



**PG&E SOLICITATION FOR BIOMETHANE
OFFER SHEET**

**Product B: Injection into Common Carrier Pipeline Linked to PG&E System
Due by 2:00 p.m. PPT on July 13, 2023**

Submit offer via [Power Advocate](#)

BIOMETHANE SELLER	
Business Name	
Contact Name	
Phone Number	
Email Address	
BIOMETHANE FACILITY	
Facility ID	
Facility Location (City, State)	
Feedstock (e.g., landfill, wastewater treatment, dairy, municipal solid waste)	
Production Process (e.g., anaerobic digester)	
Carbon Intensity	
Fuel Pathway Application No.	
TERM	
Start Date	October 1, 2023
End Date (Up to five years)	_____
Extension Rights (If yes, please explain)	No/Yes:
QUANTITY	
Volume	500-700 Dth/d (dekatherms per day) (100% of PG&E's CNG customer demand)
REVENUE SHARING	
Buyer Revenues from LCFS and RIN Credits	Buyer Percentage of D3 RIN Credit Revenues: _____% Buyer Percentage of D5 RIN Credit Revenues: _____% Buyer Percentage of Fossil-Equivalent LCFS Credits: 100 % Buyer Percentage of "Incremental" LCFS Credits: _____%
If Multiple Offers, Are Offers Mutually Exclusive? (If yes, please explain)	No/Yes:
Comments and Special Conditions	

1.	Parties	<p>Buyer: Pacific Gas and Electric Company (on behalf of its Core Gas Supply function)—as the purchaser of pipeline quality biomethane (“Biomethane”), and compressor and dispenser of Biomethane for compressed natural gas (“CNG”) for vehicle use (“Vehicle Fuel”).</p> <p>Seller: [Seller to designate]—provider of Biomethane including any and all credits, benefits, emissions reductions, offsets, reporting rights and allowances attributable to the production of biomethane and its displacement of conventional fuel sources used as Vehicle Fuel. Seller also acts as remitter of proceeds derived from Low Carbon Fuel Standard (“LCFS”) credits and Renewable Identification Number (“RIN”) credits that have been generated, approved, and accepted by both United States Environmental Protection Agency (“U.S. EPA”) Renewable Fuel Standard (“RFS”) and the California Air Resources Board (“CARB”) associated with the use of CNG as vehicle fuel.</p> <p>Buyer and Seller are each a “Party” and together “Parties”.</p>
2.	Biomethane Facility	<p>Seller’s Biomethane facility (“Facility”) is comprised of all units, together with all appurtenant facilities and equipment, including any control and communications systems, necessary to deliver the Biomethane to Buyer.</p> <p>Facility ID: [Seller to designate] Facility Location (city, state): [Seller to designate] Feedstock: [Seller to designate, e.g., landfill, wastewater treatment, dairy, municipal solid waste] Production Process: [Seller to designate, e.g., anaerobic digester] Carbon Intensity: [Seller to designate] Fuel Pathway Application No.: [Seller to designate]</p>
3.	Governing Document	<p>This transaction as described in this Term Sheet (“Transaction”) would be documented as a confirmation (“Transaction Confirmation”) between Parties.</p>
4.	Performance Obligation	<p><u>A—Delivery of Biomethane</u></p> <p>Seller agrees to sell and deliver the Contract Quantity of Biomethane from the Facility as specified in Section 2 above.</p> <p>Buyer and Seller acknowledge that Seller will deliver pipeline quality gas derived from organic matter (including but not limited to landfill, wastewater, or dairy biogas) that meets U.S. EPA RFS and CARB LCFS eligibility requirements as an alternative or renewable vehicle fuel.</p> <p>Seller shall match biomethane from the Facility specified in Section 2 above with Buyer’s vehicle fuel dispense statements, if Buyer and Seller agree to opt for the Book-and-Claim Accounting (defined in Section 6 below).</p>



