

Commercial Bioenergy Inc.

A Conceptual Overview



About Commercial BioEnergy Inc.

- * To build a long-term biomass energy industry in Northern Ontario built upon dynamic and positive partnerships;
- * To develop an efficient distribution and logistics network for biomass in both Northeastern and Northwestern Ontario;
- * To employ the principal of “economies of scale” in establishing the sustainability of:
 - * Fuel Sources;
 - * Technology;
 - * Financing.
- * *Creation of Biomass Utilities: A community-specific wood heat / energy distribution organization that realizes and supports wood biomass projects;*



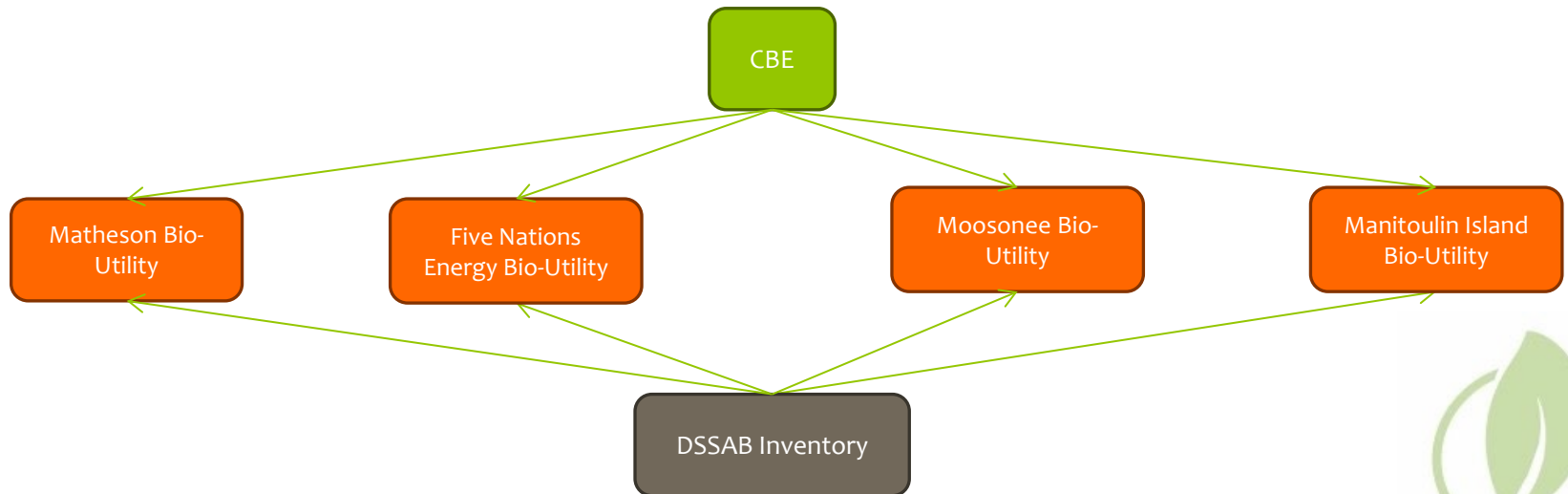
The Business Case

- * Builds upon an expanding market need;
- * Makes new development possible;
- * Simplifies retrofits and conversions of existing assets;
- * High and increasing energy costs in Northern Ontario;
- * Returns dollars to the community, individuals, and essential services;
- * Reduces energy costs for consumers – primarily thermal heating costs;
- * Supports and promotes Economic Development;
- * Reduces green house gases (GHG).

