



# KING COUNTY

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

## Signature Report

### Ordinance 18928

**Proposed No. 2019-0215.2**

**Sponsors Upthegrove**

1           AN ORDINANCE authorizing the executive to execute an  
2           amendment to an agreement approved under Ordinance  
3           18363 and amended under Ordinances 18439 and 18763,  
4           for the sale and purchase of biomethane and environmental  
5           attributes associated with purified biomethane produced at  
6           the South wastewater treatment plant to IGI Resources, Inc.

7           STATEMENT OF FACTS:

- 8           1. The wastewater treatment division of the department of natural  
9           resources and parks operates three regional wastewater treatment facilities,  
10          including the South wastewater treatment plant in Renton, Washington,  
11          which treats approximately thirty billion gallons of wastewater each year.
- 12          2. Anaerobic digesters at the treatment plant generate methane  
13          digester biogas as part of the water and associated solid material  
14          treatment and purification processes.
- 15          3. Since 1988, the wastewater treatment division has been scrubbing  
16          impurities from the digester biogas to create biomethane, using some of  
17          the resulting pipeline-quality gas for internal heating purposes, and  
18          injecting the surplus pipeline-quality gas into the regional natural gas  
19          pipeline.

20 4. Ordinance 18363 authorized the King County executive to sell  
21 biomethane and environmental attributes to IGI Resources, Inc., under an  
22 agreement consisting of a base contract for sale and purchase of natural  
23 gas, special provisions, a biogas addendum and a biogas transaction  
24 confirmation. Ordinance 18439 authorized the King County executive to  
25 execute an amended and restated biogas transaction confirmation with IGI  
26 Resources, Inc., to allow for the storage and later sale of biogas upon the  
27 receipt of Environmental Protection Agency approval of the county's  
28 program. Ordinance 18763 authorized a new biogas transaction  
29 confirmation, which established a delivery period end date of July 31,  
30 2020, with the option for two additional one-year terms and allowed for  
31 sale of the biogas to other markets, if mutually agreed by both parties.

32 5. The new transaction confirmation increases the percentage of revenue  
33 provided to the county for environmental attributes, and extends the contract to  
34 the full potential term through July 31, 2022.

35 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

36 SECTION 1. The King County executive is hereby authorized to execute an

37 amended and restated biogas transaction confirmation, substantially in the form of  
38 Attachment A to this ordinance.  
39

Ordinance 18928 was introduced on 6/5/2019 and passed by the Metropolitan King County Council on 6/26/2019, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles and Ms. Balducci



KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

Rod Dembowski, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this 8 day of JULY, 2019.

Dow Constantine, County Executive

RECEIVED  
2019 JUL -8 PM 1:07  
CLERK  
KING COUNTY COUNCIL

**Attachments:** A. Biogas Transaction Confirmation, dated June 13, 2019

**Biogas Transaction Confirmation**  
**FOR IMMEDIATE DELIVERY**

 	<p>Date: _____, 2019 Contract: 2700897 BP Deal ID: 10819379</p>
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This Biogas Transaction Confirmation \_\_\_\_\_ amends, restates and replaces in its entirety Biogas Transaction Confirmation 10819379 dated July 10, 2018. This Transaction Confirmation shall be subject to the Base Contract, as such term is defined in the General Terms and Conditions of the Base Contract for Sale and Purchase of Natural Gas and which includes the Special Provisions and Addendum, between Buyer and Seller dated November 7, 2016 (the "Base Contract"). The terms of the Base Contract are deemed to be incorporated into this Transaction Confirmation number \_\_\_\_\_ and this Transaction Confirmation number \_\_\_\_\_, together with the Base Contract form a single agreement (the "Contract") governing the transactions described herein. The terms of this Transaction Confirmation number \_\_\_\_\_ are binding upon execution by all parties hereto. Capitalized terms used herein, but not defined herein shall have the meanings ascribed thereto in the Base Contract. For purposes of this Transaction Confirmation, "Gas" as used in the Base Contract shall also include Biogas.