	<p><u>B—Environmental Credits Generation</u></p> <p>Buyer shall provide vehicle fuel dispense statements on a monthly basis to Seller for Seller to generate environmental credits as specified in Section 8 below.</p> <p><u>C—Buyer’s Rights</u></p> <p>Buyer and Seller acknowledge and agree that Buyer, as permitted by existing law and regulation, will have exclusive rights to offer, bid, or otherwise submit all or a portion of the Biomethane for resale, assignment, transfer or exchange, and Buyer is entitled to receive and retain any and all related revenues, credits and interest derived from any disposition of Biomethane as permitted by law.</p> <p><u>D—Buyer Information Rights</u></p> <p>D(i). Seller acknowledges that certain government authorities may require Buyer to deliver information or comply with regulations related to this Agreement Documents, including reporting, registering, tracking, allocating for or accounting for Biomethane attributes, emissions or credits. Seller agrees, within ten (10) business days following Buyer’s request to take all commercially reasonable measures and provide any and all documents, accounting, information or instruments as requested by Buyer or its designee, which are reasonably necessary (a) to permit Buyer to comply with such requirements; (b) to allow Buyer to manage its obligations pursuant to the Agreement Documents or applicable law and compliance requirements; and (c) to enable Buyer to return the revenues generated from this Agreement to its CNG customers.</p> <p>D(ii). Buyer and Seller each acknowledge and agree that any and all obligations set forth in the Agreement Documents to provide information, data, documentation or otherwise to cooperate with the other party shall also be applicable with respect to an authorized agent of the other party that is covered by a non-disclosure agreement with the other party, proof of which must be provided to Buyer or Seller upon the initial request for such data by the requesting party, and before such party shall be obligated to provide such data, documentation or other cooperation.</p> <p>D(iii). Seller acknowledges that Buyer may disclose all or any portion of the Agreement Documents to the California Public Utilities Commission (“CPUC”) in connection with any proceeding or process held relating to this Agreement Documents or the Biomethane, including proceedings or processes to obtain CPUC approval.</p> <p><u>E—Performance Obligation</u></p> <p>Buyer and Seller shall comply with all applicable laws in order for Seller to generate and monetize RIN and LCFS credits. Seller shall be responsible for compliance, at its sole cost and expense (Buyer shall reimburse Seller to the extent that Seller incurs such costs and expenses due to Buyer’s unexcused failure to perform such obligations).</p>
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5.	Contract Quantity of Biomethane	<p>Seller shall deliver a quantity of Biomethane (“Contract Quantity”) corresponding to: 100% of Buyer’s monthly Vehicle Fuel requirement for each month during the Delivery Period of the Transaction. Buyer’s current good-faith estimate of volume is 500-700 dekatherms per day (Dth/d).</p> <p>The amount of Biomethane that Seller actually delivers to Buyer at the Delivery Point cited below shall be defined as the “Delivered Quantity,” provided that Seller shall in no event deliver more than the Contract Quantity to Buyer on a monthly basis. Seller shall be responsible for managing excess supplies of Biomethane as Buyer shall not be required to receive or pay for more than then Contract Quantity.</p>
6.	Delivery Point for Biomethane: Book-and-Claim Accounting	<p>LCFS Regulation section 95488.8(i)(2) recognizes book-and-claim accounting for biomethane matched to the portion of natural gas that is used as feedstock in the production of biomethane.</p> <p>Seller shall inject the Contract Quantity of Biomethane into a common carrier natural gas pipeline linked to the PG&E system (“Delivery Point”).</p> <p>Seller is solely responsible for all transportation-related pipeline charges for the transportation of the Biomethane from the Facility to the Delivery Point. The Parties agree and acknowledge that delivery of any Biomethane hereunder shall be Firm (variable quantity based on Section 5 above).</p>
7.	Delivery Period	<p>Seller shall begin deliveries of the Biomethane to the Delivery Point starting on October 1, 2023. The Delivery Period shall be at least 12 months.</p>
8.	LCFS and RIN Credits— Revenue Sharing	<p><u>A—Generation of LCFS and RIN Credits</u></p> <p>Buyer shall create and dispense Vehicle Fuel from the Biomethane purchased from Seller and provide the corresponding vehicle fuel dispense statements to enable Seller, as a renewable fuel producer under the RFS regulation, and Opt-In Fuel Reporting Entity under the LCFS regulation, to generate Cellulosic Biofuel (D3 or D5 category) Qualified</p>

