

LEAFY SEMINARS

Energy Cost Reduction Webinar Series: Why Prices Are So
Damn High and What Growers Can Do About It

#LeafySeminars

LEAFY SEMINARS

Real Estate

Sustainability

Building Security

Investment

Banking and Finance

Supply Chain Management

Packaging and Labeling

Workforce Development



LEAFY SEMINARS

LEARN. GROW. FLOURISH.

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Energy Cost Reduction Webinar Series

➤ Session 1: April 6

Why Prices Are So Damn High and What Growers Can Do About It

➤ Session 2: May 11

The Environmental Implications of Your Power Purchase Decisions

➤ Session 3: June

Solar Power for Cannabis Cultivators

➤ Session 4: July

Grow Room Strategies to Save Energy



JOIN IN!

We encourage and welcome your robust participation in this conversation!

01

Say hello!

02

Submit your questions via the Q&A function below as they come to you

03

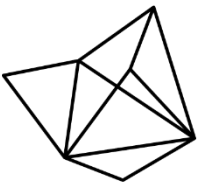
Evaluation survey at the end of the webinar. Thank you for your feedback.



ENLIGHTEN YOUR GROW

Delivering profitability to indoor growers through energy and sustainability strategies

Utility Energy Efficiency Incentive Facilitation • Energy and Environmental Compliance • Grow Facility Energy Performance • Standard Operating Procedures for Energy and Sustainability





ENERGY MANAGEMENT STRATEGIES & SUSTAINABILITY WEBINAR

ACCESS THE WHOLESALE ENERGY MARKET TO SAVE
MONEY ON YOUR FACILITY'S UTILITY BILL



WHO WE ARE



- Max Stewart
 - Principal Advisor
- Matt Stasium
 - Director of Strategic Relationships



Max Stewart
Principal Advisor



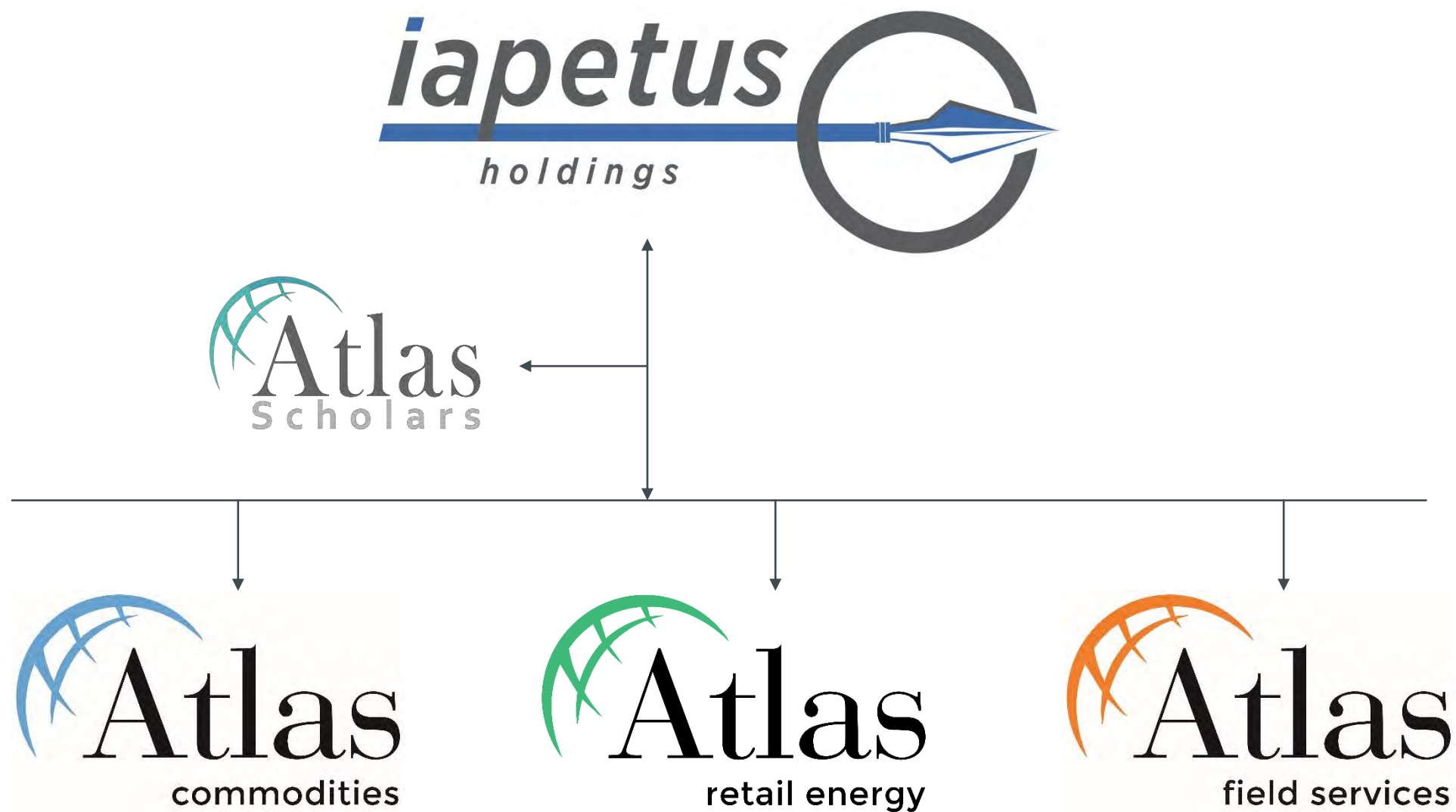
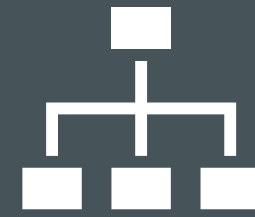
Matt Stasium
Director of Strategic Relationships

