

Appendix A to Subpart D of Part 5001

ELEMENTS OF AN ACCEPTABLE FEASIBILITY STUDY

| EXECUTIVE SUMMARY | |
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| Provide an overview to describe the nature and scope of the proposed project, including the purpose, project location, design features, capacity, and estimated capital costs. Include a summary of the feasibility determinations made for each applicable component. | |

| ECONOMIC | |
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| What is it? | Cost benefit analysis |
| What are the factors to consider? | <ul style="list-style-type: none"> Minimum amount of inputs (labor, infrastructure, utilities, renewable resources, feedstocks) to operate successfully Contracts in place and contracts to be negotiated, including terms and renewals Environmental risks Cost of project relative to the increase in revenues or benefits provided Overall economic impact of project including new markets created and economic development |

| MARKET | |
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| What is it? | Analysis of the current and future market potential, competition, sales or service estimations including current and prospective buyers or users |
| What are the factors to consider? | <ul style="list-style-type: none"> Competition Type of project: service, product or commodity based Target market, new versus established End user analysis, captive versus competitive By-product revenue streams Industry risk |

| TECHNICAL | |
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| What is it? | Analyzing the reliability of the technology to be used and/or the analysis of the delivery of goods or services, including transportation, business location, and the need for technology, materials, and labor. |
| What are the factors to consider? | <ul style="list-style-type: none"> Commercial availability Product and process success record and duplication of results Experience of the service providers Roads, rail, airport infrastructure Need for local transportation Labor market Availability of materials Use, age, and reliability of technology Construction risk |

| FINANCIAL | |
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| What is it? | Analysis of the operation to achieve sufficient income, credit, and cashflow to financially sustain the project over the long term and meet all debt obligations. |

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| What are the factors to consider? | Commercial or project underwriting Management’s assumptions Accounting policies Source of repayment Dependency on other entities Equity contribution Market demand forecast Peer industry comparison Cost-accounting system Availability of short-term credit Adequacy of raw materials and supplies Sensitivity analysis |
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| MANAGEMENT | |
| What is it? | Analysis of the legal structure of the business or operation; ownership, board and management analysis. |
| What are the factors to consider? | History of the business or organization Professional and educational background Experience Skills Qualifications necessary to implement the project |

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| RECOMMENDATION | |
| Conclude with an opinion and recommendation presented by the consultant | |

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| QUALIFICATIONS | |
| Provide a resume or statement of qualifications of the author of the feasibility study, including prior experience. | |

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