		<p>Renewable Identification Numbers (“RINs”) under Section 80.1426 of the RFS regulation, and LCFS Credits under Section 95488 of the LCFS regulation, and as further described in Sections 9 and 10 below. For purposes of this Term Sheet, any reference to RINs shall assume Qualified RINs (“Q-RINs”). Consistent with Section 80.1469 of the RFS, Seller shall develop a Quality Assurance Plan to support RIN generation.</p> <p>Seller will retain all RINs and LCFS Credits generated from the creation of the Vehicle Fuel from the Biomethane and the dispensing of such Vehicle Fuel by Buyer.</p> <p><u>B—Buyer Revenues from LCFS and RIN Credits</u></p> <p>Seller shall pay to Buyer the value of the LCFS credits on a quarterly basis and the value of the RIN credits on a monthly generated according to the following percentages (“Buyer Percentages”):</p> <p>Buyer Percentage of D3 RIN Credit Revenues: [to be defined] % Buyer Percentage of D5 RIN Credit Revenues: [to be defined] % Buyer Percentage of Fossil-Equivalent LCFS Credits (defined herein): 100% Buyer Percentage of “Incremental” LCFS Credits (defined herein): [to be defined] %</p> <p>“Incremental” LCFS Credits are defined as the difference between the LCFS credits generated by Biomethane (or “Renewable CNG” as defined in the LCFS Regulation) and the LCFS Credits that would have been generated by the same number of MMBtus for CNG load using fossil natural gas (or Fossil CNG as defined in the LCFS regulation) (“Fossil-Equivalent LCFS Credits”).</p> <ul style="list-style-type: none"> • The carbon intensity (CI) of fossil natural gas is 79.46 grams per megajoule (g/MJ), as defined by Section 95488 of the LCFS regulation. Seller and Buyer acknowledge that the LCFS regulation may change the CI of fossil natural gas during the Delivery Period. • The CI for Biomethane under this Transaction is cited in Section 2 above. <p>Seller shall remit the above Buyer Percentages to Buyer based on an assumed value of the above credits using a monthly average of daily price postings using “prompt” pricing published by OPIS Carbon Market Report or Argus US Products Daily Report [to be negotiated] in the same month that credits are generated for LCFS, D3 RIN and D5 RIN credits generated by Seller from the creation and dispensing of the Vehicle Fuel.</p>
9.	LCFS Credits— Calculation, Generation, and Payment Schedule [timing is illustrative—	<p>(A) LCFS Credit Calculation. Based on Buyer’s data regarding Buyer’s use of the Biomethane to create and dispense Vehicle Fuel, by the 45th day after delivery calendar quarter Seller shall determine the number of LCFS Credits eligible to be generated and communicate such number to Buyer (using data in accordance with Section 95486 of the LCFS regulation).</p>

