Washington Sustainable Aviation Fuels Summit

Inside Project Deals:
Red Rock Biofuels

March 7, 2019

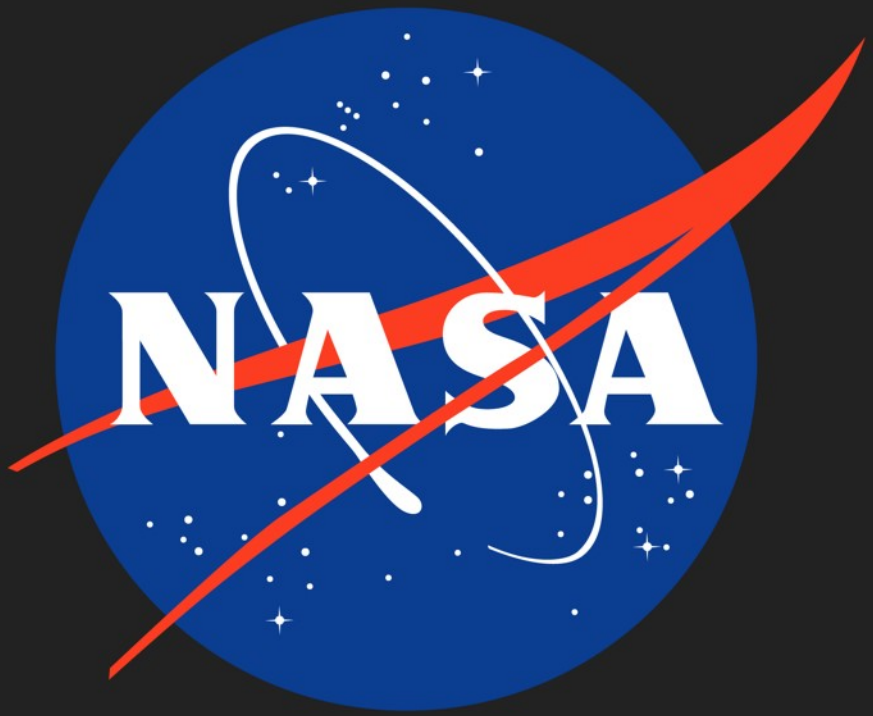
Bruce Comer, Ocean Park

Michael Schrader, Orrick

Jeff Manternach, Red Rock Biofuels

1: Why

"Scientific consensus: Earth's climate is warming"



Credit: NASA Global Climate Change

2: Project Overview

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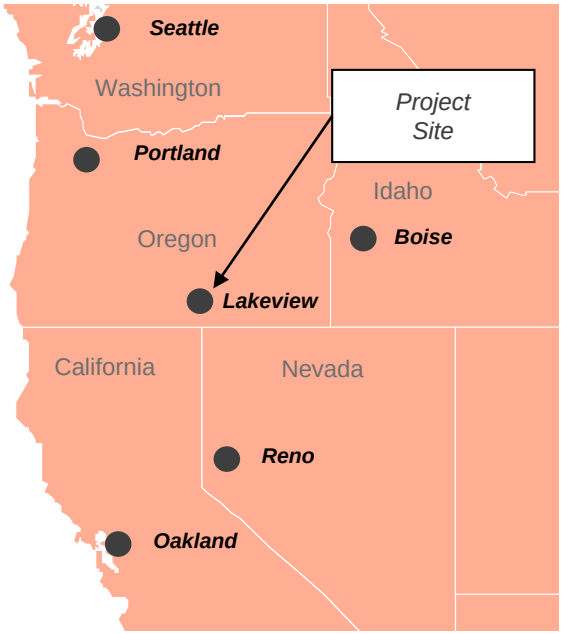
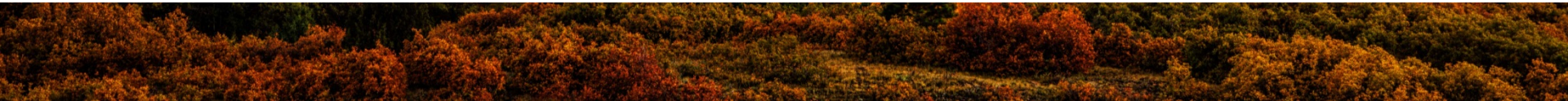
Project	■ Biorefinery converts waste woody biomass into 15.1 MGY of renewable, drop-in, cellulosic jet, diesel, and gasoline blendstock fuels
Feedstock	■ 70% of feedstock under long term contract
Offtake	■ 100% of jet fuel to be sold to FedEx & Southwest
EPC	■ Engineering, Procurement & Construction contract with IR1 Group LLC
Financing	■ $337.5M total project cost, including $200M+ construction ■ $245.5M private activity bond financing ■ $92M of equity, including $74M Phase 1 & 2 Title III DPA Award (U.S. DOE, USDA, DON)

Facility Location





3: Construction Progress (28 Feb 2019)

View of field fabricated tank construction, 28Feb2019, 1:30pm, facing W

4: Project Finance

- Private activity bonds = public-private partnership
- “Volume Cap” is scarce, and individual States decide how to prioritize among competing interests
- Project finance 101 tenets apply, but meat grinder for first projects through the gates
- Market for these bonds volatile, but when open, plenty deep

5: How (and why)

Klamath Falls News: Trees torching on the Watson Creek Fire near Paisley, Oregon. (Inciweb)

6: Summary

- *Global climate change = biggest challenge of our generation = biggest brass ring*
- *We are building a portfolio of biorefineries to produce low carbon, renewable jet and diesel fuels and reduce the impact of wildfire*

Photo Credit: Yousuf Karsh, 1941.

Winston Churchill, 1940:
"Victory, no matter how long and hard the road may be."