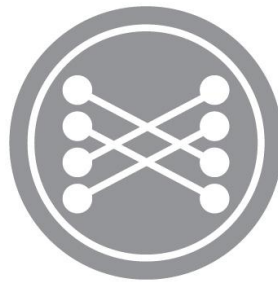


# APL Authorized Representative *Program Overview*

*ALL Power Labs is the new global leader in small-scale gasification.  
We make biomass gasifiers that are ready for everyday use,  
to serve real world distributed energy needs.*



**ALL Power Labs**  
Berkeley, California

## **I. We Need You**

ALL Power Labs is receiving a growing stream of proposals for overseas representation and reselling of our products. Many of these come from individuals who've been watching our progress for years, and find our products have now achieved a level of maturity to justify pilot scale rollouts in their region. Fortunately, we agree.

We also know the next stage of our growth cannot happen without commercial partners in "faraway" local markets. To date, we've used the web to drive our design process, marketing outreach, and customer support. Going forward, however, we realize that many details of product marketing and "last mile services" we cannot well serve online from Berkeley, California. This is where you come in.

We now need to grow a network of local market partners to complete the value proposition first started in our shop and on the web in 2008. We need to find the core collaborators and regional entrepreneurs who can localize our products, and build the related businesses to grow the results. We need to find people who understand the profound market potential of our technology, while still fitting with the unique methods and culture of ALL Power Labs.

We believe our personal scale power products are on the cusp of a transformational uptake in-the-market and on-the-ground. Waste biomass fuel is nearly everywhere and often free. Rural electrification --whether developing world or otherwise-- usually suffers from high cost or high intermittency, with few options that truly replace the usability of the grid or a diesel genset. Those who've been watching us for last few years have seen us progressively roll out the answer-- and do so at a price point unprecedented in the biomass energy sector.

We are in no way done with our development. Both our technology and its productization continue to undergo rapid development, and will do so for years to come. We are at the first point of design stability and manufacturing capacity to support meaningful pilot scale rollouts, and encourage local businesses to form to drive the opportunity forward.

This document outlines our thinking for how we'd like to start developing these relationships. We hope you will consider joining us.

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## **II. The Authorized Representative Program**

In putting together this program, we've considered the many permutations of "dealerships", "franchises", "resellers", "licensees", "service agents", "value added resellers", and the like. After much consideration, we've arrived at a role we're calling the "Authorized Representative". This title is intended to cover an emerging collection of business development and technical support needs. It acknowledges that our scope of needed activities continues to develop, and we look forward to refining the particulars with our partners, as we learn together along the way.

At the outset, however, we are clear that what is needed is much more than an arms length reseller agreement. This will be an active participatory role, somewhat like a "value added reseller", but with opportunities and responsibilities extending well beyond a typical VAR. Authorized Representatives (ARs) will need to bring significant talent, passion and effort investments to the relationship, as well as some capital resources to set things in motion.

The ideal AR will have technical abilities in gasification and internal combustion engines, general business and logistics expertise, as well as financing expertise to enable purchase scaling. Few people come with all of these resources together by default. You should, at the very least, be willing to assemble teams or local partnerships that in time will address all the pieces of the puzzle.

In terms of actual on-the-ground activities, we're proposing ARs begin with three main areas of endeavor.

- 1. Product demonstration**
- 2. Last mile services**
- 3. Project development**

Here's the sketch of what we expect for each of these three areas.

### **1. Product Demonstration**

An Authorized Representatives' most important activity will be regular product demonstrations. As the Power Pallet is still an emerging product, people often want to see it in person to decide if it really works. We know it does, but that's often not enough for someone on the other side of the world. Also, travel to Berkeley for one of our workshops, open houses, or a private demo is often far from convenient. Thus our primary near term goal with the AR program is to set up regular demonstrations, in key regions of interest around the world, where people can see a Power Pallet run.

An AR will need to orchestrate a product demonstration (demo) event monthly, somewhat like we do at our Berkeley facility. You are welcome to hold demonstrations more often, or travel with the Power Pallet to people and sites of significance. However, the minimum requirement is one public demo a month, at a regularly scheduled time we can announce on our website, and the interested in your region can schedule their attendance.

These demonstration activities will require you to purchase a Power Pallet and establish a site where you can run it. Ideally this is a site where the Power Pallet is in regular use, and all the surrounding issues of biomass energy are engaged and impressively tended. We'll leave the particulars of this to you, and expect to see many interesting local optimizations.