AGENDA



- Who We Are
- Energy and Cultivation
- Know Your Markets
- Establish Corporate Goals
- Know Your Risks & Tolerance
- Know Your Energy
- Renewables / Sustainability
- Controlling Cost

CORPORATE STRUCTURE



■ Iapetus Holdings

- Portfolio of energy-based service companies

■ Atlas Commodities

- Wholesale brokerage focused on transacting oil, natural gas & power in ERCOT, NYISO & PJM

■ Atlas Retail Energy

- Advise large commercial & industrial energy consumers on risk mitigation and long-term strategic buying

■ Atlas Field Services

- Provide infrastructure inspection services to the energy utility industry

■ Atlas Scholars

- Philanthropic venture with a mission of exposing students from low Socio-economic backgrounds to the financial & energy industries

WHY IT MATTERS



- Atlas' clients benefit from a system of checks and balances that a typical energy broker simply cannot provide without wholesale market insight
- Better market timing
- Increased competition and transparency
- Market and data-driven recommendations
- Client-focused solutions



We leverage proprietary wholesale market knowledge to benefit and drive quantitative value for our commercial and industrial clients.

WHO WE ARE



WHO WE ARE: MINORITY OWNED ORGANIZATION BUILT FROM A TEAM OF ENERGY INDUSTRY PROFESSIONALS WITH DIVERSE SKILLSETS AND BACKGROUNDS

