



# **2023 Pyrolysis Pilot - Request for Offers Solicitation Protocol**

**Issuance Date: February 16, 2023**

**2023 Pyrolysis Pilot Request for Offers Solicitation Protocol**

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## I. Overview

### A. Overview

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Pacific Gas and Electric Company (“PG&E”) is issuing this 2023 Pyrolysis Pilot Request for Offers (“RFO” or “2023 Pyrolysis Pilot RFO”). The 2023 Pyrolysis Pilot RFO is intended to solicit offers (“Offers”) from participants (“Participants”) to interconnect a new pyrolysis pilot facility and, if necessary, sell renewable natural gas to PG&E pursuant to the terms listed in Attachment C. This Solicitation Protocol describes the process by which PG&E seeks, evaluates, and accepts Offers in the RFO from Participants.

The 2023 Pyrolysis Pilot RFO complies with PG&E’s Renewable Gas Procurement Plan (“RGPP”), which was submitted to the California Public Utilities Commission (“Commission” or “CPUC”) for approval on December 28, 2022 in Rulemaking (R.) 13-02-008.

Subject to Offer pricing and other factors in this Solicitation Protocol, PG&E seeks to interconnect at least one new facility to its gas pipeline system dedicated to commercializing a woody biomass pyrolysis technology project. The Commission has allotted one-time funding for PG&E to use toward interconnecting and procuring Renewable Natural Gas (“RNG” or “Biomethane”)<sup>1</sup> from a woody biomass pyrolysis pilot (“Pyrolysis Pilot”) project. PG&E will utilize the Commission approved Standard Biomethane Procurement Methodology (“SBPM”) to evaluate offers that require an RNG offtake agreement (“RNG Offtake Agreement”).

PG&E is seeking to fund a Pyrolysis Pilot project interconnection and, as necessary, sign an offtake contract for the RNG produced by this project. Attachment C to this Solicitation Protocol is a term sheet (“Term Sheet”) that provides terms that will be included in an RNG Offtake Agreement, if required by the Participant. This Solicitation Protocol sets forth the procedures a Participant must follow in order to participate in the RFO.

### B. Pyrolysis Pilot RFO Communications

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All RFO communications will be distributed via e-mail from the solicitation mailbox: [RNGprocurement@pge.com](mailto:RNGprocurement@pge.com). Please e-mail this mailbox to get on the distribution list if you have not been receiving 2023 Pyrolysis Pilot RFO communications.

To promote accuracy and consistency of the information provided to all Participants, PG&E encourages Participants to submit any inquiries to the solicitation mailbox for matters related to the 2023 Pyrolysis Pilot RFO well in advance of the Offers Due date. PG&E may, in its sole discretion, decline to respond to any email or other inquiry.

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<sup>1</sup> See PG&E Gas Rule 29.

**C. Schedule**

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The RFO schedule below details the date and time of the solicitation events and due dates the Participant should be aware of. The schedule and documents associated with the RFO are subject to change at PG&E’s sole discretion at any time and for any reason. PG&E will endeavor to notify Participants of any changes to the RFO, but shall not be liable for any costs or liability incurred by Participants or any other party due to a change or for failing to provide notice or acceptable notice of any change.

The schedule for this RFO is (all times are in Pacific Prevailing Time [“PPT”]):

**Table 1: 2023 Pyrolysis Pilot RFO Schedule**

<b>Date/Time</b>	<b>Event</b>
February 16, 2023	PG&E issues the RFO
February 28, 2023	Interested Participants submit Letter of Intent
March 7, 2023	Participants submit an Interconnection Screening request to PG&E Gas Engineering <sup>2</sup>
April 4, 2023 1 p.m. PPT	Offers Due. Offer(s) must be submitted to the online platform at Power Advocate
May 2, 2023	PG&E notifies Selected Participant(s) (“Selected Participants”) of Interconnection Funding Offer
1 week after notification	Selected Participants’ Deadline to Accept Interconnection Funding Offer
May 9, 2023	When Offer is accepted PG&E’s Gas Engineering team will work with the Selected Participant(s) to continue the interconnection process
May 31, 2023	PG&E and Selected Participants complete negotiation of an RNG Offtake Agreement, which shall be subject to “CPUC Approval,” as provided in the Agreement [if necessary]
June 30, 2023	PG&E submits Application for CPUC Review

**D. Events in the RFO Schedule**

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- a. Issuance. PG&E will issue the 2023 Pyrolysis Pilot RFO by conducting outreach to the market and providing the Solicitation Protocol, RNG offtake Term Sheet, and any other RFO materials.

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<sup>2</sup> [PG&E Renewable Gas Interconnect Fact Sheet](#)

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- b. Letter of Intent. Participants must submit a Letter of Intent to the solicitation mailbox by February 28, 2023.
- c. Interconnection Request. Participants shall complete PG&E's fact sheet and submit a written request for each scope of work to PG&E Gas Engineering. Participants must share the results of the Interconnection Screening Study with the PG&E RNG Procurement via Power Advocate as soon as results are available.
- d. Offers Due. Offers must be submitted via Power Advocate and must include all of the documents described in Section IV, Required Information. By submitting an Offer and responding to this RFO, the Participant agrees to be bound by all of the terms, conditions and other provisions of this RFO and any changes or supplements to it that may be issued by PG&E.
- e. PG&E Notifies Selected Offers. Selected Offer(s) ("Selected Offers") will be notified via email of their Interconnection Funding Offer. PG&E will select Offers according to the evaluation criteria, as set forth in Section V, Evaluation Criteria. Offers not included in the Selected Offers may be placed on a waitlist to be selected in order of evaluation results and selection constraints, should any Selected Offers fail to complete the RFO process.
- f. Offer Acceptance Deadline. Selected Offers must accept PG&E's funding offer by this deadline.
- g. Interconnection Process. Selected Offers will be forwarded to PG&E's Gas Engineering team who will facilitate the interconnection studies and process with the Selected Participants.
- h. Negotiation of RNG Offtake Agreement. If an RNG Offtake agreement is required, PG&E will work to provide the Counterparty with an RNG Offtake agreement as soon as possible. Progress made on the agreement will be reflected in the Application filing.
- i. Execution and Regulatory Approval. PG&E will submit an Application for Regulatory Approval to the CPUC by the July 1, 2023 deadline. The Application will include the Standard Renewable Gas Interconnection Agreement and progress made on any RNG Offtake Agreement. Additional regulatory approval information is provided in Section X, Regulatory Approval.

**E. Disclaimers for Rejecting Offers and/or Terminating this RFO**

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This RFO does not constitute an offer to buy and creates no obligation to execute any Agreement or to enter into a transaction under an Agreement as a consequence of the RFO. PG&E shall retain the right at any time, at its sole discretion, to reject any Offer on the grounds that it does not conform to the terms and conditions of this RFO and reserves the right to request information at any time during the solicitation process.

PG&E retains the discretion, subject to, if applicable, the approval of the CPUC, to: (a) reject any Offer for any reason; (b) modify this RFO, the Term Sheet, and Agreements as it deems appropriate to implement the RFO, including to comply with applicable law or other decisions or direction provided by the CPUC; and (c) terminate the RFO should the CPUC not authorize PG&E to fund the Selected Offers and buy the RNG in the manner proposed in this RFO. In addition, PG&E reserves the right to either suspend or terminate this RFO at any time for any reason. PG&E will not be liable in any way, by reason of such withdrawal, rejection, suspension, termination or any other action described in this Solicitation Protocol to any Participant, whether submitting an Offer or not.

## II. RFO Objectives and Goals

PG&E is seeking to fund a Pyrolysis Pilot project interconnection and, as necessary, sign an offtake contract for the RNG produced by this project.

### A. Pipeline Interconnection Eligibility Requirements

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1. Technology: Gas pipeline interconnection for a new woody biomass gasification (i.e. pyrolysis) technology facility.
2. Expansion: Technology should be capable of expansion on site or at other locations and have significant potential to increase the California RNG supply in the long term.
3. Future Cost Reduction: In addition to expansion of RNG supply, the pilot project should facilitate a decrease in cost for future RNG produced at the facility or other locations.
4. Location: Must have interconnection receipt point connected to PG&E's pipeline system.
5. Feedstock: The project should use forest or agricultural waste as the feedstock for the gasification technology.
6. Quality: Biomethane produced from the facility needs to be treated and conditioned to meet pipeline gas quality standards<sup>3</sup>, including limiting hydrogen sulfide to 10 parts per million.

### B. RNG Offtake Agreement

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PG&E understands that some counterparties might require an RNG offtake Agreement in order to build the interconnection for the Pyrolysis Pilot project. Attachment C to this Solicitation Protocol provides an RNG Term Sheet that counterparties are directed to use as guidance to price their gas when filling out Attachment D. This Term Sheet includes multiple RNG-specific contract requirements. Sellers should submit a cost competitive

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<sup>3</sup> See Gas Rule 29 Section K where it outlines Renewable Gas Quality Specifications. [GAS\\_RULES\\_29.pdf](#) ([pge.com](#)); and Gas Rule 21.