You will also need to become familiar with the specifics of Power Pallet, its parts, and the details of its operation. You should expect to become the local expert on gasification technology, and understand the particular methods used in the GEK gasifier to solve its challenges. Beyond just understanding, you'll also need to explain these somewhat esoteric topics to others, and enjoy doing so. We expect this will likely require some learning on your part. We'll provide the informational materials to help you along, as well as personal training where you require it.

You are welcome to charge for these demo events, and thereby create an early income stream for your venture. The basic two-hour Power Pallet demo cannot cost more than US\$100 per person. Longer demos or more involved testing and/or training can certainly cost much more. Know that people regularly fly half way around the world to see our systems, and are usually willing to pay a bit locally to avoid the travel. This is particularly the case for larger institutional interest, and people looking to do larger scale deployments.

Note here that unlike most rep programs, our primary goal is to be able to send people to you. We have an unusual situation in that we don't really need external agents to drive our lead generation and sales. We've already set up a sophisticated marketing effort around the world via the web --which is likely why you found us in the first place— but things often stall when they can't see a machine locally (thus the initial focus on demos). Yes, we very much want you to generate new prospects and projects, but the first win will simply be tending to the already interested that we send to you.

## **2. Last Mile Services**

In addition to seeing a Power Pallet run, most customers want to discuss other aspects of their project, and find someone to help them with larger system needs. This usually starts with the particulars of getting a Power Pallet in country and installed on site, then continues with operator training and setting up the local biomass fuel supply.

Beyond these basics, the customer often has related needs like wiring and power distribution, batteries and inverters, or grid tie questions and concerns about local regulations or feed-in tariffs. As the conversation continues, you'll often find yourself discussing additional opportunities like combined heat and power (CHP), thermal cooling, drying, biochar and clean water services. What the customer usually needs, and what you'll have the opportunity to form commercial services around, extends far beyond the initial topic of gasification.

This diverse collection of needs and opportunities we are calling "Last Mile Services". We want you to be the winner of these projects, without any claw back on the income by us. There's often significant funding for this work, particularly in the case of institutional

projects— universities, government, UN, non-profit dev agencies, and the like. We want to send this work to you, and end our regular flying around the world to do it ourselves.

We're looking for ARs that can engage this full range of issues and opportunities. We'll need you to be comfortable operating as the local "go to" person for all technical and service requirements. ARs in different regions will surely establish different suites of services that relate to their local conditions. We leave this optimization to you, and encourage you to be creative in crafting your local solution.

Here's a short list of some "last mile service" opportunities we think you'll want to consider.

### ***Importation and transport to site***

- Organize full container imports to avoid expensive single unit air cargo shipping fees from APL in Berkeley, CA.
- Handle import paperwork, logistics and taxes
- Deliver product to site

### ***Assembly, installation, and training***

- Reassemble machine after shipping
- Install machine at site
- Complete on site wiring, enclosures, and other desired power equipment
- Test the intended fuel and prove proper operation. This will require ongoing learning on local fuel options, how to prepare them, and the pros and cons of the different options
- Train operators in daily running and maintenance
- Translate instruction documents into the local language

### ***Post-installation services***

- Establish an ongoing biomass fuel source. This can be either through providing the fuel at reasonable cost, or setting up the machinery for the user to prepare it.
- Provide regular maintenance, service and spare parts
- Directly operate customer machine(s) on a contract
- Operate a fleet of machines on a micro-grid power purchase agreement

### ***Add-on projects and auxillary systems.***

- Grid tie: Address local regulatory issues, sell appropriate intertie equipment, and install the system
- Expand the installation to include combined heat and power (CHP), thermal cooling, biochar and/or clean water solution
- Develop custom ancillary equipment that addresses local needs and uses

### 3. Project Development

The final area of effort we expect from Authorized Reps is project development. While we get around 10 serious purchase inquiries a day from our web marketing, there are many opportunities we'll clearly never find from a distance. Finding, pursuing and converting these opportunities will produce significant long term wins for both you and APL.

These efforts might range from local retail advertising and web work, to pursuit of specific large customers or large scale projects. One off projects are great, but projects needing 10s, 100s, or 1000s of units are what will scale our endeavor in the coming years. You are encouraged to find, develop and lead them to conclusion.

Your know your local opportunities best, but some themes that consistently arise are:

- Rural electrification programs driven by government (local, regional or national)
- School and hospital projects
- University prime or back up power
- Power service agreements to local businesses with poor electricity uptime.
- Forestry or agricultural projects
- Eco lodges
- Village power
- Telecom towers (over 200,000 off-grid ones in India alone. Same problem in most of Africa, Asia and the (non-US) Americas.)