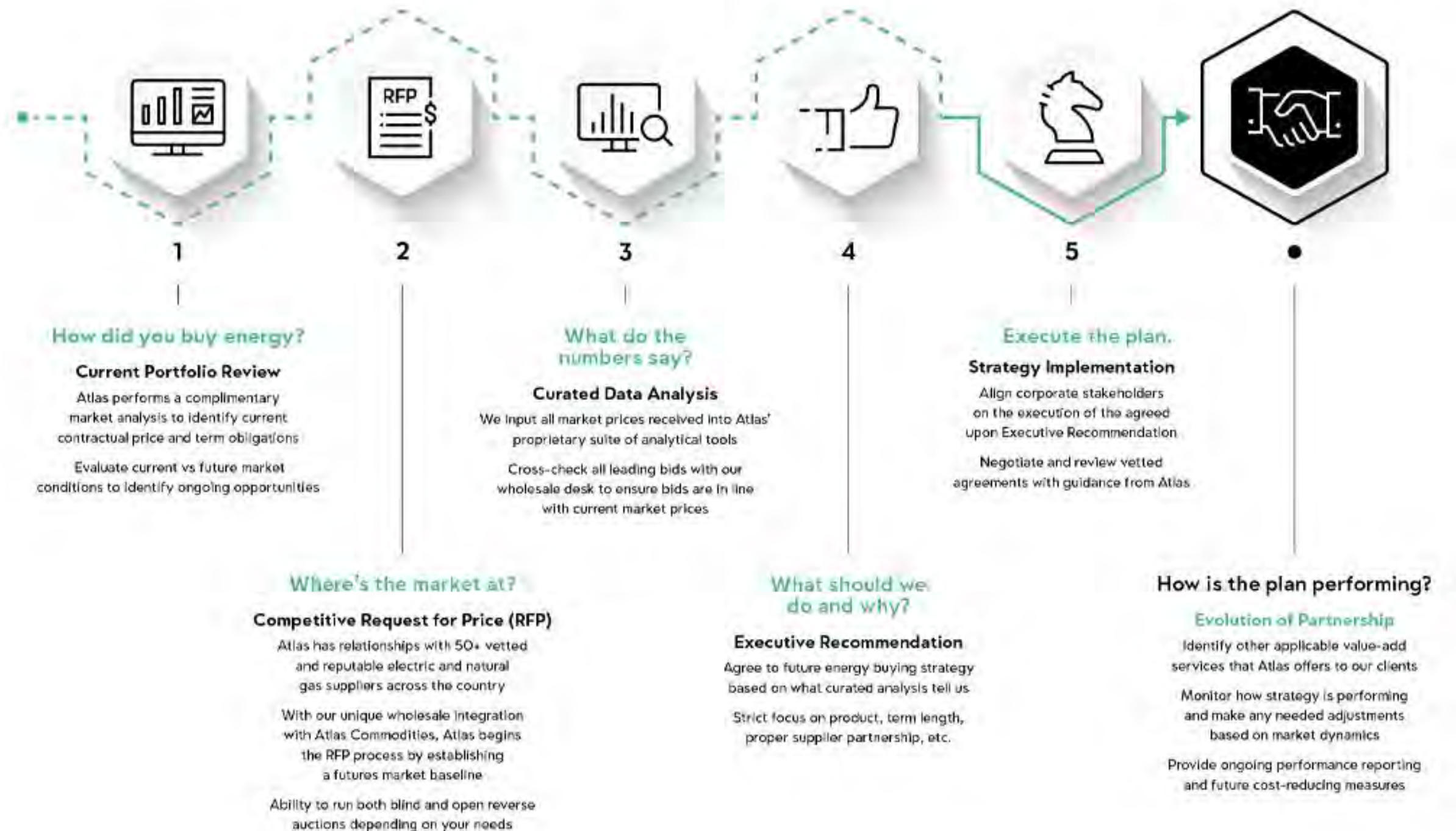
WHAT WE DO: CREATE AND IMPLEMENT CUSTOM ENERGY MANAGEMENT SOLUTIONS

HOW WE ARE DIFFERENT: PROVIDE UNMATCHED PRICE TRANSPARENCY AND REPORTING BY LEVERAGING OUR WHOLESALE PRESENCE

WHY IT MATTERS: ATLAS' UNIQUE APPROACH DELIVERS VALUE TO THE BOTTOM LINE WHILE MITIGATING MARKET RISK

ATLAS INITIAL ENGAGEMENT PROCESS

--- No cost or obligation to client



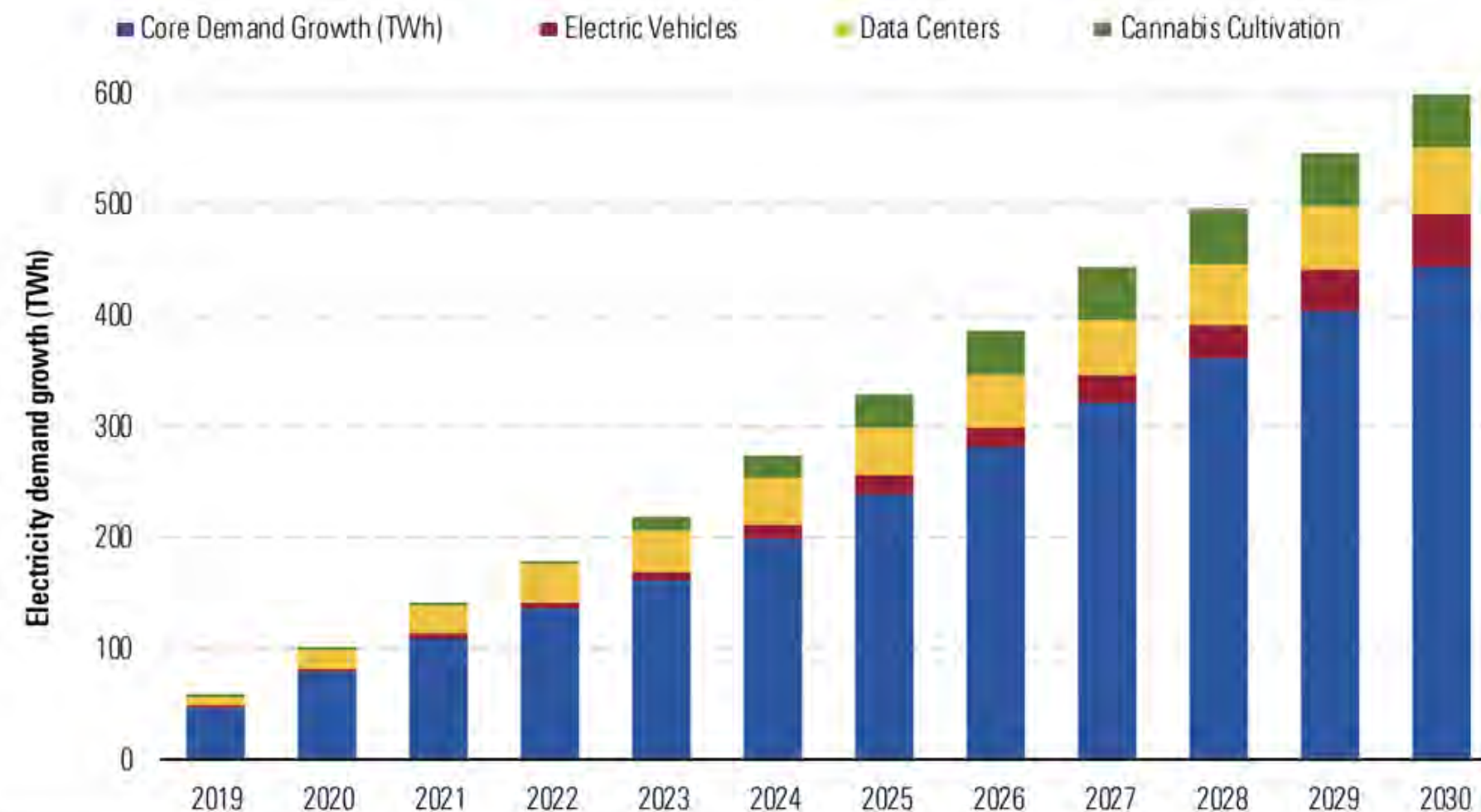
ENERGY AND CULTIVATION



- “Indoor cannabis cultivation is one of the most energy-intensive industries, spending an estimated \$6 billion on energy annually.... matching that of the federal government powering its facilities.” (Source: Alliance to Save Energy: 09/08/20 Jason Reott)

- 24/7 operations
- Energy intensive process
- Hyper expansion

Exhibit 5 New Sources Become Larger Share of Demand Growth in Outer Years



Source: Morningstar.

- The analysts note sees those three sectors growing to reach 6% of total U.S. power demand by 2030.