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price for the RNG offtake.

As detailed in the Term Sheet, the contract will be structured so that PG&E only pays for actual RNG deliveries. The Seller will be responsible for daily balancing with the interconnecting pipeline and matching nomination schedules with PG&E.

PG&E will be developing a final RNG Offtake Agreement in parallel with this solicitation. The final RNG Offtake Agreement will be documented as a confirmation to the North American Energy Standards Board (“NAESB”) Base Contract for the Sale and Purchase of Natural Gas.

### III. Pilot Project Component Funding and Ownership

#### A. Eligible Components for Funding

A woody biomass gasification project consists of various components to move the biogas from a gasifier to a Utility pipeline. Figure 1 illustrates and defines Generic Biomethane Pilot Primary Components that may be required to interconnect to a Utility pipeline.

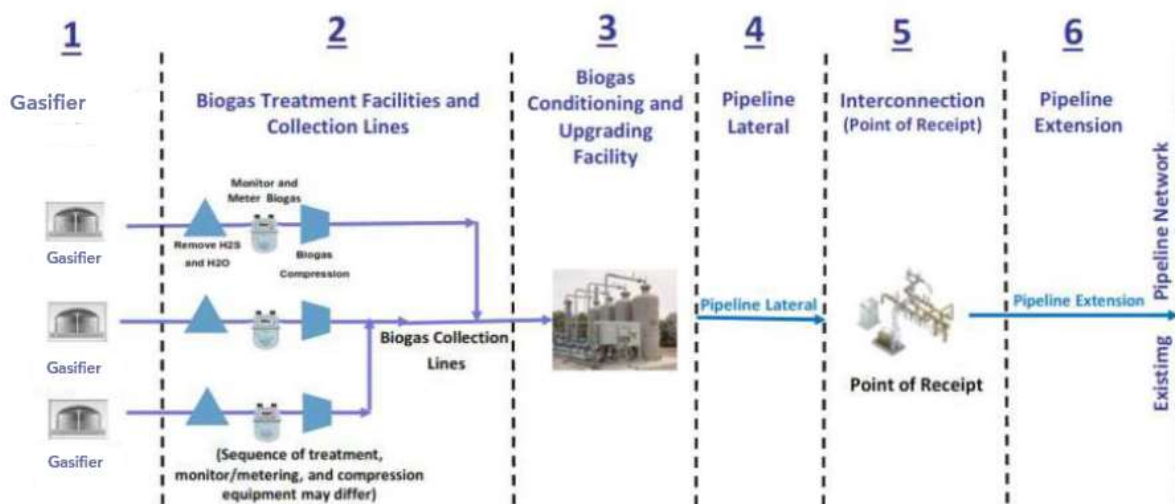


Figure 1: Generic Biomethane Pilot Primary Components.

The costs of pyrolysis gasifiers (Lane 1 of Figure 1) are **not considered Pipeline Infrastructure** and are **not eligible for funding** from PG&E.

The following Pipeline Infrastructure components **are eligible for funding**:

- a) Biogas collection lines and facilities for treatment of biogas before it enters the collection lines (Lane 2) – owned and operated by Participant;
- b) Biogas conditioning and upgrading facility (Lane 3) – owned and operated by Participant;



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- c) Pipeline lateral and compression that delivers biogas from a biogas conditioning facility to the point of receipt (Lane 4) – owned and operated by Participant;
- d) Point of receipt, where the utility receives gas that has been upgraded at a biogas conditioning/upgrading facility (Lane 5) – owned and operated by the Utility;
- e) Pipeline extension that delivers biogas to the Utility’s existing gas pipeline system (Lane 6) – owned and operated by the Utility;

The Pipeline Infrastructure costs will not go towards construction of an on-site electric generating facility. Pipeline Infrastructure will also not go towards construction that facilitates conventional natural gas production.

**B. Ownership of Pipeline Infrastructure**

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**Seller Ownership:** Participant shall own, operate, and maintain in accordance with applicable safety regulations, the biogas collection lines, pipeline lateral, and any biogas treatment or conditioning equipment to remove other gases and compounds from the raw biogas prior to it entering the biogas collection lines. Participant-owned and -operated gas gathering lines are regulated under California Code of Regulations (CCR) Title 8 Industry Safety Regulations. The upfront costs associated with the Participant-owned equipment are eligible to be submitted to PG&E for reimbursement to the Participant. To ensure only reasonable and verified costs of Pipeline Infrastructure developed pursuant to the Pilot Projects are collected from PG&E’s funds, selected Pilot Projects should keep detailed project and cost information, and be prepared to provide this information should a reasonableness review be necessary.

**Utility Ownership:** Utilities will own and operate all facilities starting with and downstream of the point of receipt (Lanes 5 and 6), including the point of receipt and any pipeline extensions (“Utility-Owned Pipeline Infrastructure”). Utility-Owned Pipeline Infrastructure is regulated in accordance with federal and state pipeline safety requirements, 49 CFR Part 192 and GO 112-F.

**IV. Required Information**

**A. Submission Overview**

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All Offer submittal information pertaining to this RFO will be hosted and received through the Power Advocate site. Telephonic, hardcopy or facsimile transmission of an Offer is not acceptable. In order to participate in this RFO, Participant must register and be accepted through Power Advocate at the Public Registration Link:

Power Advocate Registration Link:

<https://www.poweradvocate.com/pR.do?okey=139777&pubEvent=true>

PG&E strongly encourages Participants to register with Power Advocate well before Offers

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are due. Detailed instructions for submitting Offer(s) and using Power Advocate are located at the link below:

[Power Advocate Instructions](#)

**Electronic Documents:** The electronic documents for the attachments must be in a Microsoft Word or Adobe Acrobat PDF file as applicable. For each document, please include the Participant’s company name in each file name.

**B. Required Forms**

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Participant must provide all applicable information requested in the forms and all inputs must match the respective information provided in other required documentation. The following documents, which are located as attachments at the bottom of this document, must be completed and included with each Offer:

**Offer Package for Interconnection Only**

- a. Introductory Letter – Word or PDF
- b. Offer Form (Attachment A) - Word or PDF
- c. Map of Project Facilities - Google KML/KMZ or ESRI Shapefile
- d. PG&E Interconnection Screening study [when completed]

**Offer Package for Interconnection + RNG Offtake Agreement**

- a. Introductory Letter - Word or PDF
- b. Offer Form (Attachment A) - Word or PDF
- c. Redlined Term Sheet (Attachment C) - Word
- d. Supplemental Offtake Offer Form (Attachment D) - Word or PDF
- e. Map of Project Facilities - Google KML/KMZ or ESRI Shapefile
- f. PG&E Interconnection Screening study [when completed]

**C. Interconnection Application**

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Participants shall complete PG&E’s interconnect fact sheet and submit a written request

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for each scope of work<sup>4</sup> to PG&E by March 7, if one has not already been submitted. Participants must work with PG&E Gas Engineering and provide the Interconnection Screen Study results to the PG&E RNG Procurement team as soon as possible via Power Advocate. The initial study is at no cost to the Participant. PG&E’s gas pipeline operators will send a contract to the Participant to be signed before the screening study is started. Participants should share the result of the screening study with the PG&E procurement team as soon as they are provided the results. Due to Gas Rule 26, PG&E’s gas pipeline team is not allowed to directly share those results with the procurement team.

Participants that have not shared Interconnection Screening study results with the solicitations team will not be eligible to receive pilot funds.

Note: Participants need to make sure that they have a registered business license in the state of California. This will delay the interconnection study process if the Participant is not already registered in California.

## V. Evaluation Criteria and Selection

PG&E has a set funding amount for the Pyrolysis Pilot, and this funding may go to a single project for interconnection or multiple projects. PG&E will evaluate Offers using the evaluation criteria outlined below.

### A. Quantitative Evaluation

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#### Interconnection Only Offers:

The requested interconnection reimbursement amount will be measured against other project Offers and the overall funding amount available. Price of the interconnection will be the main quantitative component of the evaluation.

#### Interconnection + RNG Offtake Agreement Offers:

Any interconnection Offer that also includes an RNG Offtake Agreement will require an additional quantitative analysis. Offtake agreement offers will be run through the Commission-approved Standard Biomethane Procurement Methodology. PG&E will use the SBPM results to compare offtake offers against each other. These offers will require PG&E to consider the most productive manner of using the Pyrolysis Pilot funds in addition to considering whether the cost of these offtake agreements will affect PG&E’s Bundled Core Gas customers.

### B. Qualitative Evaluation

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For the 2023 Pyrolysis RNG Pilot, PG&E will have certain qualitative preferences for projects that are described below.

