



Addressing Alternative Aviation Fuel Facility Financing

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Introduction to ACA

International Aviation Consulting Firm

- Founded by Don Schenk in 1989 as an aviation consulting and financial advisory firm specializing in the airline, airport and aerospace industries.
- Alternate energy practice <http://www.aca-assoc.com/alternative.php>.



A review of trends
in the airline and
commercial jet
aircraft industries.

Outline



- CAAFI Financial Agenda



- CAAFI Achievements



- Great Business Opportunity

Financial Agenda

- CAAFI/FAA deployment goals
 - 10 projects underway by 2013
- \$5-10 billion challenge
 - Facilities cost \$200 million - \$10 billion

ACA 2010 Goals

- 1 • Develop supply chain model
- 2 • Highlight finance and risk management issues at each stage of supply chain
- 3 • Identify government support available for supply chain
- 4 • Obtain input from financial institutions
- 5 • Recommend solutions to relevant government agencies
- 6 • Disseminate results to financial institutions and CAAFI stakeholders

Progress

08/09

- LAX: 8 airline group agreement for ground equipment renewable synthetic diesel

09/09

- Inter-American Development Bank focused on alternative aviation fuel market

11/09

- Brazil government and aerospace community pursue alternative fuel

12/09

- Airlines develop MOUs with 2 alternative fuel suppliers

01/10

- USDA & DOE engaged on alternative aviation fuel financing issues

03/10

- ATA/DESC Strategic Alliance

04/10

- DOE New Partnerships under Energy and Climate of Americas program

2010 Initiatives

Regional Support of USDA and USAF

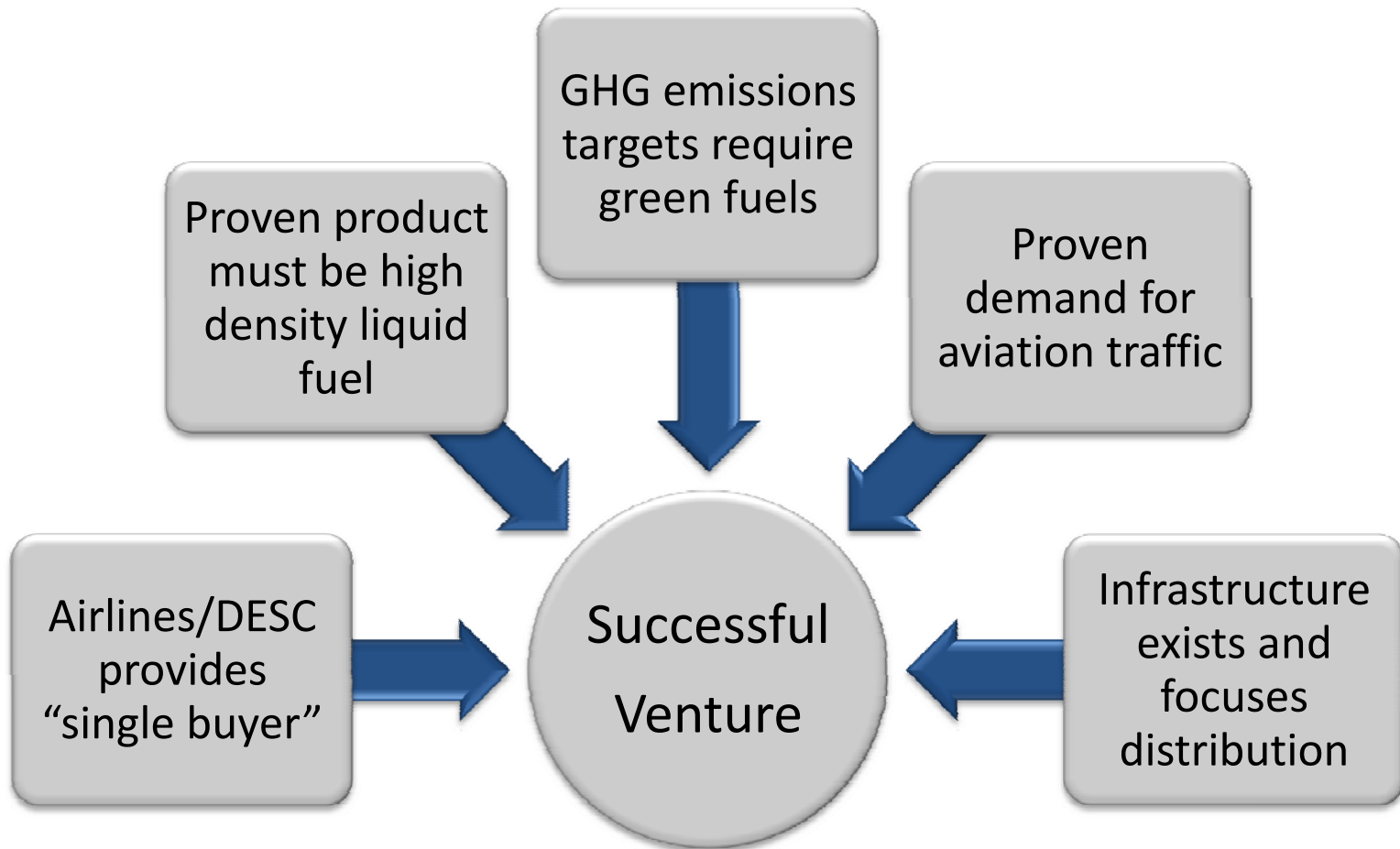
Economic feasibility of
selected projects