**BUYER:**  
**IGI Resources, Inc.**  
201 Helios Way  
Houston, TX 77079  
Attn: Randy Schultz/John Armstrong  
Phone: 801-939-9159  
Fax: 281-227-8470  
Base Contract No. 2700897  
Transporter: \_\_\_\_\_  
Transporter Contract Number: \_\_\_\_\_

**BUYER'S AFFILIATE:**  
BP Products North America, Inc.  
30 S. Wacker Drive, Suite 900  
Chicago, IL 60606

Attn: Sean Reavis  
Phone: 312-594-6777

**SELLER:**  
**King County, through its Department of Natural Resources and Parks – Wastewater Treatment Division**  
201 S Jackson St #500  
Seattle, WA 98104

Attn: David Broustis  
Phone: 206-477-4544  
Base Contract No. \_\_\_\_\_  
Transporter: \_\_\_\_\_  
Transporter Contract Number: \_\_\_\_\_

**Performance Obligation**

Seller shall have a Firm obligation to deliver the Contract Quantity to the Delivery Point(s) throughout the Delivery Period and shall have an obligation to certify, on a periodic schedule as required by (a) the EPA that the Biogas quantities delivered qualify for the creation of RINs under the EPA RFS; (b) CARB that the Biogas quantities delivered qualify for the creation of LCFS Credits under the CARB LCFS (if applicable); and (c) other applicable regulations governing low carbon fuel standards for fuel delivered under this Contract.

During the Delivery Period, Seller shall sell and deliver and Buyer shall receive and purchase Biogas and Buyer shall pay the Biogas Contract Price to Seller consistent with the payment provisions set forth in Section 7 of the Base Contract.

Upon the occurrence and during the continuance of a Disruption Event as defined in the Biogas Addendum, the Biogas Contract Price shall be the Posted Price unless the Seller and Buyer agree otherwise. No RIN Premium Allocation or LCFS Allocation shall be paid during an on-going Disruption Event.

For this Transaction Confirmation, Early Termination Damages do not apply.

**Contract Price (\$/MMBtu):**

- **Gas Contract Price.** The Contract Price for Gas delivered to Buyer by Seller at the Delivery Point shall be equal to the Posted Price ("Gas Contract Price").  
**Gas Contract Price = Posted Price**

- **Biogas Contract Price:** The Contract Price for RIN qualified Biogas quantities ("**Biogas Contract Price**") delivered to Buyer by Seller at the Delivery Point shall be paid by either Buyer or Buyer's Affiliate as set forth below and shall be equal to the **Posted Price** plus the **RIN Premium Allocation** plus the **LCFS Credit Premium Allocation**, if applicable. Consistent with Section 2.1 of the Biogas Addendum, the Biogas Contract Price is payment for the Biogas and one hundred percent (100%) of the qualified RINs and subject to availability, LCFS Credits generated as a result of the sale of the Biogas sold hereunder to Buyer and ultimately sold to Vehicle Fuel Producer(s) by Buyer.

$$\text{Biogas Contract Price} = \text{Posted Price } (\$/\text{MMBtu}) + [\text{RIN Premium Allocation (cents/gallon)}] \times (\$/100 \text{ cents}) \\ \times (11.727 \text{ gallon/MMBtu}) + [\text{LCFS Credit Premium Allocation}] (\$/\text{MMBtu})$$

- The "**Posted Price**" means the Gas Daily Midpoint Index for NW Pipeline Canadian Border (Sumas) (\$/MMBtu) as published by Platts or any successor thereto and shall be paid by Buyer.
- **RIN Premium Allocation.** The RIN premium allocation ("**RIN Premium Allocation**") shall mean, for each Month in which RINs are generated, seventy percent (70%) of the RIN Price Basis as defined below through June 30, 2019 and seventy-nine and nine-tenths percent (79.9%) of the RIN Price Basis as defined below from July 1, 2019 through June 30, 2022. Payment of the RIN Premium Allocation as part of the Biogas Contract Price is contingent upon Buyer selling Biogas purchased under this Transaction Confirmation to the Vehicle Fuel Producer in the United States cited in Paragraph 5 of the Special Conditions in this Transaction Confirmation and the production of RINs from such Biogas that is converted to a Vehicle Fuel. The RIN Premium Allocation shall be paid by Buyer's Affiliate.