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<sup>4</sup> Gas Rule 29, Section D. Interconnector Request [GAS RULES 29.pdf \(pge.com\)](#)

### 1. Expansion Potential

Per D. 22-02-025, PG&E will prefer an interconnection that can be used to provide pipeline access for a facility or multiple facilities with significant expansion potential to provide RNG volumes.

### 2. Cost Reduction Potential

The pilot funding is intended to facilitate development of a RNG producing facility that will produce more cost effective RNG in the future as the facility expands.

### 3. Agreement Modifications

PG&E may assess the materiality and cost impact of any of Participant's proposed modifications to the Term Sheet, Agreements, or Application materials.

### 4. Other Qualitative Considerations

In addition to the criteria specifically listed above, PG&E may consider other qualitative factors that could impact the value of Offers, including, but not limited to: PG&E's past commercial experience with a Participant; Participant's ability to finance the project; proximity to Disadvantaged Communities; and any other benefits to California customers that the project provides.

## C. Offer Selection

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PG&E will notify Participants via email of their selection status. Selected Participants may be awarded the full amount they requested for Interconnection reimbursement or may be awarded a partial amount of the requested reimbursement amount (Reimbursement Mechanism is set forth in Section VI. 6 of the protocol). The Selected Participants will then have a week to decide whether to accept the approved award amount and continue with the Interconnection process or decline. The ultimate reimbursement amount will be subject to approval and possible adjustment by the CPUC in its decision on the pilot application.

## VI. Requirements for Selected Pilot Projects

### 1. Agreement/Contracts

Selected Participants will receive an agreement package with specific instructions regarding award requirements. Once the agreement(s) identified in the package are executed, Selected Pilot Projects can begin implementation of the project. Selected Pilot Projects are responsible for the overall management of their awarded project to ensure all

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project activities are completed.

**2. Demonstrate CEQA Compliance**

Selected Pilot Projects must demonstrate substantial compliance with CEQA and all applicable permits within six months of receiving notification from the Selection Committee of a successful offer, with the opportunity to request additional time for good cause. More specifically, Pilot Projects must undergo any required CEQA process to provide information on potential impacts of the project. Continued compliance with all environmental permit requirements is required for the duration of the Pilot Project’s operation. CEQA Guidance is located in Attachment E.

**3. Reporting**

Selected Pilot Projects must agree to report specific data to PG&E on a regular basis. Pilot Projects must also agree to allow PG&E to monitor and evaluate these data. Seller shall be responsible for tracking tons of diverted organic waste through tipping fees paid to biomethane production facilities or another method. Further, Pilot Projects must agree to “study and report fugitive methane, pollutant, and particulate matter emissions and emissions reduction or elimination methods in the gasification or pyrolysis process, the methanation process, and pipeline infrastructure.”<sup>5</sup> Confidential business information evaluated during reporting, monitoring, and subsequent research is protected from disclosure under existing law.

**4. Biomethane Tracking**

Selected Pilot Projects must track volumetric injections of biomethane into pipelines through the Midwest Renewable Energy Tracking System (M-RETS) platform.<sup>6</sup> M-RETS issues a unique traceable digital certificate to ensure that certificates are not double-counted and to verify carbon intensity pathways with SB 1440.

**5. Minimum Flow Requirement**

The Minimum Flow Requirement is defined in the Standard Renewable Gas Interconnection Agreement (“SRGIA”) that the Seller will execute with PG&E’s Gas Engineering team. Seller shall deliver Renewable Gas to each Interconnection Point at an average quantity of at least fifty (50) MScf/d averaged over each rolling ninety (90) day period, except when flow is interrupted by the Utility for operational reasons or by Interconnector for scheduled maintenance to Interconnector’s facilities.

**6. Reimbursement Mechanism for Eligible Pipeline Infrastructure**

The payment reimbursement structure for Eligible Pipeline Infrastructure will be as follows:

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<sup>5</sup> D. 22-02-025 Ordering Paragraph 44. Page 68

<sup>6</sup> D. 22-02-025 Ordering Paragraph 10. Page 59

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**Milestone Requirement:** Each selected biomethane pilot project that successfully complies with the gas specifications set forth in PG&E's gas tariff, including compliance with the standards and protocols adopted in D. 22-02-025, and which successfully interconnects with the utility's pipeline system shall be entitled to up to a 100% reimbursement of the approved interconnection award amount for Eligible Pipeline Infrastructure after meeting the 30 out of 40 days flow requirement, described below in PG&E's Gas Rule 29<sup>7</sup>:

Successfully interconnect to the Utility or third-party California pipeline system and meet the operational requirement as described in D.15-06-029 as modified by D.16-12-043. This operational requirement entails that the Biomethane Interconnector produce Biomethane flow for a minimum of 30 days out of a 40- day testing period, within the minimum and maximum measurement range of the meter, as specified by Utility's measurement standards and based on the meter type specified by the Utility.

- A) Biomethane Interconnectors must declare in a written notice to the Utility at least two business days in advance, the specific start and end date of this 40- day testing period.
- B) The 30 out of 40-day requirement is extended 1 day for each day that the Biomethane Interconnector is unable to produce flow because of an interruption of delivery as set forth in Utility's rule regarding interruption of delivery
- C) Biomethane Interconnectors may elect to restart the 40-day testing period by providing a new written notice declaring the new start and end dates at least two business days in advance of when the new 40-day testing period is to begin.

Per the Standard Renewable Gas Interconnection Agreement that the Seller will enter with PG&E, the Seller will need to flow a minimum of 50 Mcf/day on average in the 30 out of 40 day period.

**Submission of Costs:** Once the 30 out of 40 days flow requirement is met, the selected pilot project must provide PG&E with detailed vendor invoices and proof of payment(s) for materials/services to PG&E for approval, provided not to exceed 100% of the approved interconnection award amount. The amount of reimbursement may not exceed the costs reflected by the invoices and proof of payment(s).

**Timing of Reimbursement:** This one-time payment shall be reimbursed to the biomethane producer by PG&E within 60 days after the 30-day operational period expires.<sup>8</sup>

## VII. Credit

Upon execution of an RNG Offtake Agreement with PG&E, the Participant must post collateral with PG&E. Furthermore, each Agreement shall require that the Participant post additional collateral with PG&E following commercial operation of the facility in varying amounts and form, as provided in the applicable Agreement. If providing a Letter of Credit,

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<sup>7</sup> [PG&E Gas Rule 29](#). Section I.5.d.iii, pp. 31.

<sup>8</sup> See D.16-12-043, pp. 33.

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please carefully review the Letter of Credit requirements set forth in the applicable Agreement. For reference, Table 2 below highlights a few of the collateral requirements in each of the Agreements.

**Table 2: Credit/Collateral Requirements for 3<sup>rd</sup> Party Owned Resources**

<b>Category</b>	<b>Pre-Delivery Term Security</b>	<b>Delivery Term Security</b>
Pyrolysis RNG offtake Agreement	TBA	TBA

### VIII. Confidentiality

No Participant may collaborate on or discuss with any other Participant or potential Participant Offer strategies, the substance of any Offer(s), including, without limitation, the price or any other terms or conditions of any Offer(s), or whether PG&E has Selected Offers or not.

All information and documents in Participant’s Offer that have been clearly identified and marked by Participant as “Proprietary and Confidential” on each page on which confidential information appears shall be considered confidential information. PG&E shall not disclose such confidential information and documents to any third parties except for PG&E’s employees, agents, counsel, accountants, advisors, or contractors who have a need to know such information and have agreed to keep such information confidential and except as provided otherwise in this section.

Notwithstanding the foregoing, it is expressly contemplated that the information and documents submitted by Participant in connection with this RFO, including Participant’s confidential information, may be provided to the CPUC, its staff, and the Procurement Advisory Group (“PAG”), and established pursuant to D.22-02-025. PG&E retains the right to disclose any information or documents provided by Participant to the CPUC, the PAG, in the application filing or in order to comply with any applicable law, regulation, or any exchange, control area or California Independent System Operator (“CAISO”) rule, or order issued by a court or entity with competent jurisdiction over PG&E at any time even in the absence of a protective order, confidentiality agreement, or nondisclosure agreement, as the case may be, without notification to Participant and without liability or any responsibility of PG&E to Participant. PG&E cannot ensure that the CPUC will afford confidential treatment to Participant’s confidential information, or that confidentiality agreement or orders will be obtained from and/or honored by the PAG or the CPUC. By submitting an Offer, Participant agrees to adhere and be bound by the confidentiality provisions described in this section.

The treatment of confidential information described above shall continue to apply to information related to Selected Offers.

## IX. Procurement Advisory Group Review

Following completion of the evaluation and rankings of Offers, PG&E will share the results of the evaluation and its recommendations with its PAG members. PG&E will consider any alternative recommendations proposed by the PAG. PG&E, in its sole discretion, shall determine whether any alternatives proposed by the PAG should be adopted. PG&E has no obligation to obtain the concurrence of the PAG with respect to any Offer.