- North Central
 - North Dakota, Ohio
- South East
 - Texas
- North East
 - New York
- Others
 - Looking for Projects

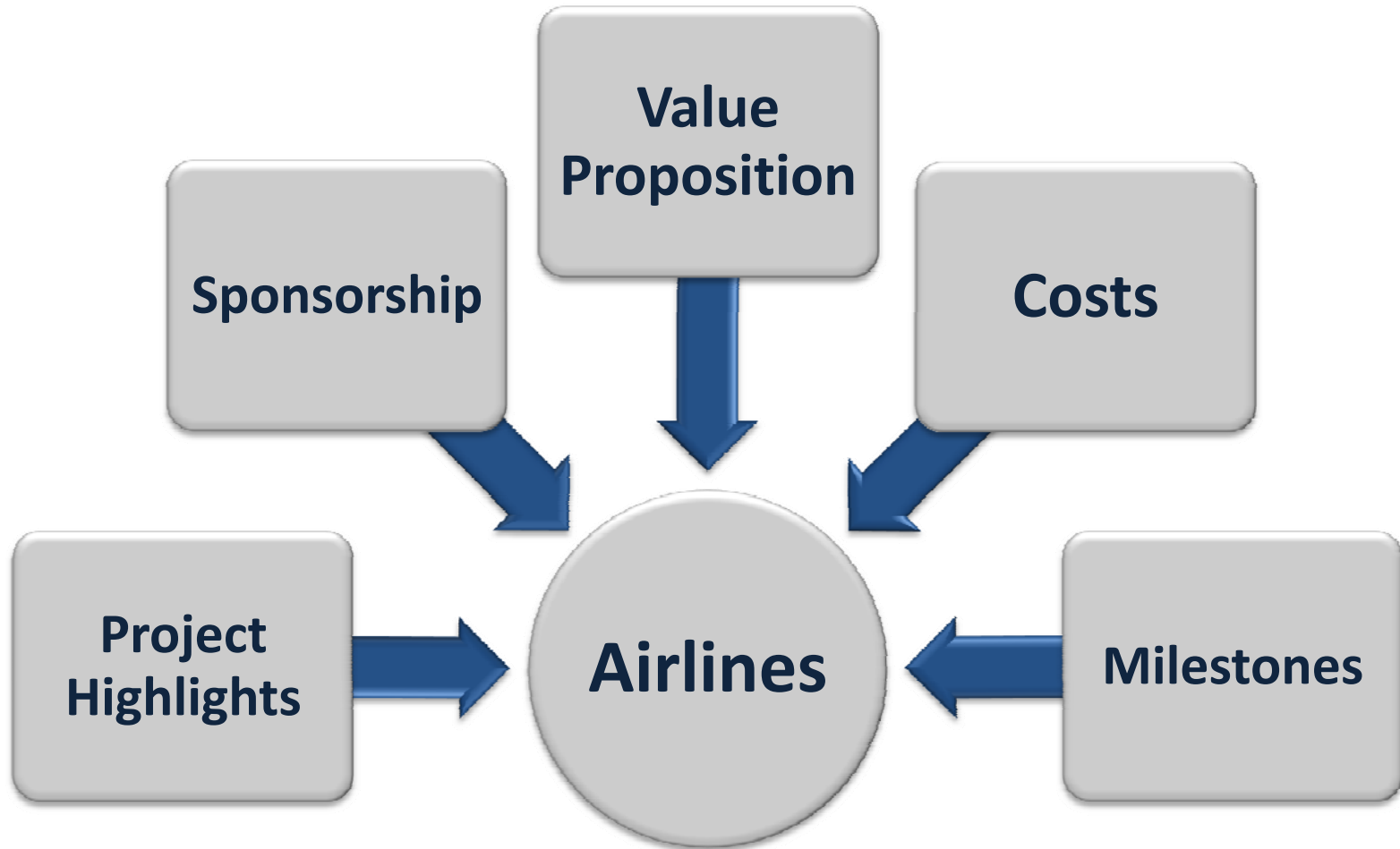
Transportation Research Board

- ACRP 02-23 Particulate Emissions
 - <http://144.171.11.40/cmsfeed/TRBNetProjectDisplay.asp?ProjectID=2794>
- ACRP 02-18 Alternative Aviation Fuel Hand Book
 - Develop handbook for airports and fuel supply chain re. developing Alternative Aviation Fuel facilities near airports
 - Identify major issues
 - Outline analysis methodology
 - Facilitate preliminary screening
 - <http://144.171.11.40/cmsfeed/TRBNetProjectDisplay.asp?ProjectID=2789>

Green Jet Fuel is New Business Opportunity



Sponsor Must Communicate with Airlines



CAAFI Support

- Educate/introduce suppliers new to aviation
- Support suppliers in difficult financial environment
- Expedite path over technical and environmental hurdles
- Support all processes/feedstocks that can satisfy requirements

CAAFI Sponsor Support

Tier 1

1. Available to all CAAFI supplier stakeholders
2. Intended to assist developers / funding source by confirming viable projects at an early stage including:
 - FRL categorization of proposed fuel and feed stock
 - GHG and CO2 LCA analysis “rules and tools” to permit “self certification”