(a) **RIN Premium Allocation Calculation.** RIN valuations for calculating the RIN Premium Allocation, as defined below, shall be based on RIN prices that are reflective of the D3 Cellulosic Biofuel RIN ("**D3 RIN**") prices during the Month in which the Seller delivers Biogas ("**RIN Price Basis**") as specified below. The RIN Price Basis shall be determined by Buyer's Affiliate based on the following hierarchy: (1) the Argus D3 Index (as defined below) during the Month in which the Biogas is delivered, provided that such index is Validated (as defined below in (b) **Clarification**); (2) if the Argus D3 Index is not Validated, the cash revenue realized by Buyer's Affiliate (as defined below in (b) **Clarification**) from the sale of D3 RINs associated with such Month; or (3) if the Argus D3 Index is not Validated as set forth in (1) and to the extent that (2) is not achievable in whole or in part in a commercially reasonable manner, the greater of (a) ninety percent (90%) of the Argus D3 Index during the Biogas delivery Month or (b) the average of the daily posted mid-point prices for the Argus D5 Advanced Biofuel RIN Index ("**Argus D5 Index**") during the Biogas delivery Month.

(b) **Clarification.**

- 1) With respect to an applicable Month of Biogas delivery, the Argus D3 cellulosic RIN price shall be considered validated ("**Validated**") for the current-year vintage RIN if the Argus D3 cellulosic RIN Index has traded, as supported by published trades in the *Argus US Products* daily report, for any ten (10) Business Days in the twenty (20) consecutive Business Day period that immediately precedes the Advance Notice Deadline applicable to such Month. If the Argus D3 Index has been Validated it shall remain Validated for the RINs generated in the then-current vintage year for a three month period starting with the month following Validation.
- 2) If the Argus D3 Index is not Validated with respect to a Biogas delivery Month, then Buyer's Affiliate shall use commercially reasonable and good faith efforts to maximize the value of the D3 RINs by selling such D3 RINs to an unaffiliated third party or by purchasing such RINs directly. The RIN Price Basis with respect to such D3 RINs sold in accordance with the preceding sentence shall be equal to the volume-weighted average cash price realized by Buyer's Affiliate from the sale of its portfolio D3 RINs applicable to such Biogas delivery Month, which portfolio may include D3 RINs related to agreements with third parties.
- 3) If Buyer's Affiliate is unable to sell all or a portion of the D3 RINs in accordance with clause (2) above by the end of the applicable Biogas delivery Month, then with respect to such unsold D3 RINs the RIN Price Basis shall be equal to the greater of (a) ninety percent (90%) of the Argus D3 Index calculated with respect to the Biogas delivery Month or (b) the Argus D5 Index during the Biogas delivery Month.

(c) **Changes to Pricing Publications.** If any prices or publications used to determine the RIN Price Basis are changed, discontinued or replaced in any manner that makes the determination of the RIN Price Basis impossible, the parties shall determine the applicable RIN Price Basis using the methodology in Section 14 of the Base Contract.

(d) **RIN Market and Trades.** For the avoidance of doubt, Seller acknowledges and agrees that (i) the market for RINs may lack liquidity, (ii) Buyer's Affiliate shall at all times retain control over the evaluation of potential sales of D3 RINs and the ultimate sale of D3 RINs into the market, and (iii) Seller shall have no right to participate in or direct the sales of D3 RINs.