PG&E assumes no responsibility for the actions of the PAG, including actions that may delay or otherwise affect the schedule for this Solicitation, including the timing of the selection of Offers and the obtaining of Regulatory Approval.

## X. Regulatory Approval

After RNG Offtake Agreement execution, PG&E is required to submit executed Agreements to the CPUC for approval via an Application.

The effectiveness of any executed Agreement is expressly conditioned on PG&E's receipt of final and non-appealable CPUC approval of such Agreement ("Regulatory Approval").

## XI. Dispute Resolution

Except as expressly set forth in this Solicitation Protocol, by submitting an Offer, Participant knowingly and voluntarily waives all remedies or damages at law or equity concerning or related in any way to the RFO, the Solicitation Protocol and/or any attachments to the Solicitation Protocol ("Waived Claims"). The assertion of any Waived Claims by Participant may, to the extent that Participant's Offer has not already been disqualified, automatically disqualify such Offer from further consideration in the RFO.

By submitting an Offer, Participant agrees that the only forums in which Participant may assert any challenge with respect to the conduct or results of the RFO is through the Alternative Dispute Resolution ("ADR") services provided by the CPUC pursuant to Resolution ALJ-185, August 25, 2005. The ADR process is voluntary in nature, and does not include processes, such as binding arbitration, that impose a solution on the disputing parties. PG&E will consider the use of ADR under the appropriate circumstances. Additional information about this program is available on the CPUC's website at the following link: [www.cpuc.ca.gov/PUBLISHED/Agenda\\_resolution/47777.htm](http://www.cpuc.ca.gov/PUBLISHED/Agenda_resolution/47777.htm).

Participant further agrees that other than through the ADR process, the only means of challenging the conduct or results of the RFO is a protest to an Application Filing seeking approval of one or more Agreements entered into as a result of the RFO, that the sole basis for any such protest shall be that PG&E allegedly failed in a material respect to conduct the RFO in accordance with this Solicitation Protocol, and the exclusive remedy available to Participant in the case of such a protest shall be an order of the CPUC that PG&E again



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conduct any portion of the RFO that the CPUC determines was not previously conducted in accordance with the Solicitation Protocol. Participant expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs, and/or attorney's fees. Unless PG&E elects to do otherwise in its sole discretion during the pendency of such a protest or ADR process, the RFO and any related regulatory proceedings related to the RFO, will continue as if the protest had not been filed, unless the CPUC has issued an order suspending the RFO or PG&E has elected to terminate the RFO.

Participant agrees to indemnify and hold PG&E harmless from any and all claims by any other Participant asserted in response to the assertion of a Waived Claim by Participant or as a result of a Participant's protest to an application filing with the CPUC resulting from the RFO.

Except as expressly provided in this Solicitation Protocol, nothing herein including Participant's waiver of the Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of PG&E. Nothing in this Solicitation Protocol is intended to prevent any Participant from informally communicating with the CPUC or its staff regarding this RFO.

## **XII. Termination of the RFO-Related Matters**

PG&E reserves the right at any time, in its sole discretion, to terminate the RFO for any reason without prior notification to Participants and without liability to, or responsibility of, PG&E or anyone acting on PG&E's behalf. Without limitation, grounds for termination of the RFO may include the assertion of any Waived Claims by a Participant or a determination by PG&E that, following evaluation of the Offers, there are no Offers that meet the requirements of this RFO.

PG&E reserves the right to terminate further participation in this process by any Participant, to accept any Offer or to enter into any Agreement, and to reject any or all Offers, all without notice and without assigning any reasons and without liability to PG&E or anyone acting on PG&E's behalf. PG&E shall have no obligation to consider any Offer.

In the event of termination of the RFO for any reason, PG&E will not reimburse Participant for any expenses incurred in connection with the RFO. PG&E shall have no obligation to reimburse any Participant's expenses regardless of whether such Participant's Offer is selected, not selected, rejected or disqualified. Unless earlier terminated, the RFO will terminate automatically upon the execution of one or more Agreements by Participants with Selected Offers. In the event that no Agreements are executed, then the RFO will terminate automatically on June 30, 2023.

## **XIII. Participant's Representations and Warranties**

1. By submitting an Offer and clicking "Yes" to the "Acknowledgment of Protocol" section of the Offer Form, Participant agrees to be bound by the conditions of the RFO, and makes the following representations, warranties, and covenants to PG&E, which

**2023 Pyrolysis Pilot Request for Offers Solicitation Protocol**

representations, warranties, and covenants shall be deemed to be incorporated in their entireties into each of Participant's Offers. Participant agrees that an electronic signature of a duly authorized representative of Participant shall be the same as delivery of an executed original document for purposes of the Offer Form.

- Participant has read, understands and agrees to be bound by all terms, conditions and other provisions of this Solicitation Protocol;
  - Participant has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the RFO and this Solicitation Protocol, including the submittal forms and documents listed in this Solicitation Protocol which are posted on the RFO website;
  - Participant has obtained all necessary authorizations, approvals and waivers, if any, required by Participant to submit its Offer pursuant to the terms of this Solicitation Protocol and to enter into an Agreement with PG&E;
  - Participant's Offer complies with all applicable laws;
  - Participant has not engaged, and covenants that it will not engage, in any communications with any other actual or potential Participant in the RFO concerning this solicitation, price terms in Participant's Offer, or related matters and has not engaged in collusion or other unlawful or unfair business practices in connection with the RFO;
  - Any Offer submitted by Participant is subject only to PG&E's acceptance, in PG&E's sole discretion; and
  - The information submitted by Participant to PG&E in connection with the RFO and all information submitted as part of any Offer is true and accurate as of the date of Participant's submission. Participant also covenants that it will promptly update such information with PG&E upon any material change thereto.
2. By submitting an Offer, Participant acknowledges and agrees:
- That PG&E may rely on any or all of Participant's representations, warranties, and covenants in the RFO (including any Offer submitted by Participant);
  - That in PG&E's evaluation of Offers pursuant to the RFO, PG&E has the right to disqualify a Participant that is unwilling or unable to meet any other requirement of the RFO, as determined by PG&E in its sole discretion.
3. BY SUBMITTING AN OFFER, PARTICIPANT HEREBY ACKNOWLEDGES AND AGREES THAT ANY BREACH BY PARTICIPANT OF ANY OF THE REPRESENTATIONS, WARRANTIES AND COVENANTS IN THESE RFO INSTRUCTIONS SHALL CONSTITUTE GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH PARTICIPANT, IN ADDITION TO ANY OTHER

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REMEDIES THAT MAY BE AVAILABLE TO PG&E UNDER APPLICABLE LAW, AND DEPENDING ON THE NATURE OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE RFO IN ITS ENTIRETY.

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**I. Attachment A – Interconnection Offer Form**

Contact Information

Participant Entity	
Participant Entity Parent Company	
Additional Pilot Project Partners	
Primary Contact Name	
Primary Contact E-mail	
Primary Contact Phone	
Secondary Contact Name	
Secondary Contact E-mail	
Secondary Contact Phone	

Pyrolysis Pilot Project Information

Pilot Project Name	
Pilot Location – City, County	
What existing pipeline infrastructure or RNG producing infrastructure does the project site currently possess?	
Description of process to manufacture biomethane (attach additional documents as necessary)	
Number of Gasifiers Proposed for Pilot Project?	
Proposed Feedstock Source	
Percentage of Feedstock that is Diverted Organic Waste (%)	
RNG Offtake Agreement for Pilot needed? (Y/N)	
What are the expansion plans for the facility?	

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Pyrolysis Pilot Interconnection Details

Total Funding Amount Requested for Interconnection (\$)	
Pipeline Interconnection Application Submitted to PG&E? (Y/N)	
Distance to Existing PG&E Pipeline Network (If screening study has not been complete, provide approximation)	
Biogas Treatment Facilities and Collection Lines (\$)	
Documentation of Cost Estimate (Y/N) If yes, where?	
Biogas Conditioning and Upgrading Facility (\$)	
Documentation of Cost Estimate (Y/N) If yes, please provide	
Pipeline Lateral (\$)	
Documentation of Cost Estimate (Y/N) If yes, please provide	
Interconnection (Point of Receipt) (\$)	
Documentation of Cost Estimate (Y/N) If yes, please provide	
Pipeline Extension (\$)	
Documentation of Cost Estimate (Y/N) If yes, please provide	
Is Funding Already Secured For the Project Interconnection? (Y/N)	
Has the project received any Grant funding? If yes, from who?	
Please name all sources of funding	

## II. Attachment B – Confidentiality Agreement

This confidentiality agreement (“Confidentiality Agreement”) is entered into by and between Pacific Gas and Electric Company, a California corporation, (“PG&E”) and Participant as indicated on its notification to Selected Participant of Interconnection Funding Offer, each of which may be referred to herein separately as a “Party” or together as the “Parties” and is entered into and dated as of the date of PG&E’s notification to Selected Participant of Interconnection Funding Offer (“Execution Date”).