3. Introduce and develop dialogue with airlines, suppliers and supporting agencies (e.g. CAAFI Certification, R&D, and Environmental teams) on an individual basis

CAAFI Sponsor Support

Tier 2

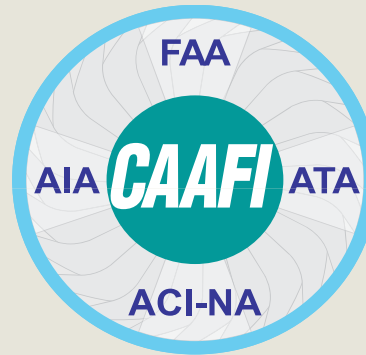
1. Provided to suppliers for projects that pass Tier 1 screen and wish to enter into off-take agreements with airlines
2. Includes:
 - Assignment of airline lead responsible for follow up
 - Continuing support via CAAFI teams in technical matters
 - Dissemination of background information to interested airlines with recommendation on how to proceed
3. Introduce to Commercial Support Platforms (e.g., Department of Commerce / major air shows via U.S. International Pavilion (Kallman worldwide) to maximize “single buyer” benefits

Conclusion

- Alternative Aviation Fuel – a winning proposition
 - Good for the economy
 - Good for environment
 - Good for aviation
 - Good for industry
 - Good for national security
- Foundations for Success in Place
 - Presidential leadership explicit
 - Military partnership complete
 - Fuel buyers unified and eager
- Globalization a Reality
 - DOE/IDB: Announcement April 15, 2010
- CAAFI Support for Qualified Potential Aviation Suppliers

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