Major project development takes time and effort. Efforts set in motion today often won't produce results for a year or more. Thus we encourage you to focus your initial efforts on the demos and last mile services that will generate near term income for your venture. However, we hope you'll also set some fires burning around longer term prospects, and keep tending them while the shorter term efforts are paying off.

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### III. Territorial Focus

We do not start any AR with a territorial exclusive. The market opportunity is too large, and the physical logistics too complicated, for any one entity to engage everything for most countries. Our goal is to let multiple entities work in relevant markets, with appropriate separation to avoid duplicating efforts.

It is in the interest of both APL and the AR to keep useful separation between territories of activity, and we will proportion the locations of our reps accordingly. To date, however, we've found it difficult to precisely define these geographic boundaries, as we've learned that prospects come from everywhere, often completely outside of the country or continent on which you will be primarily working. In the age of the web, your "operational area" is really more accurately called your "personal network", not your location in political geography. We know you'll want flexibility to engage these "out of bounds" prospects. Others will want the same. Thus we're keeping the territories flexible to start.

ARs that distinguish themselves through performance will receive additional primary territory to work in, and/or higher-level roles. Those who do the work and succeed will be progressively rewarded—like any meritocracy. This may in time include territorial exclusives or other higher-level roles that we are not offering at the outset. These higher-level roles in the future might be things like regional distributors, regional manufacturers, and regional admin offices.

We expect to support many smaller ARs for years, with select ones in each region proving themselves for the higher-level roles. Those who do well but decide to stay small, will not lose their position and can continue alongside others in the region.

In short, we're going to continue using our bottom up and participatory methods to choose and organically grow our network of global representation. These methods have worked uniquely well for our business to date, and they'll continue to define our strategy as we develop the AR program.

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#### **IV. Sources of Income**

The AR program is a multiple income stream opportunity. Raw markup on APL products will be an important income stream in your operation, but it won't likely be your largest. Your larger opportunities will follow from the ancillary activities in product demonstration, last mile services, and local project development that we've sketched above. We want you to base your business around all the things we cannot well do from Berkeley, and thus we're giving all these opportunities to our regional partners, with no attempts to claw back portions of the reward.

Raw commissions on reselling our products will start at 5%. For better and worse, we've already pushed hard to deliver our products directly to end users at the lowest possible price, via public prices posted online. This has maximized our growth and put many machines out in the world, but at just sustainable internal economics.

The downside of this is we don't have much room for discounts to resellers. Yes, in time we'll be able to establish a greater spread as our manufacturing costs go down, and the size of your orders go up, however this is not where we are at currently. Nonetheless, our prices are already multiples below other "comparable" equipment on the market, where such equipment even exists. You will have room to work on price if you need it.

You are welcome to mark up our products on your end as your market allows. Having product onsite ready to go is very different than ordering directly from APL- on the other side of the world, with a 3-month delivery wait. At the very least, multiple unit containerized shipments to you will eliminate the high cost of individual air cargo shipments when someone buys direct from APL. As a result, you should be able to sell at a higher price locally, and still have the total come out less than if they were to buy direct from us.

Despite this flexibility in pricing, we encourage you to resell our products for close to the same prices we post on our website. You are going to win much more with volume and increased opportunities for support services and ancillary projects, than you are going to win by a few additional percentage points in markup. This is the logic we've used to date ourselves, and we still believe it. We're in this for the long haul, not the short-term win. Hopefully you are too.

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## **V. Our Internet Sales vs Your Local Sales**

As you consider starting a local endeavor with our products, it is important to realize that we are already marketing and selling in your region. The web allows us to market directly to every person with web access, and enough interest to type "gasifier" or the like into a search engine. It is difficult to overstate the power of this proposition. In fact, it is most likely the only reason you found us and are reading this document today. Some 50,000 other people find us similarly each month through our web presence.

We're going to continue our web marketing and sales efforts in your region, in parallel with the work that you do. You should not be worried about this, as we're going to send you all the add-on business that results from it. We just want to have the core machine manufacturing and some sales aspects of the total. All local activities, and part of the sales, we want to give to you.

At the beginning we'll keep track of prospects that appear directly from our marketing, vs the ones that you surface yourself. You will only receive the commission on the sales you initiate. However in either case, you will get all proceeds from the demonstrations, last mile services, or other project development work.