Whereas, each Party (“Provider”) may have furnished and is furnishing to the other Party (“Recipient”) certain Confidential Information, as defined below, in order to assess Participant’s offer to sell certain products and services as submitted into PG&E’s 2023 Pyrolysis Pilot Solicitation (“Solicitation”) pursuant to California Public Utilities Commission Decision 22-02-025 and the negotiation of an agreement (“Agreement”) in connection with the Solicitation, if applicable;

Whereas, it is to the mutual benefit of each Party hereto to enter into this Confidentiality Agreement and provide for the procedure to exchange and protect Confidential Information, as defined below, pursuant to this Confidentiality Agreement;

NOW, THEREFORE, in consideration of Provider’s disclosure to Recipient of Confidential Information and other valuable consideration, the Parties agree as follows:

### 1. Definition of Confidential Information

The term “Confidential Information” shall mean all information that either Party has furnished or is furnishing to the other Party, which with respect to Participant as Provider must in addition be clearly marked “Confidential” (or promptly identified in writing as such when furnished to PG&E in intangible form), in connection with or pertaining to the Solicitation or any Agreement, whether furnished before or after the Execution Date of this Confidentiality Agreement, whether intangible or tangible, and in whatever form or medium provided, and regardless of whether owned by Provider, as well as all information generated by Recipient or its Representatives, as defined below, that contains, reflects, or is derived from such furnished information. “Confidential Information” shall also include information regarding the Parties’ bidding and negotiation process, including the status of such process, and potential commercial relationship concerning the Solicitation or any Agreement. Capitalized terms not otherwise defined herein shall have the respective meaning given in the Solicitation.

### 2. Disclosure to Representatives

Recipient agrees that it shall maintain the Confidential Information in strict confidence and that the Confidential Information shall not, without Provider’s prior written consent, be disclosed by Recipient or by its affiliates, or their respective officers, directors, partners, employees, agents, or representatives (collectively, “Representatives”) in any manner whatsoever, in whole or in part, and shall not be used by Recipient or by its Representatives other than in connection with the Solicitation and the evaluation or negotiation of the Agreement; provided that, PG&E may use Confidential Information, consolidated with other market information and not specifically attributed to the Provider, to analyze or forecast market conditions or prices, for its own internal use or in the context of regulatory or other proceedings. Moreover, Recipient agrees to transmit the Confidential Information only to such of its Representatives who need to know the Confidential Information for the sole purpose of assisting Recipient with such permitted uses, as applicable; provided that, Recipient shall inform its Representatives of this Confidentiality Agreement and secure their agreement to abide in all material respects by its terms. In any event, Recipient shall be fully liable for any breach of this Confidentiality Agreement by its Representatives as though committed by Recipient itself.

### 3. Nondisclosure

Recipient further agrees that it:

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- (a) shall not disclose any Confidential Information provided to it by Provider to any third party for any purpose, except as provided in Section 5 below (or Section 2 above if a Representative is a third party);
- (b) shall not distribute all or any portion of Confidential Information to any Representative for any purpose other than as permitted by Section 2 above; and
- (c) shall destroy or return all such Confidential Information upon Provider's request; provided that, each Party shall have the right to retain one copy of Confidential Information for regulatory compliance or legal purposes, and neither Party shall be obligated to purge extra copies of Confidential Information from electronic media used solely for disaster recovery backup purposes.

**4. Exclusions to Confidential Information**

For purposes of this Confidentiality Agreement, Confidential Information does not include information that:

- (a) is in the public domain at the time of the disclosure by Provider or is subsequently made available to the general public through no violation of this Confidentiality Agreement by Recipient;
- (b) Recipient can demonstrate was at the time of disclosure by Provider already in Recipient's possession and was not acquired, directly or indirectly, from Provider on a confidential basis;
- (c) is independently developed by Recipient without use of or reference to the Confidential Information; or
- (d) is disclosed with the prior written consent of Provider.

**5. Required and Permitted Disclosure**

Recipient agrees not to introduce (in whole or in part) into evidence or otherwise voluntarily disclose in any administrative or judicial proceeding, any Confidential Information, except as required by law or as Recipient may be required to disclose to duly authorized governmental or regulatory agencies ("Required Disclosure"). In the event that Recipient or any of its Representatives becomes subject to a Required Disclosure, Recipient agrees:

- (a) to the extent practicable, to use reasonable efforts to notify Provider prior to disclosure and to prevent or limit such disclosure; and
- (b) if disclosure of such Confidential Information is required to prevent Recipient from being held in contempt or subject to other legal detriment, to furnish only such portion of the Confidential Information as it is legally compelled to disclose and to exercise its reasonable efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to the disclosed Confidential Information.

After using such reasonable efforts, Recipient shall not be prohibited from complying with the Required Disclosure and shall not be liable to the other Party for monetary or other damages incurred in connection with the Required Disclosure.

In addition to the Required Disclosure, PG&E shall be permitted to disclose Confidential Information as follows: (i) to PG&E's Procurement Advisory Group ("PAG"), as defined in California Public Utilities Commission ("CPUC") Decision (D) 22-02-025 and subject to confidential treatment by PAG members; (ii) and to the CPUC (including CPUC staff) under seal for purposes of review (if such seal is applicable to the nature of the Confidential Information). PG&E shall also be permitted to disclose Participant's Confidential Information in order to comply with (A) any applicable law, regulation, or any exchange or control area rule, or (B) any applicable regulation, rule, or order of the CPUC, the California Air Resources Board, or the Federal Energy Regulatory Commission, including any mandatory discovery or data request issued by any of the foregoing entities.

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**6. No License Rights**

This Confidentiality Agreement and any Confidential Information used or disclosed hereunder shall not be construed as granting, expressly or by implication, Recipient any rights by license or otherwise to such Confidential Information or to any invention, patent or patent application, or other intellectual property right, now or hereafter owned or controlled by Provider.

**7. Publicity**

Subject to Sections 4 and 5, neither Party will disclose any information or make any news release, advertisement, public communication, response to media inquiry or other public statement regarding this Confidentiality Agreement and the Confidential Information disclosed hereunder (including without limitation the potential commercial relationship between the Parties, the inclusion of an offer on PG&E's shortlist of offers, or the status of negotiations) or the performance hereunder or with respect to an offer, without the prior written consent of the other Party.

**8. No Future Contracts**

Entry into this Confidentiality Agreement and the disclosure of Confidential Information hereunder shall not constitute an offer or acceptance or promise of any future contract or amendment of any existing contract. Each Party shall retain such rights with respect to its own Confidential Information as it had prior to entering into this Confidentiality Agreement. Neither Party shall have any legal obligation with respect to any contemplated transaction because of this Confidentiality Agreement nor any other written or oral expression with respect to any transaction except, in the case of this Confidentiality Agreement, for the matters specifically agreed to herein.

**9. No Representation or Warranties**

Any Confidential Information exchanged under this Confidentiality Agreement shall carry no warranties or representations of any kind, either expressed or implied, unless specifically expressed per the terms of the Protocol. Recipient shall not rely on the Confidential Information for any purpose other than to make its own evaluation thereof or as provided in the Protocol.

**10. Injunctive Relief**

Recipient acknowledges and agrees that, in the event of any breach of this Confidentiality Agreement, Provider may be irreparably and immediately harmed and monetary damages may not be adequate to make Provider whole. Accordingly, it is agreed that, in addition to any other remedy to which it may be entitled in law or equity and, with respect to PG&E as Provider any remedy under the Protocol, Provider shall be entitled to an injunction or injunctions (without the posting of any bond and without proof of actual damages) to cease breaches or prevent threatened breaches of this Confidentiality Agreement and/or to compel specific performance of this Confidentiality Agreement, and that neither Recipient nor its Representatives will oppose the granting of such equitable relief if a court finds a breach or threatened breach. Each Party expressly agrees that it shall bear all costs and expenses, including attorneys' fees and costs that it may incur as Provider in enforcing the provisions of this Confidentiality Agreement.

**11. Term and Provisions Surviving Termination**

This term of this Confidentiality Agreement shall be two (2) years from the notification to Selected Participant of Interconnection Funding Offer Date; provided however, that either Party may earlier terminate this Confidentiality Agreement by giving the other Party thirty (30) days prior written notice of its intention to terminate this Confidentiality Agreement. Any such expiration or termination shall not abrogate either Party's obligations hereunder with respect to Confidential Information received prior to such expiration or termination nor those terms herein relating to the interpretation or enforcement of this Confidentiality Agreement relating to said obligations. Such obligations and terms shall survive for a period of three (3) years from said expiration or termination.