	<p><i>to be negotiated]</i></p>	<ul style="list-style-type: none"> • Of the total number of LCFS Credits eligible to be generated, Seller shall determine and report the number of Fossil Equivalent LCFS Credits and Incremental LCFS Credits to facilitate the revenue calculation described in Section 8 above. <p>(B) <u>LCFS Credit Generation.</u> Seller will generate the LCFS Credits quarterly by the close of business on the 90th day following the calendar quarter of Biomethane deliveries in accordance with the LCFS regulation. Seller is obligated to generate all LCFS Credits corresponding to Buyer’s use of the Biomethane to create and dispense Vehicle Fuel.</p> <p>(C) <u>Payment Schedule for Buyer Percentages to Buyer.</u> Seller shall pay Buyer the Buyer Percentages on or before the last business day of the fourth month following a calendar quarter of Biomethane deliveries. Seller shall provide supporting documentation [to be defined] with each remittance.</p>
<p>10.</p>	<p>RINs— Calculation, Generation, and Payment Schedule [timing is illustrative— to be negotiated]</p>	<p>(A) <u>RIN Calculation.</u> Based on Buyer’s data regarding Buyer’s use of the Biomethane to create and dispense Vehicle Fuel, by the 25th day of the month following delivery month Seller shall determine the number of RINs eligible to be generated and communicate such number to Buyer (using data in accordance with Section 80.1426 of the RFS regulation).</p> <p>(B) <u>RIN Generation.</u> Seller will generate the RINs monthly by no later than the last day of the month following delivery month in accordance with the RFS regulation. Seller is obligated to generate all RINs corresponding to Buyer’s use of the Biomethane to create and dispense Vehicle Fuel.</p> <p>(C) <u>Payment Schedule for Buyer Percentages to Buyer.</u> Seller shall pay Buyer the Buyer Percentages on or before the last business day of the second month following a calendar month of Biomethane deliveries. Seller shall provide supporting documentation [to be defined] with each remittance.</p>
<p>11.</p>	<p>Conditions Precedent</p>	<p>The following conditions must be met as a condition precedent to the Delivery Period.</p> <p>Seller’s Facility shall have a Fuel Pathway under Sections 80.1416 and 80.1426 of the RFS regulation that is approved by the U.S. EPA to be classified as a Renewable Fuel Producer under the RFS program and capable of producing Biomethane that generates RINs when used as Vehicle Fuel.</p> <p>Seller shall have received confirmation from CARB that (1) its account is established in the LCFS Reporting Tool and Credit Bank & Transfer System (LRT-CBTS), pursuant to Section 95483.2 of the LCFS regulation, and (2) its application for approval of a Fuel Pathway under Section 95488 of the LCFS regulation for the sale of Biomethane as Vehicle Fuel by Buyer has been “deemed complete.”</p>

12.	Indemnity	Seller shall indemnify and hold harmless Buyer for any errors in LCFS or RIN generation discovered after Seller pays Buyer the Buyer Percentage. Any such errors shall not result in a refund by Buyer to Seller.
13.	Additional Representations and Warranties	<p>For all Biomethane delivered to Buyer, Seller represents and warrants that (i) the Biomethane meets all pipeline specifications for the connected pipeline; (ii) the Biomethane is suitable to be used as Vehicle Fuel; and (iii) it has the rights to current and future environmental credits <i>other than</i> LCFS or RIN credits (“Other Environmental Credits”) associated with such Biomethane. Seller shall comply with the LCFS and EPA fuel pathways for the Delivery Period.</p> <p>Buyer represents and warrants that it will use the Biomethane for Vehicle Fuel in accordance with the requirements of the EPA RFS and CARB LCFS regulations.</p>
14.	Commodity Trade Option Representations	<p>To the extent that this Transaction (alone or combined with related transaction(s)) is deemed by either Party or by the Commodity Futures Trading Commission (“CFTC”) to be a commodity trade option under part 32 of the CFTC’s regulations (including certain forward transactions with volumetric optionality that are not excluded from the definition of “swap”): The seller of the option represents to the buyer of the option that in connection with this Transaction, the seller of the option is either (i) an eligible contract participant as defined in section 1a(18) of the Commodity Exchange Act (“Act”), as further jointly defined or interpreted by the CFTC and the Securities Exchange Commission or expanded by the CFTC pursuant to section 1a(18)(C) of the Act (an “ECP”), or (ii) a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Transaction, or the products or byproducts thereof, and is offering or entering into this Transaction solely for purposes related to its business as such. The buyer of the option represents to the seller of the option that in connection with this Transaction the buyer of the option is a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Transaction or the products or by-products thereof and is offering or entering into this Transaction solely for purposes related to its business as such. Both parties hereby confirm to each other that this Transaction is intended to be physically settled so that, if exercised, the option would result in the sale of an exempt commodity for immediate or deferred delivery.</p>
15.	Disqualified Biomethane, Exempt/ Non-Exempt Biomethane	<p><u>Disqualified Biomethane</u>—Each Party will promptly notify the other Party in the event that any Biomethane subject to this Transaction Confirmation is determined to be Disqualified Biomethane. “Disqualified Biomethane” is defined as natural gas that was initially determined upon delivery to be Biomethane but subsequently (but prior to payment of the Buyer Percentages) becomes disqualified as Biomethane and ineligible to generate RINs and/or LCFS Credits because it does not qualify as</p>