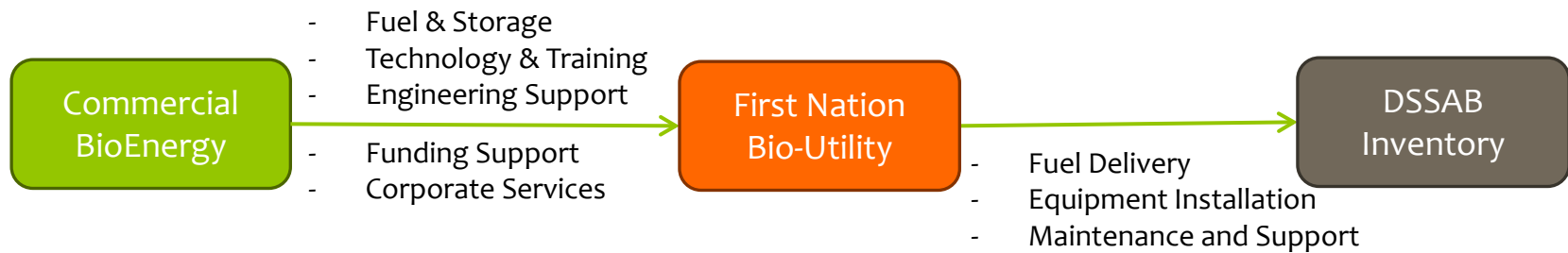


The Business Model

- * Commercial BioEnergy Inc. (CBE) is introducing the following structure to support the individual Bio-Utilities:
 - * Bio-Utility Development Support;
 - * Partnership Development;
 - * Service Stream Definition/Corporate Services.
- * Individual Stand Alone Business Cases – Must be viable :
 - * Majority Ownership by the First Nation – 51%;
 - * Minority Partnership from Commercial BioEnergy Inc. – 49%.



The Utility Model



- * All encompassing pan-northern solutions for bio-heat/power
- * Reduced workload and initial capital outlay by consumers for biomass heating solution
- * Economic and employment driver for First Nation members in Northern Ontario communities



Opportunities & Synergies

Potential Projects

- * Retrofits and conversions of existing assets:
 - * Exploring future CHP Potential
- * New builds utilizing Biomass Heat Systems:
 - * Residential:
 - * Single Dwelling;
 - * Multi-Unit Enclosed;
 - * Commercial/Institutional;
 - * Industrial.
- * District heating utilizing Biomass Heat Systems.
- * Exploring future Combined Heat and Power (CHP) opportunities
 - * Retrofits/Conversions
 - * New Builds
 - * District Heating Systems

DSSAB Synergies

- * Common fuel supply platform;
- * Common construction framework;
- * Common capitalization framework;
- * Hassle free management and operation of assets;



The Business Equation

- * Ten (10) Year Contract that is predicated upon price certainty amortized over the ten year term;
- * The price certainty of the contract is based on an all-inclusive cost encompassing:
 - * Capital costs for retrofits, conversions, and/or new builds;
 - * Maintenance of installed biomass energy systems; and
 - * Biomass Fuel;
 - * Biomass fuel may represent variations in contract price based on individual usage and volume
- * Provides the DSSAB with:
 - * An inventory of energy efficient assets;
 - * Reduction in costs associated with energy and heat;
 - * All-inclusive service that manages the provision of capital, acquisition and supply of biomass fuel, and maintenance of assets.



Commercial BioEnergy's Request

1. Exclusivity of inventories within DSSAB's catchment area;
 - A. To assess, evaluate, identify and execute biomass energy projects.
2. Jointly promote individual utilities within the DSSAB's catchment area, in addition to First Nations, and Indigenous communities;
3. Assist in building a sustainable distribution biofuel network.



Benefits to the DSSAB

1. Directly support existing and future DSSAB initiatives using biomass related energy technologies;
2. Reduces costs associated with energy for heating DSSAB owned assets;
 1. Resources, time & effort savings, maintenance & operation
3. Reduces GHG emissions associated with DSSAB owned assets;
4. Security of fuel supply, maintenance, and operation of assets at an overall savings and reduction of costs.



Next Steps & Actionable Items

1. Letter of Intent to explore biomass related opportunities with Commercial BioEnergy Inc.;
2. Develop & Execute a Memorandum of Understanding between DSSAB and Commercial BioEnergy Inc.;
3. Assessment of existing DSSAB Inventories by Commercial BioEnergy Inc.;
4. Feasibility Study – including priority project definition;
5. Project Profile – including project implementation;
6. Agreement to move forward with proposed project(s).

Target Pilot Project Completion: October 2019



Questions?

Thank You