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**12. No Waiver**

Any waiver of any provision of this Confidentiality Agreement, or a waiver of a breach hereof, must be in writing and signed by both Parties to be effective. Any waiver of a breach of this Confidentiality Agreement, whether express or implied, shall not constitute a waiver of a subsequent breach hereof.

**13. Binding Nature and Amendment**

This Confidentiality Agreement contains the entire understanding between the Parties with respect to Confidential Information received hereunder. No change or modification shall be effective unless made in writing and signed by an authorized representative of each Party. Any conflict between the language of any legend or stamp on any Confidential Information received hereunder, any provision of the Protocol, or Agreement relating to Confidential Information provided during the term of the Agreement, on the one hand, and this Confidentiality Agreement, on the other hand, shall be resolved in favor of the language of this Confidentiality Agreement. This Confidentiality Agreement may not be amended or modified except by a written agreement executed by both Parties.

**14. Governing Law and Jurisdiction**

THIS CONFIDENTIALITY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. THE PARTIES AGREE THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED IN ANY WAY TO THIS CONFIDENTIALITY AGREEMENT SHALL BE BROUGHT SOLELY IN A COURT OF COMPETENT JURISDICTION SITTING IN THE CITY AND COUNTY OF SAN FRANCISCO. THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENT TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY ACTION OR PROCEEDING IN ANY SUCH COURT, ANY OBJECTION TO VENUE WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING AND ANY RIGHT OF JURISDICTION ON ACCOUNT OF THE PLACE OF RESIDENCE OR DOMICILE OF ANY PARTY THERETO. THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF OR RELATED TO THIS CONFIDENTIALITY AGREEMENT.

**15. Severability**

If any provision hereof is unenforceable or invalid, it shall be given effect to the extent it may be enforceable or valid, and such unenforceability or invalidity shall not affect the enforceability or validity of any other provision of this Confidentiality Agreement.

**16. Notice**

Any notice given hereunder by either Party shall be made in writing and shall be effective once delivered, by any of the following means:(a) facsimile or e-mail, with indication of complete electronic transmission thereof and receipt of a copy sent via certified U.S. Mail, return receipt requested, as evidenced by a signed delivery receipt; or (b) overnight delivery by a nationally recognized overnight delivery service, as verified by a delivery receipt or signature, addressed as follows:

To Participant: At the name, address and email as indicated in Participant’s Offer to PG&E. To PG&E:  
Pacific Gas and Electric Company  
Core Gas Supply  
Attn: 2023 Pyrolysis Pilot RFO Manager  
77 Beale Street, (MC B25J)  
San Francisco, California 94105  
Email: RNGprocurement@pge.com

Either Party may periodically change any address to which notice is to be given it by providing written notice of such

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change to the other Party.

IN WITNESS WHEREOF, each Party has acknowledged and accepted this Confidentiality Agreement as of the Execution Date by Participant accepting its Interconnection Funding Offer and by PG&E providing to Selected Participant the notification of Interconnection Funding Offer.

III. Attachment C – Offtake Term Sheet

Term Sheet for PG&E Pyrolysis Pilot Biomethane RFO  
As of February 2023



1.	Parties	<p><u>Buyer</u>: Pacific Gas and Electric Company (on behalf of its Core Gas Supply function)—as the purchaser of pipeline quality biomethane (“Biomethane”).</p> <p><u>Seller</u>: [•]--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 natural gas (“Product”).</p> <p>Buyer and Seller are each a “Party” and together “Parties”.</p>
2.	Biomethane Project	<p>Seller’s Biomethane project (“Project”) 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>Project Name: [•] <b>[Seller to designate]</b>                  Project Location (city, state): [•] <b>[Seller to designate]</b>                  Feedstock: [•] <b>[Seller to designate, e.g., landfill, wastewater treatment, dairy, municipal solid waste]</b>                  Production Process: [•] <b>[Seller to designate, e.g., anaerobic digester]</b></p>
3.	Governing Document	<p>This transaction for Biomethane as described in this Term Sheet (“Transaction”) will be documented as a confirmation (“Transaction Confirmation”) to the North American Energy Standards Board (“NAESB”) Base Contract for the Sale and Purchase of Natural Gas, as amended (“NAESB Base Contract”) and Special Provisions to the Base Contract for Sale and Purchase of Natural Gas (“NAESB Special Provisions”) between the Parties. Capitalized terms not defined in this Term Sheet shall have the meaning set forth in the NAESB Base Contract or in the Solicitation Protocol.</p> <p>To the extent that there is a conflict in the terms and conditions of any combination of the Transaction Confirmation, NAESBE Base Contract and NAESB Special Conditions, the terms and conditions of the Transaction Confirmation shall control.</p> <p>The completed and duly executed Transaction Confirmation, NAESB Base Contract and NAESB Special Provisions shall collectively be known as the “Agreement Documents”.</p>

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<p>4.</p>	<p>Performance Obligation</p>	<p>Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity of Biomethane from the Project as specified in Section 5 below.</p> <p>Buyer and Seller acknowledge and agree that Seller will deliver to Buyer at the Delivery Point (defined in Section 7 below) up to the Contract Quantity of Biomethane from the Project, and which Biomethane will satisfy the requirements of the CPUC in D. 22-02-025.</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 Product 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 Product as permitted by law.</p> <p>Seller acknowledges that certain government authorities may require Buyer to deliver information or comply with regulations related to the Transaction including reporting, registering, tracking, allocating for or accounting for Product attributes, emissions or credits.</p> <p>Seller agrees, within ten (10) business days following Buyer’s request, or the request of Buyer’s designee, to take all commercially reasonable actions and execute or provide any and all documents, accounting, information or instruments as requested by Buyer (or its designee), which are reasonably necessary (i) to permit Buyer to comply with such requirements; (ii) to allow Buyer to manage its obligations pursuant to this Transaction or applicable law and compliance requirements; and (iii) to enable Buyer to use, monetize, resell, assign, transfer or otherwise dispose of the Product.</p> <p>Seller agrees to Buyer’s procedure for immediate methane leak detection and remediation, including specific actions required and payment impacts.</p>																						
<p>5.</p>	<p>Contract Quantity of Biomethane</p>	<p>Seller shall deliver to Buyer [*] <b><i>[Seller to designate a quantity of Biomethane in MMBtu/month]</i></b> (“Contract Quantity”) for each month during the Delivery Period of the Transaction.</p> <table border="1" data-bbox="760 1394 1216 1835"> <thead> <tr> <th>Year</th> <th>Contract Quantity (MMBtu/month)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>2</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>3</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>4</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>5</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>6</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>7</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>8</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>9</td> <td><b><i>[Seller to designate]</i></b></td> </tr> <tr> <td>10</td> <td><b><i>[Seller to designate]</i></b></td> </tr> </tbody> </table> <p>The amount of Biomethane that Seller actually delivers to Buyer at the Delivery</p>	Year	Contract Quantity (MMBtu/month)	1	<b><i>[Seller to designate]</i></b>	2	<b><i>[Seller to designate]</i></b>	3	<b><i>[Seller to designate]</i></b>	4	<b><i>[Seller to designate]</i></b>	5	<b><i>[Seller to designate]</i></b>	6	<b><i>[Seller to designate]</i></b>	7	<b><i>[Seller to designate]</i></b>	8	<b><i>[Seller to designate]</i></b>	9	<b><i>[Seller to designate]</i></b>	10	<b><i>[Seller to designate]</i></b>
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		<p>Point pursuant to this Transaction shall be defined as the “Delivered Quantity”.</p> <p>On any given day in the Delivery Period of the Transaction, Seller expects to deliver to Buyer <b>[*][Seller to designate a quantity of Biomethane in MMBtu/day]</b>(“Expected Daily Contract Quantity”).</p> <p>On any given day in the Delivery Period of the Transaction, Seller shall deliver to Buyer no less than 25% of the Expected Daily Contract Quantity (“Minimum Daily Contract Quantity”) and no more than 125% of the Expected Daily Contract Quantity (“Maximum Daily Contract Quantity”).</p>
6.	Quantity Notification	<p>At or before noon Pacific Prevailing Time two calendar days prior to each day on which Biomethane will be delivered at the Delivery Point, Seller shall notify Buyer of the quantity of Biomethane to be delivered and the day that such Biomethane will be delivered. Upon such notification, the Biomethane to be delivered pursuant to the notification becomes a Firm obligation of Seller. If, having notified Buyer, Seller fails to deliver the Biomethane scheduled for delivery, Seller shall be fully liable to Buyer for the amount of any costs to Buyer for pipeline noncompliance charges that result, in whole or in part, from Seller’s failure to deliver.</p>
7.	Delivery Point for Biomethane	<p>Seller shall deliver the Contract Quantity of Biomethane to Buyer at <b>[*] [Seller to designate PG&amp;E Citygate or an interconnection point with the natural gas system owned and operated by PG&amp;E’s California Gas Transmission (the “PG&amp;E System” (“Delivery Point”)).</b></p> <p>Seller is solely responsible for all transportation-related pipeline charges for the transportation of the Biomethane from the Project to the Delivery Point. While delivery of Biomethane may be intermittent, the Parties agree and acknowledge that delivery of any Biomethane hereunder shall be Firm (variable quantity based on Section 5 above).</p>
8.	Scheduling	<p>Seller shall have the sole responsibility for transporting the Biomethane to the Delivery Point. Buyer shall have the sole responsibility for transporting the biomethane from the Delivery Point.</p> <p>The Parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s).</p> <p>Governed by Section 4.1-3 of the NAESB Base Contract.</p>
9.	Metering	<p>. Seller shall permit PG&amp;E’s Core Gas team to have permission to receive the Project’s meter data from PG&amp;E Gas Engineering.</p> <p>The amount of Biomethane produced at the Project each month as measured at the point of receipt by the PG&amp;E meter shall be the “Metered Quantity”.</p>
10.	Delivery Period	<p>The Expected Delivery Start Date is <b>[*][Seller to designate].</b></p> <p>Seller shall begin deliveries to Buyer of the Biomethane to the Delivery Point on</p>