ENERGY AND CULTIVATION

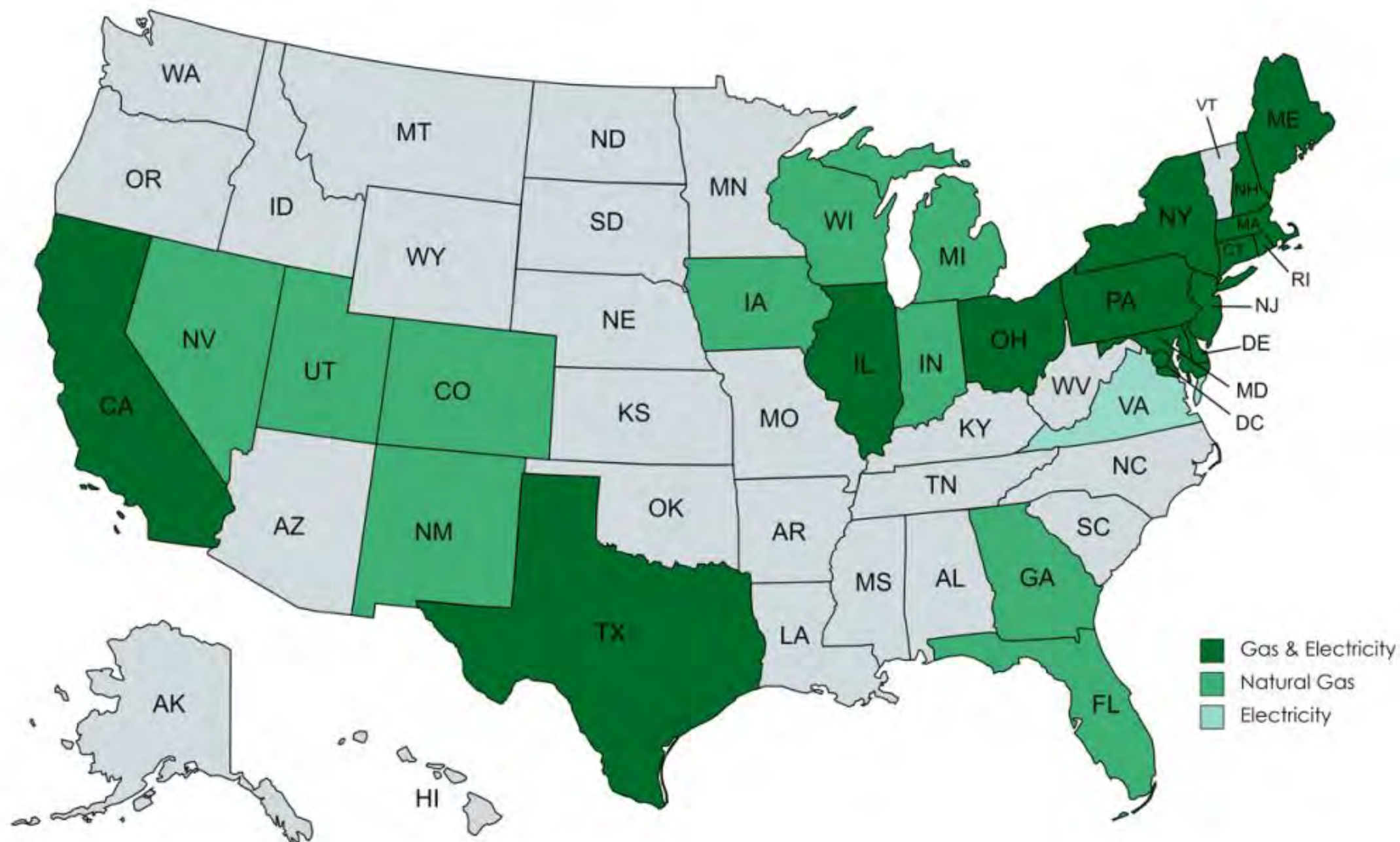


- According to NCIA: Environmental Sustainability in the Cannabis Industry: Impacts, Best Management Practices, and Policy Considerations report: <https://thecannabisindustry.org/reports/environmental-sustainability-in-the-cannabis-industry-impacts-best-management-practices-and-policy-considerations/>
 - “Energy costs represent thirty to sixty percent (30-60%) of total operational expenses.”
 - *kWh usage & Cost per kWh*
 - “Electricity Generation and Power Supply Indoor cannabis cultivation requires large amounts of energy to operate the lighting and internal controls necessary to promote adequate plant growth. The electricity demand required by indoor cannabis cultivation has been equated to that used by data centers.”
 - “Electricity Best Practices: Emissions from electric generating equipment and ancillary equipment, such as diesel generators and gas-fired appliances, may be reduced through measures to improve energy efficiency at an indoor grow facility. Alternative energy sources, such as wind or solar power, should also be considered as a way to reduce emissions to ambient air and reduce the industry’s overall contribution to climate change.”
 - “Electricity generation does not necessarily equate to an adverse air quality impact. Renewable forms of energy production, such as wind and solar, have the potential to significantly reduce or eliminate air quality impacts generated by the cannabis industry..... If cannabis is to be grown indoors, facilities should consider what they can do to reduce their reliance on non-renewable forms of energy.”

KNOW YOUR MARKETS

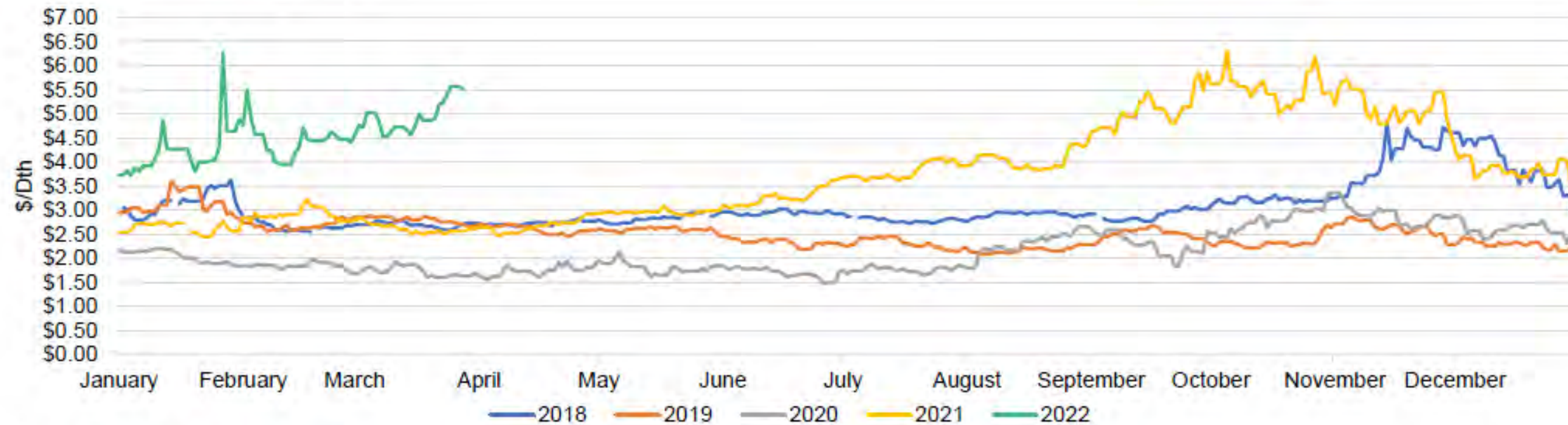


- Is it Deregulated?
- Current Utility Rates
- Number of Suppliers
- Switching Rules
- Renewable Portfolio Standards
- Forward Capacity Markets
- Generation Mix
- Supply & Demand Fundamentals
- Regulatory Risk



HOW DID WE GET HERE? (NATURAL GAS)

