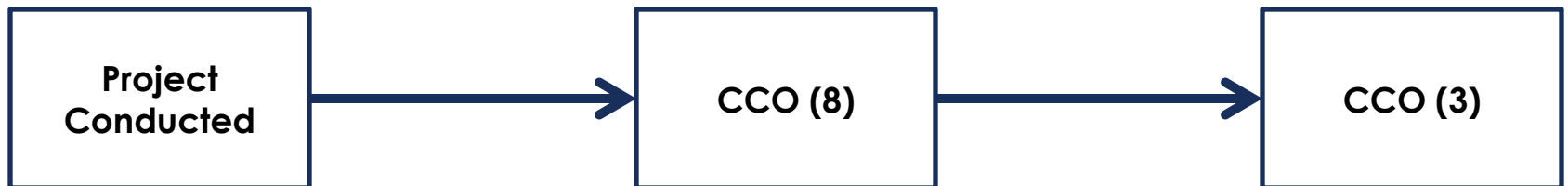
- ⑩ Verification Bodies/Verifier Approval
 - Various verification bodies have submitted applications to ARB
 - Both the body and individual verifiers need approval
 - Training June-August 2012
 - Expect update from ARB in October, 2012

ARB Conversion / Issuance Process

EAO to CCO(3)



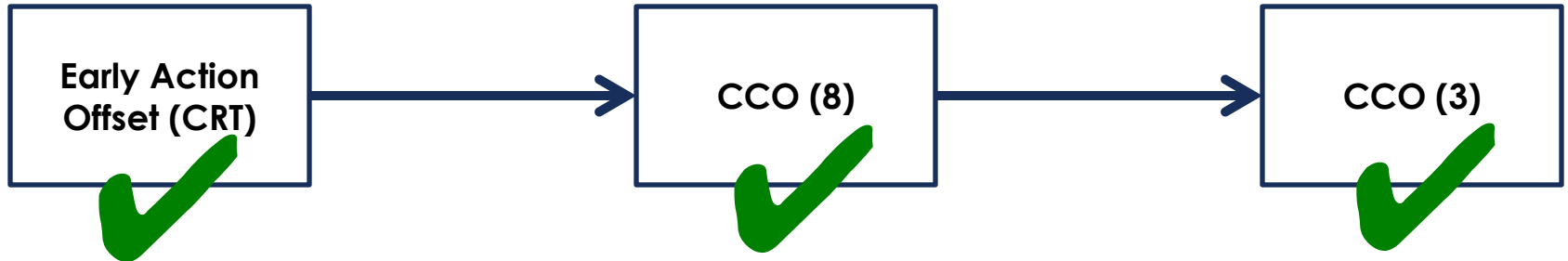
CCO(8) to CCO(3)



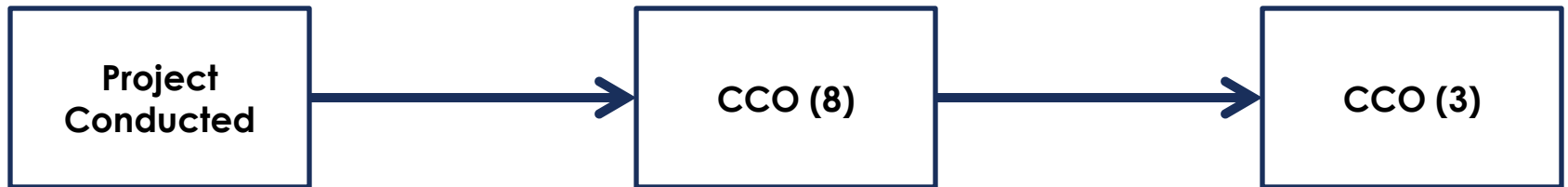
(DISCLAIMER): This is EOS Climate's understanding of the process for conversion and creation of CARB offsets under AB32. This should not be viewed as a statement from the California Air Resources Board (ARB).

Sales

EAO to CCO(3)

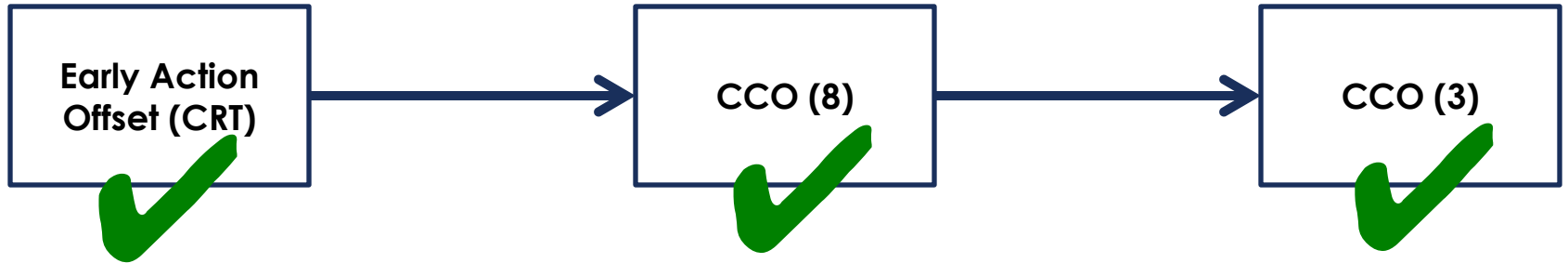


CCO(8) to CCO(3)



Sales

EAO to CCO(3)



1 CRT (\$ X) + CCO(8) (\$ Y) + CCO(3) (\$ Z) = \$ CCO(3)

2 CCO(8) (\$ Y) + CCO(3) (\$ Z) = \$ CCO(3)

3 CCO(3) (\$ Z) = \$ CCO(3)

Questions

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Thank You.



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