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		<p>the later to occur of (a) the first day of the month directly following satisfaction of the Conditions Precedent and Approvals below or (b) the Expected Delivery Start Date (in either case, the “Delivery Start Date”); and, ends on [*] <b>[Seller to designate]</b> unless earlier terminated (“Delivery Period”).</p> <p>In any event, the Delivery Period shall end before January 1, 2040.</p>																						
<p>11.</p>	<p>Contract Price and Remittance for Biomethane</p>	<p>During the Delivery Period, and for each calendar month that Seller delivers to Buyer Biomethane, Buyer shall pay Seller US\$ [*] <b>[Seller to designate a fixed price per MMBtu]</b> (“Contract Price”) for an amount, in MMBtu, equal to the lesser of (Delivered Quantity or Metered Quantity), up to the Contract Quantity.</p> <p>In the event Seller delivers to Buyer Biomethane in excess of the Contract Quantity in a calendar month (“Excess Biomethane”), Buyer shall pay Seller the monthly average “Gas Daily Daily (GDD) Pricing” for each MMBtu of Excess Biomethane; provided that Seller shall not deliver and Buyer shall not be obligated to accept or pay for deliveries of Biomethane in excess of 125% of the Contract Quantity in a given calendar month.</p> <p>Seller will make best efforts to not co-mingle conventional gas with the Biomethane as part of this agreement. However, if conventional gas is delivered it will be cashed out using the same method as described in the previous paragraph.</p> <p>“GDD Pricing” is defined as:</p> <ul style="list-style-type: none"> <li>the daily “Midpoint” price postings at the PG&amp;E Citygate delivery point as published in Platts Gas Daily, or any successor thereto, for the applicable calendar month per MMBtu.</li> </ul> <table border="1" data-bbox="760 1241 1229 1686"> <thead> <tr> <th>Year</th> <th>Contract Price per MMBtu</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>2</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>3</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>4</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>5</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>6</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>7</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>8</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>9</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> <tr> <td>10</td> <td>US\$ <b>[Seller to designate]</b></td> </tr> </tbody> </table> <p>Buyer will remit payment according to Section 7.2 of the NAESB Base Contract.</p>	Year	Contract Price per MMBtu	1	US\$ <b>[Seller to designate]</b>	2	US\$ <b>[Seller to designate]</b>	3	US\$ <b>[Seller to designate]</b>	4	US\$ <b>[Seller to designate]</b>	5	US\$ <b>[Seller to designate]</b>	6	US\$ <b>[Seller to designate]</b>	7	US\$ <b>[Seller to designate]</b>	8	US\$ <b>[Seller to designate]</b>	9	US\$ <b>[Seller to designate]</b>	10	US\$ <b>[Seller to designate]</b>
Year	Contract Price per MMBtu																							
1	US\$ <b>[Seller to designate]</b>																							
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<p>12.</p>	<p>Conditions Precedent</p>	<p>The following conditions must be met as a condition precedent to the Delivery Start Date.</p> <p>Seller shall have provided written evidence in a form reasonably satisfactory to Buyer that (i) Biomethane, as defined by PG&amp;E Gas Rule 29, to be delivered to</p>																						

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		<p>Buyer from the Project meets the Gas Quality specifications, including those set forth in PG&amp;E’s gas tariffs then on file with the CPUC, the requirement per D. 22-02-025 that sets a limit of hydrogen sulfide in gathering lines to 10 parts per million, and any future carbon monoxide standards adopted by the CPUC (ii) Seller has an Operating Balance Agreement with the interconnecting pipeline connected to its Project, (iii) Seller can deliver Biomethane to a Delivery Point pool account, (iv) Seller has an active Midwest Renewables Energy Tracking System (M-RETS) account that will be used by the Seller to track volumetric injections of biomethane into pipeline and (v) Seller agrees that any Class 8 trucks purchased or leased for the use in the production of biomethane after the effective date of this decision shall be near-zero emissions (NZE) or ZE vehicles. NZE vehicles must comply with California Air Resources Board regulations for ultra-low nitrous oxide vehicles, and any gas powered vehicles shall exclusively use bio-compressed natural gas rather than fossil gas.</p>
13.	Approvals	<p>Buyer shall file the Agreement Documents (i) with the CPUC requesting CPUC Approval.</p> <p>“CPUC Approval” means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to either of the Parties, pursuant to which the CPUC approves of this Transaction in its entirety, including all related payments to be made by Buyer, subject only to CPUC review of Buyer’s administration of the Transaction.</p>
14.	Additional Representations, Warranties and Covenants	<p>For all Biomethane delivered to Buyer, Seller represents and warrants that the Biomethane meets the Gas Quality specifications set forth in PG&amp;E’s gas tariffs then on file with the CPUC.</p>
15.	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</p>

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		option would result in the sale of an exempt commodity for immediate or deferred delivery.
16.	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 is determined to be Disqualified Biomethane. “Disqualified Biomethane” is defined as natural gas that was initially determined upon delivery to be Biomethane but subsequently becomes disqualified as Biomethane because it does not meet the requirements set forth in D. 22-02-025.</p> <p>If Seller delivers Disqualified Biomethane to Buyer such delivery will not be a Seller breach of the Transaction, but instead, it will be treated as delivered fossil gas, and for each MMBtu of Disqualified Biomethane up to the Contract Quantity, Buyer will pay Seller according to GDD Pricing.</p> <p>However, Seller’s continued delivery to Buyer of Disqualified Biomethane during two or more months within the Delivery Period could constitute an Event of Default subject to termination described in Section 18 below.</p>
17.	On-site Electric Generation	<p>Seller shall agree per D. 22-02-025 to cap any on-site combustion generation of electricity using its own biogas beyond current generation levels. Any additional electric generation shall either use biomethane or biogas that is partially treated to reduce constituents of concern such as siloxanes and hydrogen sulfide, for use in non-combustion technology such as an on-site fuel cell stack.</p> <p>Seller shall additionally agree to use only non-combustion technologies for any electric generation on-site if the Seller has yet to purchase or plan and construct electric generation infrastructure at the effective date of this decision.</p>
18.	Reporting	<p>Seller agrees to disclose all Class 8 trucks currently used in its operations, and will inform the utility it contracts with whenever a new vehicle is purchased or leased for use at the facility from which the biomethane is being purchased.</p> <p>Seller shall agree to track tons of forest, agricultural and/or urban wood waste. The tons of waste shall be reported to PG&amp;E on each monthly invoice associated with the delivered RNG.</p> <p>If during the Delivery Period the Seller changes its tipping fee, Seller is required to notify Buyer. Buyer may choose to renegotiate the contract if the Seller changes the tipping fee during the Delivery Period.</p>
19.	Regulatory Certifications	<p>Buyer and Seller shall cooperate in order for the Parties to meet their respective obligations pursuant to this Transaction for Biomethane from the Project to qualify under the definition of biomethane set forth in D. 22-02-025 and for Buyer to obtain and use all benefits and attributes from the Product and Project and to comply with applicable law and regulations.</p> <p>Seller’s obligations under this Section include the cooperation obligations</p>