		<p>Cellulosic Biofuel under the U.S. EPA Renewable Fuels Standard or as Renewable CNG under the CARB LCFS, as applicable.</p> <p>If Seller delivers Disqualified Biomethane to Buyer, it will be treated as delivered fossil gas, with no change to the Contract Price.</p> <p>Delivery of Disqualified Biomethane on more than one occasion within the Delivery Period may constitute a material breach that is subject to Termination provisions described in Section 20 below.</p> <p><u>Exempt/Non-Exempt Biomethane</u>—In the event that a mechanism to facilitate reporting of biomethane to Buyer that meets the requirements of Section 95131(i) of CARB’s Mandatory Reporting Regulation (“Exempt Biomethane”) is implemented during the Delivery Period for the purposes of reducing the costs of compliance with the Cap and Trade Regulation incurred by Buyer during the Delivery Period and the delivery of Biomethane that does not meet the requirements set forth in Section 95131(i) of the Mandatory Reporting Regulation (“Non-Exempt Biomethane”) results in Buyer bearing costs on a cents per therm basis that would not have been imposed if such biomethane was deemed to be Exempt Biomethane (such costs, “Excess GHG Costs”), Supplier will pay Buyer any Excess GHG Costs for the remainder of the Delivery Period such that Buyer does not bear any additional costs due to delivery of Non-Exempt Biomethane.</p>
16.	Regulatory Certifications	<p>Buyer and Seller shall work together to meet all the regulatory requirements to meet such registration of the Facility under EPA’s RFS and CARB’s LCFS regulations as well as ongoing RIN and LCFS credit generation.</p> <p>Seller shall have the primary responsibility of bearing all associated regulatory costs associated with this Transaction.</p> <p><u>LCFS Regulated Party Status.</u> Pursuant to Section 95483 of the LCFS regulation, Seller will seek LCFS Opt-In Fuel Reporting Entity status with respect to all Biomethane sold by Seller to Buyer hereunder.</p> <p><u>RFS Regulated Party Status.</u> Pursuant to Section 80.1450 of the RFS, Seller will seek RFS renewable fuel producer status with respect to all Biomethane sold by Seller to Buyer hereunder.</p>
17.	Records	<p>Buyer shall have the right to audit Seller’s records and calculations supporting the generation of LCFS and RIN credits related to Buyer’s usage of vehicle fuel.</p> <p>Seller and Buyer shall be responsible for, at its sole cost and expense, all reporting, recordkeeping, auditing, third-party verification, and other administrative requirements involving generation of all environmental credits under this Transaction Documents that are imposed on the producer, generator, or owner of such environmental credits under</p>

		<p>applicable law, whether those environmental credits related to Biomethane or CNG.</p> <p>Seller and Buyer shall keep accurate records as necessary to comply with applicable laws to prevent double-counting of environmental credits, including, without limitation, all transferees, site locations where CNG is dispensed, and amounts extracted, and Buyer represents and warrants to Seller upon delivery of such documentation that it is accurate in all material respects.</p> <p>Each Party will provide the other Party with such cooperation, additional documentation, certifications, or other information as may be reasonably necessary to carry out the purposes of this Transaction, including cooperation pursuant to any audit of this Transaction by an independent third-party verifier accredited by CARB and U.S. EPA in accordance with the respective Section 95502 of the LCFS regulation, and Section 80.1471 of the RFS regulation.</p> <p>Seller and Buyer each acknowledge and agree that any and all obligations set forth in this Transaction of either Buyer or Seller to provide information, data, documentation or other cooperation to the other Party shall also be applicable with respect to an authorized agent of the other Party that is covered by a non-disclosure agreement with the other Party, proof of which must be provided to Buyer or Seller before providing data, documentation or other cooperation.</p>
18.	Further Assurances	<p>Each Party will provide the other Party with such cooperation, additional documentation, certifications, or other information as may be reasonably necessary to carry out the purposes of this Transaction Confirmation (including pursuant to any audit of this Transaction Confirmation by an independent third-party verifier accredited by CARB and EPA in accordance with the respective Section 95502 of the LCFS regulation, and Section 80.1471 of the RFS regulation. Buyer and Seller each acknowledge and agree that any and all obligations set forth in this Transaction Confirmation of either Buyer or Seller to provide information, data, documentation or other cooperation to the other Party shall also be applicable with respect to an authorized agent of the other Party that is covered by a non-disclosure agreement with the other Party, proof of which must be provided to Buyer or Seller before providing data, documentation or other cooperation.</p>
19.	Reporting Obligations <i>[timing is illustrative—to be negotiated]</i>	<p>Buyer will provide to Seller a month-ahead forecast of aggregate Vehicle Fuel sales to Seller by the <i>[to be designated by both Seller and Buyer]</i> ____ day of the month prior to Delivery Month so Seller can plan on its deliveries of Biomethane to Buyer at the Delivery Point.</p> <p><u>Reporting for RIN Credit Generation.</u> By the close of business on the 20th day of the month following each month in the Delivery Period, Buyer shall prepare and deliver to Seller a report of Vehicle Fuel meter reads detailing the amount of (1) Vehicle Fuel dispensed to Buyer’s customers and (2) the</p>

