

BUSINESS MODEL PROPOSAL TO POTENTIAL INVESTORS IN "GREEN GAS"

FROM: GROUP #4; ATHGO FORUM February 29, 2008

SUBJECT: Biodiesel Fuel from Waste Cooking Oil: GREEN GAS

- I. **Action Forcing Event:** A new business model is needed to expand the use of biodiesel fuel because its current use is limited and fragmented. The main purposes which warrant the implementation of biodiesel as a viable alternative to petroleum are as follow:
  - A. To address the problem of the disproportionate amount of carbon dioxide that comes from the transportation sector.
  - B. To inhibit restaurants, factories, and plants from dumping the byproduct of food production, further polluting the environment.
- II. **Background:** The current state of the biodiesel market is disjointed and haphazard. It has not been taken seriously in the greater market, and efforts to fuse it into the mainstream have been virtually ignored by both consumers and distributors alike.
  - A. Few people own cars outfitted with diesel engines and most are unaware of the ease in which the product can be folded into one's lifestyle.
  - B. There have been grassroots efforts such as bus tours to raise awareness and small business ventures that have dipped their toes into the daunting ocean of the oil supply.
  - C. We hope to employ a new business methodology on a larger scale that enters into a lucrative partnership with the food, gas, and auto industries.
- III. **Business model:** Facts, Goals, Objectives, and Benefits
  - A. The technology already exists to convert waste oil into biodiesel.
  - B. Our objective is to grab 1% of the global fuel market.
  - C. Develop the infrastructure to make it a part of the global market.
    1. Build processing plants (start in larger urban markets).
    2. Standardize the collection of waste from partnering businesses.
    3. Partner with gas stations to dedicate pumps to biodiesel.
    4. Partner with car companies and provide incentives for them to produce more of the already existing cars that can accommodate biodiesel fuel.
    5. Lobby governments (at all levels) to offer incentives (tax breaks, subsidies) to participating individuals, businesses, and corporations.
    6. Offer a symbiotic partnership with oil companies in order to avoid being stamped out by the far-reaching power of big oil.
  - D. Benefits
    1. Can be used in diesel engines with little or no modifications.
    2. Less than \$1 a gallon can turn waste oil into fuel.
    3. Produces 78% less CO2 than regular gasoline.
    4. The U.S. produces more than 11 billion liters of oil waste that can be used.
- IV. **Projections:**
  - A. Cost effective
    1. Projected Start-Up/Operating Costs: \$100 million annually for the first ten years.
    2. Price Point: Charge between 20-50% less than going gasoline rates.
    3. Projected Profits: \$720,000,000. (1% of market profits).
    4. Costs/profits amortized and grow slowly over 20-year period.
- V. **Group's Role:** Green Gas's role would be to promote, familiarize, and fold seamlessly into an already existing format that is ripe for inexpensive, innovative options. As individuals we plan to network with major corporations in the fields of diesel-powered automobile production and large-scale restaurant chains to familiarize them with the benefits and possibilities available in this revolutionary field.