

AGENDA ITEM #XI.B

BDO Zone Briefing Document

Overview

A BDO Zone Rating is a powerful economic development tool that de-risks project finance and helps get clean energy plants built in areas where they are most likely to succeed.

The BDO Zone Initiative (www.bdozone.org) is a certification and regional risk rating program that identifies and scores prime areas for biobased project development; accelerating the clean energy transition and creating jobs.

The Problem

Many communities across the country have substantial biomass assets – agricultural residues, wood fiber, food and farm waste. These are the essential feedstocks required by new manufacturing facilities to produce ground/aviation biofuel, renewable chemicals, biogas, and bioproducts.

The problem is that they do not have the **budget**, the **platform**, or the **credibility** to communicate this to biobased investors and developers around the world. As a result, these communities can miss out on the new wave of biofuel, renewable chemical and biogas economic development valued at over \$200 billion¹.

BDO Zone Ratings solve the problem by enabling communities to powerfully leverage local biomass assets to serve as anchors for clean energy economic development.

BDO Zone Ratings

- ***BDO Zone Ratings accelerate deal-flow to BDO Zones*** by applying advanced risk scoring protocols to rate biomass availability, supply chain resilience, infrastructure, and community interest for new plant development in their region.
- BDO Zone Ratings enable communities to effectively and credibly signal and promote key “success” characteristics valued by biobased developers and investors around the world.
- ‘AA’ or ‘A’ BDO Zone Ratings are widely recognized in the industry as the best places for new bio-based plant development. BDO Zone Ratings are credible because they are issued within the framework of the *Standards for Biomass Supply Chain Risk* - the state-of-the-science for investor assessment of feedstock risk².
- The BDO Zone Initiative drives deal flow by enabling BDO Zone Communities to connect directly with hundreds of bio-project development companies worldwide looking to build new plants in places with BDO Zone “success” characteristics.



Governance

The BDO Zone Initiative is a collaborative project between the non-profit Alternative Fuels and Chemicals Coalition ([AFCC](#)), the Agricultural Technology and Innovation Partnership Foundation ([ATIP](#)) and Ecostrat.

The BDO Zone Initiative Chairman is Jordan Solomon, President of [Ecostrat](#).

¹ <https://thefutureeconomy.ca/op-eds/jeff-pasmore/>

² The [BSCR Standards](#) were developed under direction of US Department of Energy (BETO) by Idaho National Labs, Ecostrat, a 150-member industry stakeholder group, and 65 member, \$60B capital market ratings review committee.

Powerful economic impact and GHG reduction

A BDO Zone rating is a powerful economic development tool: BDO Zone rated communities have seen new “deal flow” increase by up to 1000% in less than one year.

BDO Zone ratings for Arlington, OR, Barnwell County, SC, Siloam Springs, AR, and the City of Melville, SK, were issued in 2021. All issued ratings are available for download [here](#).

The economic impact of a new bio-based plant can be transformative for a distressed community: every new sustainable aviation fuel (SAF) plant can provide, on average, 321 jobs and \$29M per year to the local economy, as well as reduce CO₂ emissions by 300,000 metric tons per year (Commercial Aviation Alternative Fuels Initiative (CAAFI)).

National economic impact potential in the US is estimated at **160,500 direct, indirect and induced jobs and over \$16B annually in direct and indirect economic benefits**. Total annual greenhouse gas (GHG) reduction impact potential of the BDO Zone Initiative is estimated at **2.59% of overall net emissions. This is the equivalent of removing 32,608,695 cars from the road, 11.8% of all passenger cars in the US.**

The **“1000 BDO Zones in 4 Years Plan”** will catalyze biobased investment and infrastructure development, strengthen energy independence, create jobs, and contribute to long term prosperity.

Recent Press

In April 2021, the [BDO Zone Investment Coalition](#) announced the mobilization of \$1BB of capital for deployment to biobased infrastructure and manufacturing plants located in Bioeconomy Development Opportunity Zones.

On April 5th, 2022, the first [BDO ZoneCONNECT Webinar](#) was launched and featured presentations from BDO Zone community representatives in Melville, SK and Siloam Springs, AR.

See more press [here](#).

Quotes

Jordan Solomon, Chairman of the BDO Zone Initiative and CEO of Ecostrat says: “BDO Zone Ratings help attract new energy infrastructure and biobased manufacturing plants to the areas where they are most likely to succeed and where they will have the greatest social impact.”

Rina Singh, Executive VP of Alternative Fuels & Chemicals Coalition (AFCC) says: “BDO Zones are hotbeds for alternative fuel and renewable chemical manufacturing facilities: sustainable feedstock surpluses, strong supply chain capability, community appetite for biobased development, and powerful tax incentives to derisk investment make BDO Zones some of the optimal places in the world for biobased economic development.”

Mark Riedy of Kilpatrick Townsend & Stockton says: “\$1 billion is only the beginning. We expect the BDO Zone Initiative to supercharge the biobased job creation ability of the New Market Tax Credit Program, the Opportunity Zone program and other federal and state tax incentives like them in the U.S. to unlock billions to help ensure that the federal government’s commitment to clean energy, job creation and social justice are served.”

For more information, please contact aryn@bdozone.org or go to www.bdozone.org.