		<p>amount of Biomethane Seller delivered to Buyer at the Delivery Point in the previous month.</p> <p>Sample Report Template for RIN Generation, to populate EPA’s EMTS (EPA Moderated Transaction System) upload template:</p> <p align="center"><i>[to be developed by Seller and Buyer]</i></p> <p><u>Reporting for LCFS Credit Generation.</u> By the close of business on the 30th day of the month following delivery calendar quarter, Buyer shall prepare and deliver to Seller a report of Vehicle Fuel meter reads detailing the amount of (1) Vehicle Fuel dispensed to Buyer’s customers and (2) the amount of Biomethane Seller delivered to Buyer at the Delivery Point in the previous quarter.</p> <p>Sample Report Template for LCFS Credit Generation, to populate ARB’s LRT-CBTS (LCFS Reporting Tool; Credit Bank and Transfer System) upload template:</p> <p align="center"><i>[to be developed by Seller and Buyer]</i></p> <p>Buyer and Seller shall explore ways to combine the above two reports for credit generation, notwithstanding the two different credit generation protocols. The reports herein shall be aggregated in such a way that it shall not contain customer-specific data.</p> <p>To comply with Section 80.1454(k)(1)(v) of the EPA RFS regulation, on a quarterly basis Buyer and Seller shall each prepare a notarized affidavit confirming the Biomethane was used for transportation fuel only.</p>
20.	Termination of Transaction – Event of Default	<p>(A) This Transaction Confirmation may be terminated by either Party upon thirty days prior written notice to the other Party in the event either (i) the Conditions Precedent are not satisfied; or (ii) Seller is unable to deliver at least 75% of the Contract Quantity of Biomethane from the Facility for a period of three consecutive months within the Delivery Period,</p> <p>(B) This Transaction may be terminated upon the occurrence of a material breach of the Transaction that is not cured within thirty (30) days of receiving written notice of such breach. A material breach may include two or more instances of production and delivery of Disqualified Biomethane (Buyer termination right), or failure to delivery Biomethane as Vehicle Fuel by Buyer (Seller termination right).</p> <p>In the event the Transaction is terminated, the Parties shall satisfy any remaining payment obligations defined in Sections 8 through 17 above.</p>
21.	Termination of Transaction – Change in Law	<p>In the event that, at any time, and from time to time, during the term of this Transaction, any applicable laws or regulations are changed or new applicable laws or regulations are promulgated, which have a material adverse economic effect upon either Party (such Party being the “<u>Affected Party</u>”), and such event does not constitute a Force Majeure, the Affected Party shall have the right to terminate the Transaction Confirmation as of the end of the applicable thirty (30) day period (the “<u>Termination Date</u>”) by</p>

