

# Landfill Gas Capture: Blue Source Investment Model

**Stephen Entwisle**  
*Manager, GHG Offset Supply*

**Blue Source Canada**

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# Blue Source Canada

- Canada's leading marketer of offsets
  - Include number of tonnes sold in various markets in Canada
- Full suite of offset services
  - Project assessment
  - Protocol development
  - Documentation, verification, registration
  - Marketing - supply-side model, act as seller's agent
  - Post-sale support
  - Project investment
  - 500 million equity fund for offset-eligible offsets



**Blue Source**  
*Canada*

# Blue Source LFG Services

- Assess, develop and market carbon credits.
- Partner with industry experts that provide technical and engineering services (EPC, O+M).
- Due diligence on beneficial use of gas – energy, gas or direct use project.
- Strategic relationships with gas purchasers and energy developers allowing innovative project structuring and up-sizing.
- Invest in gas capture and utilization systems.
- Design, build and management of LFG systems (partners)

# Blue Source Investment Fund

- \$500 million (US) capacity
- GHG reduction projects
- Criteria
  1. Carbon value
  2. Regulatory certainty
  3. Protocol certainty
  4. Market access
  5. Scalability
  6. Dual revenue streams
  7. Early revenue



# BC Landfill Gas Investment Opportunity

- Landfill Gas Management Regulation – Mandatory LFG Capture 2016
- No funding provided for municipalities from provincial or federal governments
- Projects eligible for offsets up to 2016
- Pacific Carbon Trust – ready market
- Blue Source Investment offers no-cost solution

# Opportunity for Municipalities/RDs

- No cost end-to-end solutions
- No municipal funding required
- End-to-end solutions
- Design, build, management
- No municipal/RD resources required
- Blue Source investment based on offset value
- Secondary revenue streams
  - Offsets
  - Gas offtake
  - Power



# Blue Source Advantage

- Blue Source takes risk off of municipalities/RDs
- No resources required of municipalities/RDs
  - Financial
  - Human resource
  - Risk
- No-cost solution: mandated LFG capture
- If not Blue Source, ratepayers may bear cost

# Blue Source LFG Advantage

**Competitive Advantage – “we check virtually all of the boxes”**

**Spectrum and quality of attributes arguably makes us best-in-class**

**Scale and efficiencies will further distance Blue Source from competition**

- Brand Name
- Reputation
- Team
- Policy Leadership
- Shareholders
- Partners: SCS Engineers, RMT Inc, HDR Engineering
- Capital
- Portfolio
- Marketing Reach
- Carbon experience / technical expertise

*In process of building or acquiring*

- Power development
- Operations team / management



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# Examples: Sarpy County Landfill, Nebraska

- Blue Source is investing in the development of a landfill gas collection and flaring system
- Design, permitting, construction, and operation of the collection system has been contracted with two of its strategic relationships.
- Blue Source will market the VER credits associated with the methane avoidance from the LFG collection system.
- Phase 2: LFG to energy project that would use the LFG rather than flaring it
  - Secondary revenue stream for landfill owner

# Examples: Midshore Landfill, MD

- Project being developed in two phases:
  - Phase 1: design, construct and operate a LFG capture system (flaring)
  - Phase 2: beneficial use of energy
  - SCS Engineers providing design, EPC and O+M
- Landfill has permitted capacity of less than 2.5 million tons and is therefore not subject to NSPS regulations. Expected to close by 2012.
- A partial system exists and was installed in phases since 2000.
- VERs for phase 1 qualify under VCS (403,305 total VERs anticipated). We will subtract emission reductions associated with 'older' system. VERs driver for phase 1 economics.
- Verification of gas and other DD will determine viability of phase 2, however, based on initial analysis a 2 MW project will be interconnected to PJM or the local utility. .
- Phase 1 will be operational in October 2009.



# Thank You~

Please come find me if you have any questions!

Stephen Entwisle

[stephene@bluesourcecan.com](mailto:stephene@bluesourcecan.com)

403-262-3026, ext 231

# Blue Source Services

- Advocacy
- Protocol development
- Data monitoring, management
- Project documentation
- Verification/registration
- Marketing
- Project investment

