



# Profitable Green Strategy

## Passive Collaboration and Financial Returns for Green Stakeholders

### Challenges and Issues

Green and Clean challenges, initiatives and issues, whether classified as environment, climate, conservation, or sustainability, are world-wide concerns with many different stakeholders, viewpoints, positions, etc. The only consensus is that there is little or no collaboration or cooperation between the parties regardless of the forum, setting, or venue for planning, policy, or position discussions or hearings.

Attempts at achieving collaborative middle ground are ineffective when expensive obligatory, statutory, or regulatory elements push the parties into defensive postures to avoid implications or inferences of guilt, wrongdoings, exploitations or injustice just to name a few of the possible negative perceptions or outcomes.

Factor in the unavoidable associated costs of mitigation, remediation, litigation, transition, transformation, and sustainability for enterprise-class entities and you have serious financial challenges as well as the potential public relations damage. Companies and organizations can face ruin when there are social and/or environmental justice implications and/or allegations. Even well-intended efforts can be accused of “green-gentrification”, “green-washing”, or “green-scramming” when there is no accountability or transparency.

### Current Climate

Stakeholders are many with “violators” on one side and “enforcers” on the other, and voluntary and involuntary third-party stakeholders on the sidelines awaiting outcomes. With all sectors and classes of violators; private, public, enterprise, small-medium businesses (SMBs) at the national, state, and local levels facing fees and fines under a recently revised (April 2024) Environmental Protection Agency policy regarding new and pending case enforcement. **All federal agencies have green directives, goals, and objectives.**

Financial and other resource considerations are at the root of noncompliance or inaction on the part of the violators and being under-resourced on the side of the enforcers. Even with administrative orders, civil judgements, and criminal convictions the violators will appeal any negative outcomes and the enforcers can't match the legal and financial resources of large enterprise-class companies and forcing small businesses into bankruptcy would be counterproductive. The backlog of pending civil judicial and administrative cases is enormous numbering in the thousands.

Add the possibility of Office of Environmental Justice (OEJ) fines, more legal costs, and the statutory/regulatory fines from the Environmental Protection Agency (EPA) and the motivations and incentives to get closure with viable solutions are very strong and should be well received since all parties win with our strategy including the attorneys and key third-party stakeholders.

### Profitable Green Strategy

The Shared Technologies and Resources Solutions (STARS) approach to address concerns and priorities for all parties and stakeholders by providing a “no-fault”, “no-admission” path to profits, collaboration, and cooperation for green challenges, initiatives and issues. The resolution will not imply, or allow to be inferred, any admission of guilt or wrongdoing by any party or entity involved in the case. **The strategy may be used for non-legal reasons and general corporate or project finance.**

The agreement instrument is a legal settlement that follows the STARS's dual-bond, leveraged expense strategy to reach a revenue-neutral, revenue-generating, special purpose vehicle (SPV) for an off-

balance-sheet entity to oversee the resolution of the matter and provide a core entity for handling the business of the potential responsible party (PRP), the respondent, or the defendant.

### **Opportunities and Engagement**

The ultimate goal for green activity whether driven by internal or external motivations is attainment of key performance indicators (KPIs). The target metrics vary widely and no two organizations are the same or take the same approach. In fact, there are inherent conflicts of interest between many of the entities due to the simple fact that **capitalism is not necessarily cause-conscious**.

Proactively or reactively engaging parties that are “battle weary” from decades of struggles with a win-win proposition will be well received. All stakeholders have publicly accessible databases with activities, cases, matters, attainment rankings, entity ratings, etc. available using online tools. For example, in the public sector, the EPA has a site dedicated to enforcement listing current, past, and pending cases. Many other government agencies have similar links and postings.

In the private and nonprofit sectors, special-interest groups have similar tools depending on their cause or agenda. Commercial and industrial entities are struggling to meet social and climate goals that don't align well with their models and offer few incentives or returns for attaining green and clean goals.

The bottom line is that organizations and agencies across all sectors, at all levels, are looking for ways to attain various socio-economic goals without hurting profits. It isn't that they don't care, it's the cost of caring and balancing the inherent costs with conflicting shareholder and stakeholder perspectives, again, **capitalism vs cause**.