NYMEX Prompt Month Trading History



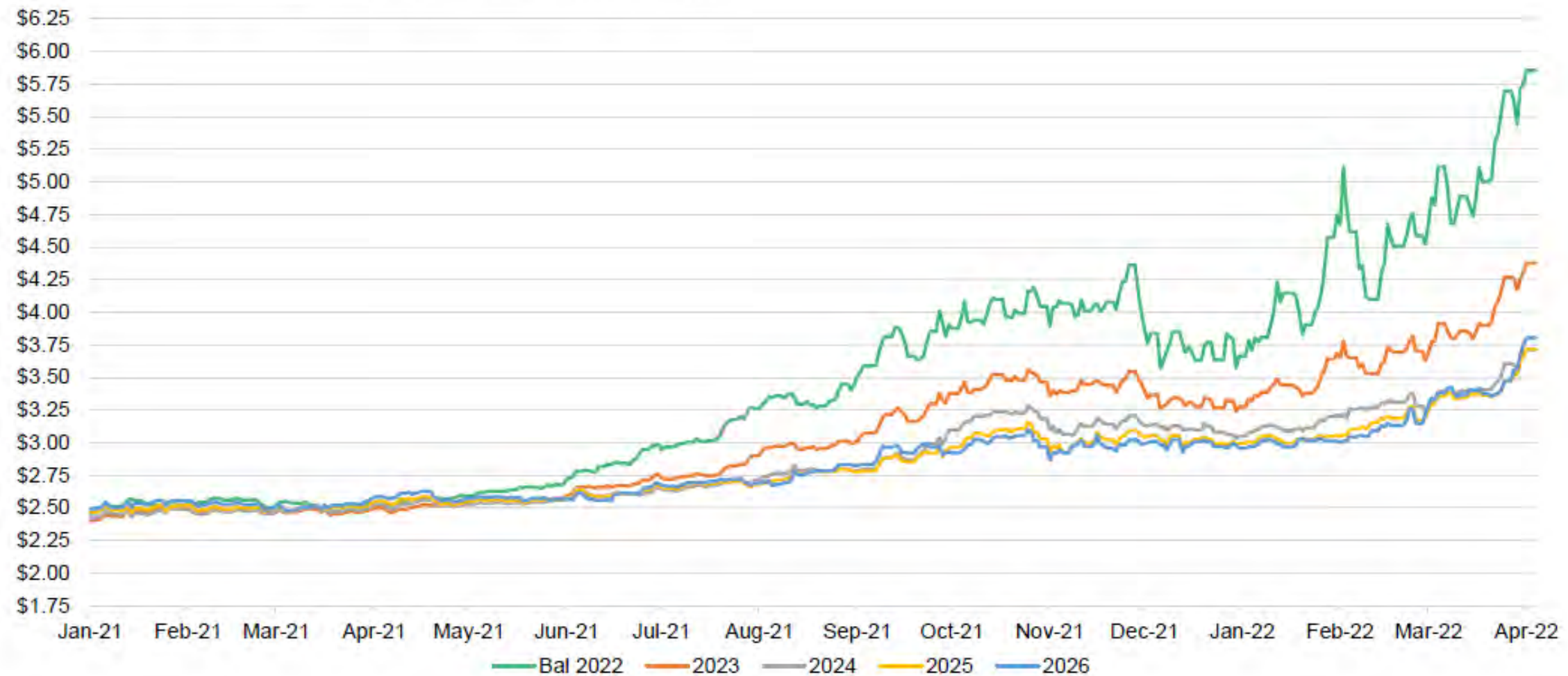
NYMEX Settlement Heat Map

Month	2014	2015	2016	2017	2018	2019	2020	2021	2022	Monthly Average
1	\$4.41	\$3.19	\$2.37	\$3.93	\$2.74	\$3.64	\$2.16	\$2.47	\$4.02	\$3.21
2	\$5.56	\$2.87	\$2.19	\$3.39	\$3.63	\$2.95	\$1.88	\$2.76	\$6.27	\$3.50
3	\$4.86	\$2.89	\$1.71	\$2.63	\$2.64	\$2.86	\$1.82	\$2.85	\$4.57	\$2.98
4	\$4.58	\$2.59	\$1.90	\$3.18	\$2.69	\$2.71	\$1.63	\$2.59	\$5.34	\$3.02
5	\$4.80	\$2.52	\$2.00	\$3.14	\$2.82	\$2.57	\$1.79	\$2.93		\$2.82
6	\$4.62	\$2.82	\$1.96	\$3.24	\$2.88	\$2.63	\$1.72	\$2.98		\$2.86
7	\$4.40	\$2.77	\$2.92	\$3.07	\$3.00	\$2.29	\$1.50	\$3.62		\$2.94
8	\$3.81	\$2.89	\$2.67	\$2.97	\$2.82	\$2.14	\$1.85	\$4.04		\$2.90
9	\$3.96	\$2.64	\$2.85	\$2.96	\$2.90	\$2.25	\$2.58	\$4.37		\$3.06
10	\$3.98	\$2.56	\$2.95	\$2.97	\$3.02	\$2.43	\$2.10	\$5.84		\$3.23
11	\$3.73	\$2.03	\$2.76	\$2.75	\$3.19	\$2.60	\$3.00	\$6.20		\$3.28
12	\$4.28	\$2.21	\$3.23	\$3.07	\$4.72	\$2.47	\$2.90	\$5.45		\$3.54
Annual Average	\$4.41	\$2.66	\$2.46	\$3.11	\$3.09	\$2.63	\$2.08	\$3.84	\$5.05	\$3.11