In time we expect some ARs will become such value adding members of the network, that it will be much more efficient for us to simply redirect all online sales inquiries from the region directly to them. This is the goal, but while we are testing the waters, we're going to maintain the distinction between inquiries surfaced by our online efforts, and ones generated through your local efforts.

To keep track of who initiates a sale, all ARs will need to share their contacts and local activities with APL. APL will be doing the same with ARs when they send customers to demos, or to generally discuss things with you. We want you to succeed, as your success will be our success too, so we're going to be fair whenever there is debate about who is the majority origin of a sale.

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## VI. Getting Started

In all likelihood, APL does not know who you are and how you conduct your business affairs. Neither do you know much about APL, for that matter. The best way to establish a long term, mutually beneficial relationship will be based on actually working together, getting to know each other, building trust and achieving goals.

In consideration of the above, APL believes that an elaborate contract, which would spell out in great detail the scope of the relationship, is of little relevance. Rather, keeping the terms simple and gradually progressing in incremental steps, is our preferred approach.

The first step is to decide whether the above sketch resonates with you. Do the spirit of the goals described above, as well the methods proposed to achieve them, represent something you believe in and want to apply yourself towards realizing in the world?

If you answer yes, I encourage you to write Dusty Swartz, our Director of Sales, to start a more detailed conversation. Please tell us about yourself, your abilities, resources, and plans for your AR position. We'll arrange a phone call or skype chat to get to know each other better.

If both parties decide it's a go, the next step is to purchase a Power Pallet. The entry-level requirement of an AR is to place an order for one Power Pallet, paid in full at the time of order. When we are ready to deliver it, you will need to put a 50% deposit down for a second Power Pallet. This deposit enables us to start building a second unit to be ready as soon as you make your first sale. When you complete the sale, you pay the remaining 50% plus related shipping and we send it off to you. Then you start your next Power Pallet in the manufacturing queue with another 50% deposit.

This system of "one Power Pallet at your site, plus one already in the queue" ensures that customers on your end can get a Power Pallet soon after they order, and much faster than if they started a random order with us. We want to give ARs priority in our manufacturing queue, and this rolling order method will make this possible for early stage orders. Once you move to larger orders, this system will not be necessary.

This rolling order system also ensures that you'll always have a Power Pallet at your site for demos. You cannot do your demo work if you sell your onsite machine, and have to wait months for another one to show up from the factory. Thus ARs will always need to have at least one machine on site, and one machine on 50% deposit at all times.

Once your first Power Pallet arrives, you'll need to set it up and start learning how to run it. We'll help you with text and video instruction, as well as email and phone support as needed. Once you can confidently start, run, shut down and troubleshoot the system, you'll have the best tool to sell it...expertise. With expertise and our technical sales presentation you'll be able to run demos, answer questions and provide the tech support that is so critical for the success of this initiative.

More instruction is possible through hands-on workshops. Ideally you'll be able to attend one of our workshops or open houses at our headquarters in Berkeley. Alternatively, we might decide to hold a regional workshop at your site.

We regularly offer our full weekend workshops at sites around the world, and we'd be interested in doing so at your site. Our plan is to do one such full workshop with APL staff on site for each new AR in this first phase of the program. We're going to try to have a dense series of overseas workshops to launch this program over the coming year.

## VII. The Future

We intend to make a major dent in the global energy problem with our personal scale waste-to-energy machines. We plan to build a long term, large scale, global operation to make this possible. It is expected that in years to come these efforts will return significant rewards --across multiple bottom lines-- however in the near term there's mostly just going to be lots of work.

Understand clearly that this will be a high opportunity cost engagement, appropriate for only the exceptionally motivated. There are many steps and many years between where we are now and the goals outlined above. Nonetheless, we hope you will seriously consider joining us for the adventure, as well as the ultimate rewards.

Jim Mason  
Founder  
ALL Power Labs

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## Thank you!

We welcome your questions via email.  
Please write to: [AuthorizedRep@allpowerlabs.org](mailto:AuthorizedRep@allpowerlabs.org)

***To accelerate the response process***  
*your email subject line should be: Your Last Name, AR Candidate from Country*

In addition to your questions please include:

- Your First and Last Name
- Company Name (if applicable)
- Location: City, Country
- Desired "focus" area
- A description of your ability to demonstrate and provide service within your area of interest

Again, we appreciate your interest in becoming an Authorized Representative.  
I look forward to your reply.

Dusty Swartz  
Director of Sales  
**All Power Labs**  
Berkeley, California