		<p>giving written notice thereof to the other Party which notice shall include the applicable law or regulation that has a material adverse economic effect upon the Affected Party.</p> <p>Other than amounts due and owing as of the Termination Date, neither Party shall be liable to the other Party for any damages resulting from such termination.</p>
22.	Termination of Transaction – General	<p>Notwithstanding anything in the preceding “Termination of Transaction” sections, the obligations of either Party to make payment hereunder or with respect to any Transactions entered into prior to the effective date of such termination, including any related adjustments, shall survive the termination of this Transaction Confirmation.</p>
23.	Force Majeure	<p>(i.) The term "Force Majeure" means any cause not reasonably within the control of the party claiming suspension. Force Majeure shall include, but not be limited to, the following: (a) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment; (b) weather related events affecting an entire geographic region; (c) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror, and (d) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impact of a Force Majeure and to resolve or mitigate the event or occurrence once it has occurred in order to resume performance.</p> <p>(ii.) Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (a) failure to remedy the condition and to resume the performance of such covenants or obligations with reasonable measures; (b) economic hardship, to include, without limitation, Seller's ability to sell RIN and LCFS credits at a higher or more advantageous price than the current spot or auction market rate, or a regulatory agency disallowing, in whole or in part, Buyer's or Seller's obligations regarding production of vehicle fuel and environmental credits generation; (c) the loss of Buyer's market(s) for RIN and LCFS credits or Seller's inability to use or resell the RIN and LCFS credits except, in either case, as provided in Section 23.i.; or (d) the loss incurred by Seller due to its failure to meet Seller's obligations as defined in Section 4., except, in either case, as provided in Section 23.i. The party claiming Force Majeure shall not be excused from its responsibility to meet the requirements of the U.S. EPA RFS and CARB LCFS regulations.</p>

24.	Termination Payment	Additionally, Early Termination Damages (Section 20 to 23) shall apply and shall include Buyer's share of two calendar months' worth of foregone RIN and LCFS credit revenue.
25.	Safety	Seller will be required to meet certain safety standards with respect to the Facility. Seller's safety obligations will reflect the agreement and Facility structure, technology, and products.
26.	Confidentiality	<p>Neither Party shall disclose directly or indirectly without the prior written consent of the other Party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants, and other agents of the Party, or prospective purchasers of all or substantially all of a Party's assets or of any rights under this agreement, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this agreement, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to regulatory proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating the RIN and LCFS credits. Each Party shall notify the other Party of any proceeding of which it is aware which may result in disclosure of the terms of any transactions (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Transaction is not subject to this confidentiality obligation. The Parties shall be entitled to all remedies available at law or in equity to enforce or seek relief in connection with this confidentiality obligation. The terms of this Transaction shall be kept confidential by the Parties hereto for one year from the expiration of the transaction.</p> <p>In the event that disclosure is required by a governmental body or applicable law, the Party subject to such requirement may disclose the material terms of this Transaction to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing Party's legal obligations) with the other Party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other Party.</p>
27.	Dispute Resolution	<p>Each Party shall use good-faith efforts to resolve issues. If either Party disputes the amount of any such invoice or environmental credits generation, such invoiced party will pay such amount as it concedes to be correct to resolve the dispute without undue delay.</p> <p>In the event the parties are unable to resolve such dispute, either Party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Transaction.</p>
28.	Governing Law	California

29.	Right to Audit	<p>Buyer will have the right to audit Seller’s records and calculations supporting the generation of LCFS and RIN credits.</p> <p>Seller will have the right to audit Buyer’s CNG vehicle fuel statements.</p>
30.	Collateral Requirements	<p>For purposes of calculating the collateral requirements for this Transaction:</p> <ul style="list-style-type: none"> • The Buyer’s credit exposure will be equal to the sum of: <ul style="list-style-type: none"> ○ 120 days of estimated accruals of the Buyer’s share of the LCFS revenues; plus ○ 60 days of accruals of the Buyer’s share of the RINs • The Seller’s credit exposure will be equal to zero (\$0) <p>If required, the Seller shall post to Buyer collateral in the form of cash or an acceptable irrevocable standby letter of credit (the form and issuer must be acceptable to the Buyer). Collateral postings are due within five (5) business days of the Effective Date.</p> <p>Prior to a request to draw upon the Letter of Credit, Buyer shall submit to Seller a notice to cure for breach of Agreement. Seller shall be entitled to correct the breach within five (5) days. If Seller does not correct the breach, then Buyer shall be entitled to draw upon the Performance Assurance posted by Seller for any damages or liabilities under the Transaction, including but not limited to damage payments, termination payments or indemnification payments.</p>