

Wastewater Treatment Division Proposed Sale of Biomethane and Environmental Attributes

- Reduce greenhouse gases
- Promote renewable fuels
- Generate revenue for new environmental investments



Transaction Overview:

- **Treatment plant produces biomethane**
 - Biomethane currently sold to PSE
- **Proposal:**
 - Sell biomethane and associated environmental attributes to IGI
- **Additional revenue for new environmental investments**



South Treatment Plant
Produces
biomethane

+



Natural gas vehicles
consume equal volumes of
gas as the treatment plant
produces

=



Public Benefits of Proposed Legislation

- Promotes production and use of renewable transportation fuels
- Reduces greenhouse gas emissions
- Generates ~\$2 million annually for new WTD environmental investments
- Biomethane will be used in local fleet vehicles that use CNG (compressed natural gas)



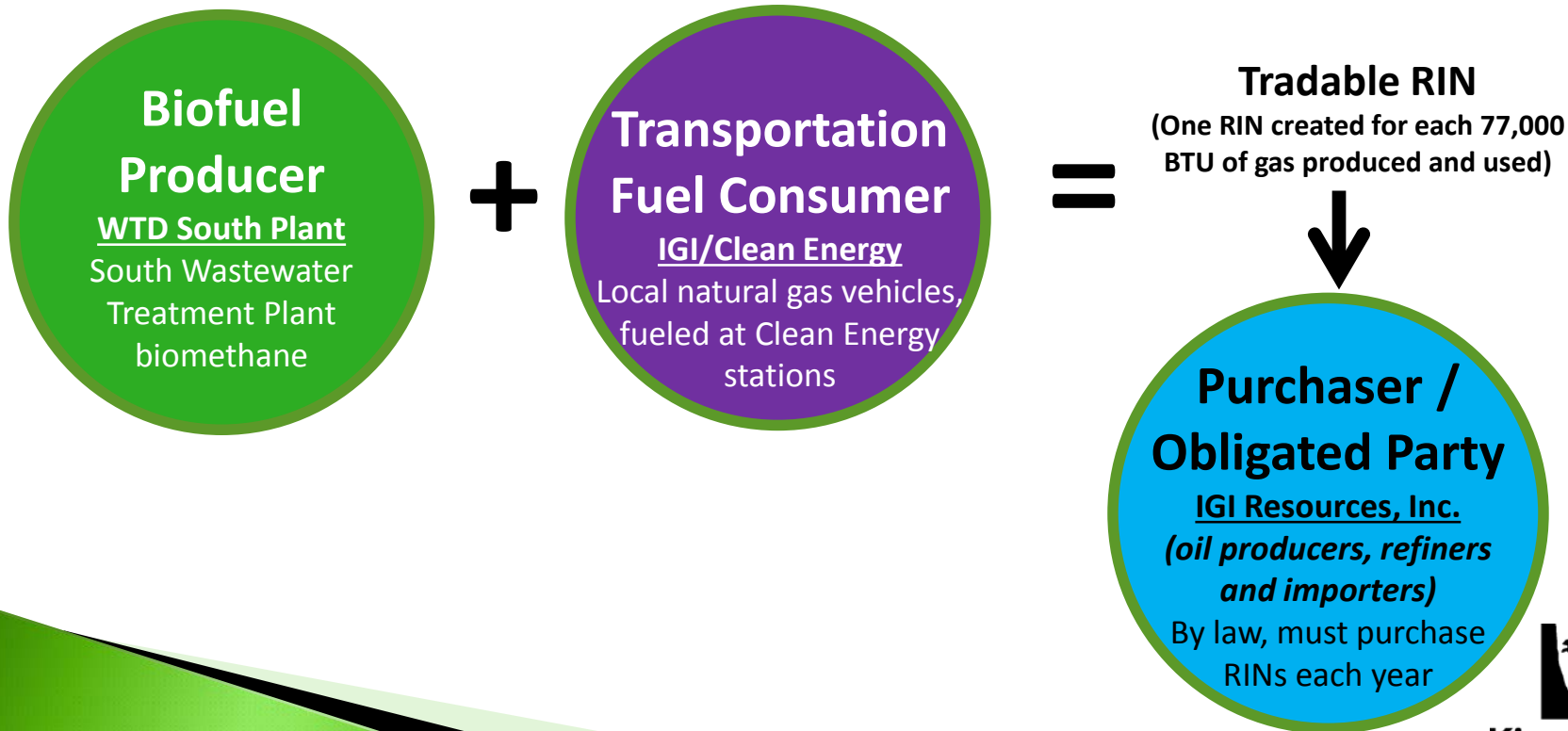
What is a RIN?

- **“Environmental Attributes” in this transaction are “RINs”**
- **RIN stands for “Renewable Identification Number”**
- **Comes from the EPA Renewable Fuel Standard**
 - Requirements to increase renewable fuels in transportation
- **Oil companies and others must buy RINs each year**
- **RINs have value separate from the commodity value**
- **Each RIN is tied to a specific quantity of qualified renewable energy used in transportation**
- **WTD’s biomethane qualifies**



RIN Transaction

1. Biofuel **Producer: WTD South Treatment Plant**
2. Biofuel **Consumer: Clean Energy stations (gas transported via IGI)**
3. RIN **Obligated Party/Purchaser: IGI Resources, Inc.**



Timeline

- Competitive selection process
- Contract negotiations
- Council action on contracts
- EPA review and approval
- RIN revenue commences when EPA approval granted
- Exploring innovative options to obtain RIN revenue during EPA approval process
- \$168,000 monthly revenue to advance Strategic Climate Action Plan