WHERE ARE WE GOING? (NATURAL GAS)

NYMEX Calendar Strips

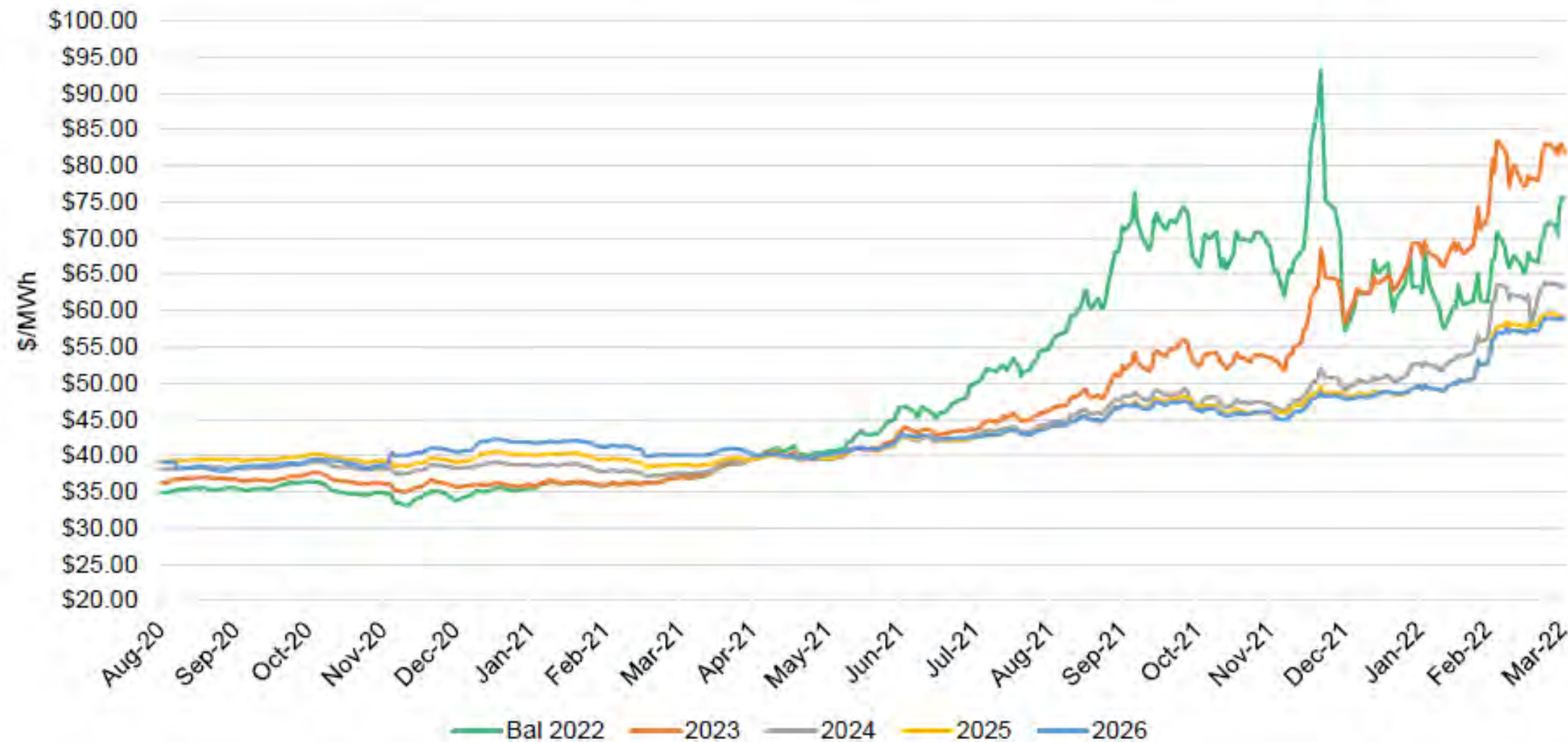
Statistics Date Range						
	1/1/2021	4/1/2022				
Statistics	Bal 2022	2023	2024	2025	2026	
Current	\$ 5.85	\$ 4.38	\$ 3.71	\$ 3.72	\$ 3.81	
Max	\$ 5.85	\$ 4.38	\$ 3.71	\$ 3.72	\$ 3.81	
Min	\$ 2.45	\$ 2.40	\$ 2.43	\$ 2.46	\$ 2.47	
Avg	\$ 3.42	\$ 3.03	\$ 2.85	\$ 2.82	\$ 2.82	
Percentile	100%	100%	100%	100%	100%	



