



Clean Power Capital Corp.: PowerTap to take advantage of California's Low Carbon Fuel Standard Carbon Credit Program

VANCOUVER, British Columbia and NEWPORT BEACH, Calif., Dec. 15, 2020 (GLOBE NEWSWIRE) -- **Clean Power Capital Corp. (CSE: MOVE)(FWB: 2K6)(OTC: MOTNF)** ("Clean Power" or the "Company" or "MOVE"). The Company is pleased to announce that its investment, PowerTap, plans to participate in the California Low Carbon Fuel Standard ("LCFS") Carbon Credit program. California's LCFS market may be one of most unique Carbon emission credit trading program, reflecting California's commitment to greenhouse gas reductions. The LCFS Carbon Credit program provides PowerTap an opportunity to generate revenue even before dispensing any hydrogen from its fueling stations by allowing PowerTap to sell its earned LCFS credits on an on-going basis on the emission trading markets. Purchasers of these credits are oil companies and other gross polluters, who are required to offset their CO₂ emissions in California.

PowerTap will be eligible to earn LCFS HRI credits as soon as its fueling stations are installed in California. PowerTap plans to rollout its fueling stations during the second half of 2021.

The California LCFS program, established in 2009, was one of the first to focus solely on the transportation sector, a difficult sector to decarbonize due to its numerous stakeholders. California's LCFS program required the main fuel suppliers to reduce the carbon intensity of their fuels by 10% by 2020 – from a 2010 baseline. The program was extended to require a further reduction of 10% by 2030 – thus, a 20% total reduction¹. This goal of decreased CO₂ is measured in grams of CO₂ emitted per MJ of fuel (heat value). The baseline for gas and diesel is drops each year, and any fuel supplied to the State and put into motor vehicles that has life cycle emissions less than the baseline can generate what are called LCFS credits. When a large carbon emitter like an oil company is working toward meeting their annual LCFS target, they rely in large part on the purchase of LCFS credits. These credits can be generated from electrical vehicle charging, biogas (for CNG vehicles), ethanol, other biofuels, and hydrogen production. In 2020, the LCFS program is estimated to be a multi-billion carbon credit trading market².

Hydrogen fueling posed an interesting challenge for California regulators because of the current "chicken-and-egg" aspect of the alternative fuel, but the resultant program works in the favor of companies like PowerTap. Vehicle purchasers will not purchase hydrogen vehicles until there is a more robust hydrogen fueling infrastructure in place. However, hydrogen industry participants would not build more fueling stations until there were more hydrogen cars that use them. Thus, the regulators who oversee the LCFS program at the California Air Resources Board (CARB) created the Hydrogen Refueling Infrastructure (HRI) credit in 2019, which allows LCFS credits to be issued simply if the hydrogen capacity (measured in daily capacity of hydrogen that can be produced in kg) were installed, even if no hydrogen were dispensed. The theory is that once the stations are in place, more consumers will buy hydrogen cars and the use of these stations will rise. There are two types of credits – the capacity or HRI credit and the more traditional LCFS fuel dispensing credit, which is based on the amount of hydrogen fuel that goes into vehicles. As a hydrogen station begins to dispense hydrogen, the proportion of HRI credits goes down and the number of "dispensing" credits goes up, generally keeping carbon credits stable.

By participating in the LCFS Carbon Credit program, PowerTap plans to generate revenue from the earning and subsequent sale of HRI credits even before the sale of any hydrogen from its fueling stations. To earn HRI credits, PowerTap must build fueling stations that meet certain criteria such as, the station must be open to the public, be available to all drivers, allow all major credit cards, have confirmation from three vehicle OEMs that their customers can use the station, and other standards that PowerTap plans to meet with its modular hydrogen fueling stations; and apply to CARB for the HRI credits. These credits are available for 15 years from the quarter following CARB's approval of the qualifying hydrogen station application. Once the HRI credits are validated with CARB, PowerTap plans to sell the credits in the emission trading markets on an on-going basis at approximately \$200 per credit, a value which is reflected on the most recent Weekly LCFS Credit Transfer Activity Reports³. Purchasers of these credits are oil companies and other gross polluters, who are required to offset their CO₂ emissions.