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		described in Section 4 above.
20.	Records	Governed by Section 7.6 of the NAESB Base Contract.
21.	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.</p> <p>Buyer and Seller 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>
22.	Termination of Transaction— Events of Default	<p><b>(A)</b> This Transaction may be terminated by Buyer upon written notice to Seller in the event that the Conditions Precedent are not satisfied 30 days after the Expected Delivery Start Date.</p> <p><b>(B)</b> This Transaction may be terminated by Buyer upon thirty days prior written notice to Seller, after the three month Minimum Energy Production cure period, after the occurrence of any of the following: (i) if during the Delivery Period, taking into account all days of Unavailability (as defined below), including those due to Force Majeure, Seller is unable to deliver at least 60% of the Contract Quantity of Biomethane within a period of six (6) consecutive months, subject to the provisions in Section 10.3 and 11.5 of the NAESB Base Contract; or (ii) the Project or a related facility necessary to performance of the Project is destroyed or rendered inoperable by an event of Force Majeure caused by a catastrophic natural disaster.</p> <p><b>(C)</b> This Transaction may be terminated by either Party if an Event of Default under Section 10.2 of the NAESB Base Contract occurs and continues longer than thirty (30) consecutive days. In either event, termination will be with immediate effect upon the terminating Party giving prior written notice to the other Party, subject to the provisions in Section 10.3 of the NAESB Base Contract.</p> <p><b>(D)</b> This Transaction may be terminated by either Party upon the occurrence of a material breach of the Transaction or the Base Contract that is not cured within thirty (30) days of receiving written notice of such breach, subject to the provisions in Section 10.3 of the NAESB Base Contract. A material breach may include Seller’s delivery of Disqualified Biomethane during two or more months during the Delivery Period. In the event the Transaction is terminated, the Parties shall satisfy any remaining payment obligations defined in Sections 8 through 11 above.</p> <p><b>(E)</b> This Transaction may be terminated by Buyer due to Seller’s Event of Default for <u>delivering or attempting to deliver the Project’s Contract Quantity of the</u></p>

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		<p><u>Product to another buyer.</u></p> <p>For purposes of Section 22(B) above, “Unavailability” shall mean all time periods during the Transaction performance period during which Seller’s performance is excused under the terms of this Transaction, or due to the consequences of a confirmed Force Majeure event as described in and limited by Section 22, below.</p>
23.	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.</p> <p>The termination of a different transaction or agreement between Buyer and Seller, in whole or in part, shall not operate as a termination of any part of this Transaction, nor shall it cancel or excuse any performance, obligations or liabilities specified in the Transaction or the NAESB Base Contract.</p>
24.	Force Majeure	<p>Governed by Section 11 of the NAESB Base Contract.</p> <p><b>Mitigation of Force Majeure</b> -The suspension of a Party’s performance under the Transaction due to a claim of Force Majeure must be of no greater scope than is required by the Force Majeure event and no longer than six (6) consecutive months. A Party suspending performance due to Force Majeure shall take, or cause to be taken, such action as may be necessary to avoid, or nullify, or otherwise to mitigate, in all material respects, the effects of such event of Force Majeure. The Parties shall take all reasonable steps to resume normal performance under this Transaction after the cessation of any Force Majeure event.</p>
25.	Termination Payment	<p>In an Event of Default, the Non-Defaulting Party has the right to terminate this Transaction, whereby the Defaulting Party will owe the Non-Defaulting Party a Termination Payment. If the Non-Defaulting Party’s aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Event of Default Payment Amount will be zero.</p> <p>The Termination Payment is governed by Section 10.3 of the NAESB Base Contract and shall be calculated in a commercially reasonable manner for the replacement of the Contract Quantity of Product from the Transaction, including any and all credits, benefits, emissions reductions, offsets, reporting rights and allowances attributable to the production of Biomethane and its displacement of conventional natural gas.</p>
26.	Safety	<p>Seller will be required to meet all safety standards associated with the production and delivery of Biomethane associated with this Transaction.</p>
27.	Confidentiality	<p>Governed by Section 15.10 of the NAESB Base Contract</p>

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		Seller acknowledges that Buyer may disclose all or any portion of the Agreement Documents to the CPUC in connection with any proceeding or process held relating to the Transaction, including proceedings or processes to obtain CPUC Approval of the Transaction.
28.	Dispute Resolution	The Agreement Documents would contain a management level mediation provision followed by mandatory arbitration governed by JAMS in the event of a dispute between the Parties.
29.	Governing Law	California
30.	Right to Audit	Governed by Section 7.6 of the NAESB Base Contract. For the avoidance of doubt, Buyer will have the right to audit Seller’s records and calculations supporting the generation of Biomethane.
31.	Collateral Requirements for the Delivery of Biomethane	For purposes of calculating the Seller’s collateral requirements of this Transaction, the Net Settlement Amount shall be five (5) percent of the Biomethane gas Contract Quantity for the three (3) highest consecutive years of contracted Delivery Period multiplied by the Biomethane gas Contract Price.  Notwithstanding anything to the contrary governed by Section 10.1 of the NAESB Base Contract, Buyer shall not be required to post collateral to Seller.
32.	Assignment	Seller shall not assign this Transaction, in whole, or in part, without the prior written consent of Buyer (and shall not relieve Seller from liability under the Transaction), which consent will not be unreasonably delayed, or withheld so long as, among other things, (a) the assignee assumes all of Seller’s obligations and liabilities, including its qualification requirements, and payment and performance obligations under the Transaction, (b) the assignee agrees in writing to be bound by the terms, conditions, representations and warranties of the Transaction, and (c) the transferring Party delivers evidence satisfactory to Buyer of the proposed assignee’s technical and financial capability to fulfill Seller’s obligations under the Transaction. Buyer may assign this Transaction, or any part of it, at any time, for any reason without Seller’s approval. Buyer shall provide notice of assignment to Seller within thirty (30) days of the effective date of assignment of any portion of the Transaction.

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**IV. Attachment D – Offtake Offer Form**

Contract Term (years)	
Contract Start Date	
Diverted Organic Waste (Y/N)	
Percentage of fuels source as Diverted Organic Waste (%)	
Project Carbon Intensity Score	

Year	Contract Quantity (MMBtu/month)	Contract Price per MMBtu (\$US)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

SBPM, Part B: Other Environmental & Non-Monetary Factors

<b>Criteria</b> ( <i>Ordering Paragraph “OP” reference in D. 22-02-025</i> )	<b>Yes or No</b>
Waste byproducts will be used for any GHG-reducing use instead of landfill, e.g., soil amendment or other reuse (OP 4, 42)	
Perfluoroalkyl or polyfluoroalkyl substances will be removed from waste byproduct (OP 4)	
Waste haulers delivering to facility will use near-zero emission or zero emission vehicles (OP 5)	
CO2 emissions into atmosphere will be prevented by Carbon Capture and Use or Storage projects or technology (OP 8, 41)	
Project in a remote location (OP 3, 32)	
Is a new project, or an expansion to an existing project (Yes for new project)	

## V. Attachment E – CEQA Guidance

1. Air Quality Protection. Projects shall demonstrate protection of air quality such that project specific air quality impacts are mitigated to a level of insignificance. The design and construction woody biomass handling and storage, low pressure raw bio-SNG pipeline, syngas upgrading and conditioning equipment, methanation equipment, biomethane compression equipment, post-cleanup pipeline and interconnection components under this program shall be demonstrated to be protective of air quality. To meet air quality requirements, the following is required:
  - a. Pilot Projects must prepare and deploy methane leak detection or a plan covering the production facility or along the gas pipeline interconnection. Post-upgrading component methane leak monitoring shall be conducted in accordance with the leak<sup>9</sup> detection and repair<sup>10</sup> requirements of Section 95669 (Leak Detection and Repair) of the ARB Oil and Gas Regulation (California Code of Regulations, Title 17, Division 3, Chapter 1, Subchapter 10 Climate Change, Article 4)<sup>11</sup> and is the responsibility of the gas corporations. The cost of methane leak detection equipment is recoverable in rates.
  - b. Projects with existing or planned onsite generation technologies operating on bio-SNG (e.g., combustion turbine, reciprocating internal combustion engines, microturbines or fuel cells) must meet Best Available Control Technology (BACT) standards under new source review and shall demonstrate compliance for the life of the project.
  - c. Flaring of raw bio-SNG, or biomethane meeting pipeline specifications shall only be allowed in case of emergency. The local Air District(s) shall define what constitutes an emergency under this provision.
  - d. Any offsite emission reductions to offset a project's criteria pollutant and toxic air contaminant emissions must occur in the same air basin as the project site.
2. Water Quality. Projects shall demonstrate protection of water. The design and construction of woody biomass handling and storage under this program shall be demonstrated to be protective of surface and ground water quality as determined by the appropriate regional water quality control board.

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<sup>9</sup> Leak is defined in § 95667 (a)(27) of the ARB Oil and Gas Regulation as “the unintentional release of emissions at a rate greater than or equal to the leak thresholds specified in this subarticle.”

<sup>10</sup> Leak detection and repair is defined in § 95667 (a)(28) of the ARB Oil and Gas Regulation as “the inspection of components to detect leaks of total hydrocarbons and the repair of components with leaks above the standards specified in this subarticle and within the timeframes specified in this subarticle.”

<sup>11</sup> Text of the Oil and Gas Regulation, effective October 1, 2017 is available at:

<https://www.arb.ca.gov/regact/2016/oilandgas2016/ogfro.pdf>