WHERE ARE WE GOING? (NEW ENGLAND POWER)

ISONE_Forward Chart

Data	Date	Bal 2022	Delta	2023	Delta	2024	Delta	2025	Delta	2026	Delta
Current	4/1/2022	\$75.70		\$81.80		\$63.20		\$59.15		\$58.95	
Percentile		98%		98%		97%		98%		99%	
Last Week	3/25/2022	\$72.20	4.85%	\$83.00	-1.45%	\$63.75	-0.86%	\$59.60	-0.76%	\$58.95	0.00%
Last Month	3/4/2022	\$70.85	6.85%	\$83.50	-2.04%	\$63.60	-0.63%	\$57.70	2.51%	\$56.95	3.51%
Last Year	4/1/2021	\$37.05	104.32%	\$37.05	120.78%	\$37.55	68.31%	\$38.70	52.84%	\$40.10	47.01%



CASE STUDY

Pricing Report - November 18, 2021



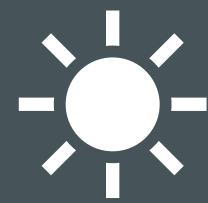
Client	State	Commodity	Current Product	Start Date	Annual Volume (kWh)	Current Rate (\$/kWh)
Cultivator in Southern ME	ME	Electric	Utility	Dec 2021	536,828	\$0.11430 (CMP 2022 Avg)

Best Fixed Product Offers

Term (Months)	Supplier	Billing	Swing	Notes	Fixed All In (\$/kWh)	Annual Budget Impact (\$)	Annual Budget Impact %	Term Impact (\$)
12	Direct Energy	15	100	-	\$0.09982	\$7,773	13%	\$7,773 ▼
	Engie	Utility	100	Invoices required for credit	\$0.10073	\$7,285	12%	\$7,285 ▼
	First Point Power	Utility	100	-	\$0.11426	\$21	0%	\$21 ▼
24	Direct Energy	15	100	-	\$0.09152	\$12,229	20%	\$24,458 ▼
	Engie	Utility	100	Invoices required for credit	\$0.09323	\$11,311	18%	\$22,622 ▼
	First Point Power	Utility	100	-	\$0.10442	\$5,304	9%	\$10,608 ▼
36	Direct Energy	15	100	-	\$0.08618	\$15,096	25%	\$45,287 ▼
	Engie	Utility	100	Invoices required for credit	\$0.08828	\$13,968	23%	\$41,905 ▼
	First Point Power	Utility	100	-	\$0.09908	\$8,171	13%	\$24,512 ▼
48	Direct Energy	15	100	-	\$0.08331	\$16,636	27%	\$66,545 ▼
	Engie	Utility	100	Invoices required for credit	\$0.08597	\$15,208	25%	\$60,833 ▼
	First Point Power	Utility	100	-	\$0.09884	\$8,299	14%	\$33,197 ▼

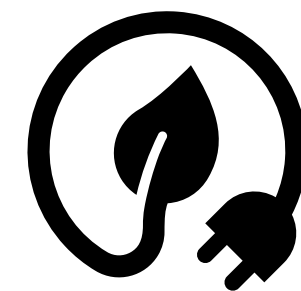
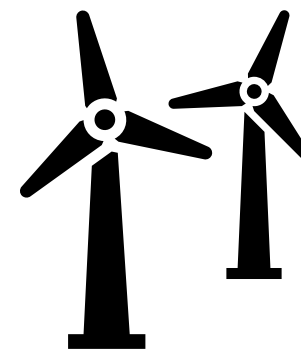
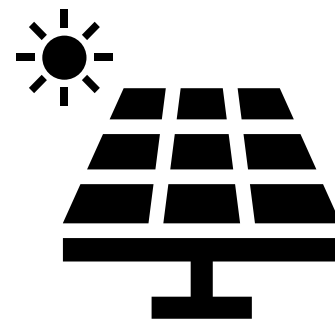
ISO-NE Maine Historical Prices (December 2021 - November 2022)

RENEWABLES / SUSTAINABILITY



In both regulated and deregulated markets, growers can choose to offset energy consumption with several options

- On-Site solar arrays in supporting markets
- REC (Renewable Energy Credit) purchases
- Power Purchase Agreements (PPA) with offsite renewable generation sources
- Community Solar (Off site)



CONTROLLING COSTS / SUMMARY



- Evaluate Options
 - Understand the competitive energy structure within your market
 - Access on-bill financing through supply contracts
- Know your energy
 - Understand where your consumption currently stands and where it will be in the future
 - Set corporate goals and guidelines around risk and consumption
 - Determine the best energy product to fit your needs
- Let data drive your decision
 - With multiple factors that build to an energy price, take each into account when planning and budgeting
- Manage the wholesale market
 - By understanding the cost structures of the wholesale deregulated markets, you can drive out premiums and open opportunities for growth

GET IN TOUCH

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