A third-party consultant analysis of the value of LCFS credits that may be potentially earned by PowerTap has estimated that PowerTap has the potential to generate California LCFS credits of \$2.95 per kg per day of hydrogen capacity; thus a 1,200 kg capacity hydrogen station can generate \$1,292,100 of annual gross LCFS carbon credit revenues per each 1,200 kg hydrogen station installed and opened even if no hydrogen is sold. A summary of the third-party analysis (including assumptions and qualifications) of PowerTap's potential LCFS credit generation value may be found at https://www.powertapfuels.com/pdf/carbon_credits.pdf. In connection with PowerTap's process of completing its 3rd generation design of its patented onsite hydrogen production stations, it will retain leading California LCFS Carbon credit experts as agents and consultants to establish the necessary infrastructure and reporting protocols to receive these very attractive daily Hydrogen Fueling Infrastructure carbon credit revenues.

"California carbon credits are an important incentive that will greatly assist PowerTap in its hydrogen fueling station rollout plan by generating attractive revenues for PowerTap even before hydrogen is dispensed and sold. Revenue from the sale of these credits is expected to be generated once PowerTap completes the rollout of its hydrogen fueling stations in California. Major clean technology companies have depended on carbon credits for years to augment cash flow and allow them to aggressively grow. In fact, Tesla recorded US\$397 million of carbon credit revenue in Q3 2020, assisting Tesla in reporting \$331 million of Q3 2020 net income", said Raghu Kilambi, CEO of PowerTap Hydrogen Fueling Corp.⁴

About PowerTap

The Company invested in PowerTap on October 27, 2020 (see the Company's news release on October 28, 2020). PowerTap is leading

the charge to build out cost-effective hydrogen fueling infrastructure through its environmentally friendly intellectual property, product design for the modularized and lowest tier production cost of hydrogen, and launch plan. PowerTap technology-based hydrogen fueling stations are located in private enterprises and public stations (near LAX airport) in California, Texas, Massachusetts, and Maryland. Additional information about PowerTap and the Hydrogen Industry may be found at its website at <http://www.powertapfuels.com>

ABOUT CLEAN POWER CAPITAL CORP.

Clean Power is an investment company, that specializes in investing into private and public companies opportunistically that may be engaged in a variety of industries, with a current focus in the health and renewable energy industries. In particular, the investment mandate is focused on high return investment opportunities, the ability to achieve a reasonable rate of capital appreciation and to seek liquidity in our investments. A copy of Clean Power's amended and restated investment policy may be found under the Company's profile at www.sedar.com.

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Notice Regarding Forward Looking Information:

This press release contains "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Clean Power. Some assumptions include, without limitation, the development of hydrogen powered vehicles by vehicle makers, the adoption of hydrogen powered vehicles by the market, legislation and regulations favoring the use of hydrogen as an alternative energy source, the Company's ability to build out its planned hydrogen fueling station network, and the Company's ability to raise sufficient funds to fund its business plan. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or be achieved. This press release contains forward-looking statements pertaining to, among other things, the timing and ability of the Company to complete any potential investments or acquisitions, if at all, and the timing thereof. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and, in some instances, to differ materially from those anticipated by the Company and described in the forward-looking information contained in this press release.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward- looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance.

The forward-looking information contained in this release is expressly qualified by the foregoing cautionary statements and is made as of the date of this release. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward- looking information to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

¹ <https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard>

² Seth Baruch, President, Carbonomics, a leader in helping businesses realize the potential of carbon offsets in the US/International emission-trading markets, Dec 11, 2020

³ <https://ww3.arb.ca.gov/fuels/lcfs/credit/lrtweeklycreditreports.htm>

⁴ Tesla Inc. Q3 2020 Financial Results and Q&A Webcast - <https://ir.teslamotors.com/events-and-presentations>