### **Win-Win Propositions**

**No-Fault Settlement:** A strategic partner or legal agent will contact or respond to either of the opposing parties and proffer our settlement solution. Specific areas of negotiation are informed through the preliminary STARS Profitable Essential Services Strategy process. The receiving party will provide input and feedback on an acceptable settlement that satisfies claims, notices, orders, petitions, or specified terms and conditions by parties with standing in the case to reach a mutual agreement. **More than ninety percent (90%) of cases are settled.**

**Restructured Expenses:** The program will work with the organization's finance entity to develop a strategy to restructure the existing costs and expenditures and/or other funding for operational goals expense budgets to use for capitalization of a for-profit Special Purpose Vehicle (SPV) consistent with project projections resulting for STARS' Step Zero process. **Operational expenses and project costs are severely underfunded or under-budgeted.**

**Impact Investment:** There are 1300+ impact investors with \$502+Billion looking for verifiable projects to support. They would be approached with the strategy and willing partners for floating green bonds or loan guarantees for green or other projects that align with their objectives. **Impact Investment firms are familiar with and use public-private partnerships.**

The most appropriate entity, the potential responsible party (PRP), the parent company to the SPV, or the investment firm, will negotiate and execute the required documents and capitalize the SPV entity. The proceeds from the green bond, loan, or other source will create a funding pool for the selected underlying projects. The issuers and buyers of the green bonds are protected by pre-issuance conditions of having the conduit financing pre-approved for underlying projects before moving forward with the primary funding and financing solutions.

Once the principal authority approved and/or accepted the strategy the program will finalize plans and await the close of the bonds and transfers of proceeds to begin implementation and operations.

## **Deliverables and Outcome**

STARS develops a project-specific set of use cases, business unit/component, and strategies to define the roles and responsibilities of each member of a regional or area consortiums to provide new and enhanced revenue streams and non-core-competency incomes while not disrupting the existing models.

The programs and delivery platforms provide infrastructure, strategies, and solutions for clients and/or communities to have comprehensive and complete “turn-key” solutions. The platforms provide key systems and services, including connectivity (broadband), for accessing and utilizing the platform and participating in sustainability programs.

Project deliverables include but are not limited to:

**Revenue-Generating Use Cases:** Industry and sector-specific use cases (3500+) selected by the project-owners for primary and sub projects.

**Technology Platform:** Broadband connectivity provided as part of constituent/member services at reduced or fully-subsidized rates.

**Essential Services:** Locally-determined essential services delivery enhancements for food, housing, transportation, systems, and services.

**Services Delivery Platform:** Closed-loop platform for the delivery of goods and services with preference to the local community, platform members, and program patrons.

Contracts and agreements for non-program components will be negotiated on a case-by-case basis and will be determined and developed with the SPV or P3 depending on the final service delivery point.

## **Revenue and Jobs**

The deliverables associated with the project create revenue streams and revenue creates jobs and business opportunities. The primary goals of the sustainable solution include economic development at the community level. For that reason, local community stakeholders are provided revenue-sharing and first rights for local jobs, business development, and workforce talent commensurate with capacity.

## **Financial Returns**

Any and all parties providing funding and resources to the SPV will receive several returns depending on the final structure/makeup of the solution sets. SPV standard returns include; green bond issuance or loan origination fees, coupons, licensing fees, credits sales, and profit sharing. Public-private partnership (P3) standard returns include; conduit finance or bond fees, coupons, licensing fees, data brokerage, closed-loop exchange fees, and dividends.

All revenue and income streams are subject to third-party risk management with financial and operational oversight by a recognized accounting or financial services entity.

## **Sustainability and Capacity Building**

The Profitable Green Strategy should have the following outcomes and impacts:

- Eliminate and/or Mitigate Expensive Compliance Actions
- Achieve Regulatory and Statutory Compliance for Unfunded Mandates
- Address Macro Socio-economic Goals through the Special Purpose Vehicle (SPV)
- Address Social and Economic Justice Issues for Marginalized Communities
- Create or Test Expansion Markets through Public-Private Partnerships (P3s)
- Have Verifiable Net-Zero Climate Claims Carbon Credits through Eligible Projects
- Fund Essential Services Transition and Transformation Initiatives