(e) **Seller Election to Take RINs In-Kind.** In lieu of receiving the RIN Premium Allocation, Seller may elect to take its RINs Premium Allocation for any one or more Biogas delivery Months as RINs in-kind provided that Seller provides written Notice to Buyer by the Advance Notice Deadline. In the event that Seller does not provide written Notice to Buyer of its election to receive its RINs in-kind, Seller, shall receive its RIN Premium Allocation as calculated pursuant to clauses (a), (b) and (c)

above. If Seller elects to take its RINs in-kind, Seller must take its entire seventy-nine and nine-tenths percent (79.9%) share of RINs and shall establish and manage its EPA EMTS (EPA Mandated Transaction System) account required for such RINs. Seller shall not have the right to present any RINs that it retains in-kind to Buyer for monetization at will. Any arrangement in which Buyer monetizes such RINs for Seller shall be a separate negotiated transaction that is not included under this Transaction Confirmation. Seller may modify or rescind any election to receive its RINs in-kind given pursuant to this clause (e) provided that Seller provides written notice to Buyer thereof at least seven (7) Business Days prior to the start of the applicable Month. The effect of Buyer's rescission of such election to receive its RINs in-kind will be that the RIN Premium Allocation for the applicable Month(s) will be determined as set forth in clauses (a) and (b) above.

(f) **Documentation for D3 RIN Sales.** During the first full week of the Month following each Biogas delivery Month, Buyer shall deliver to Seller via email, the transaction data for D3 RIN sales made by Buyer's Affiliate during the Biogas delivery Month that will include the (i) number of D3 RIN transactions, (ii) date of the D3 RIN transactions and (iii) price at which the D3 RIN transactions were carried out.

- The "**LCFS Credit Premium Allocation**" shall mean forty percent (40%) of the LCFS Credit Value divided by the Biogas quantity purchased by Buyer in the applicable Month. Settlements for LCFS Credits generated by the Biogas sold under this Transaction Confirmation and sold to the Vehicle Fuel Producer cited in this Biogas Transaction confirmation shall be made on a Calendar Quarter basis. Payment of the LCFS Credit Premium Allocation is contingent upon Buyer selling Biogas purchased under this Transaction Confirmation to a Vehicle Fuel Producer in a state with an LCFS Program or similar and the production of a LCFS Credit from such Biogas that is converted to a Vehicle Fuel.
- **Disruption Event Biogas Contract Price.** The Biogas Contract Price upon the occurrence of a Disruption Event ("**Disruption Event Biogas Contract Price**") shall be the Posted Price until the cessation of the Disruption Event.

**Disruption Event Biogas Contract Price = Posted Price**

**Delivery Period:**

**Start Date:** The first day of the Month following Seller's execution of this Transaction Confirmation  
**End Date:** July 31, 2022.

**Contract Quantity:** 0 – 1,300 MMBtu Biogas/Day

The Contract Quantity reflects all of the Gas that Seller produces and injects into the Puget Sound Energy Gas pipeline distribution system.

**Delivery Point(s):**

Seller's meter, as set forth below.

<u>Delivery Point Description</u>	<u>Meter No.</u>
At the interconnection point of the facility with the natural gas distribution system of Puget Sound Energy, identified as the South Seattle Gate Station	Z01120039

**Special Conditions:**

**1. Definitions.**

"**Advance Notice Deadline**" means the seventh (7<sup>th</sup>) Business Day before the first Day of the next Biogas delivery Month.

"**Argus D3 Index**" means, the "Low" and "High" D3 RIN price with respect to any Day for the applicable vintage year of Cellulosic Biofuels as published in the *Argus US Products* report on each trading Day.

"**Argus D3 RIN Price**" means, with respect to any Day, the arithmetic average of the "Low" and "High" price for the applicable vintage year of Cellulosic Biofuels as published for such Day in the *Argus US Products* report.

"**Biogas Contract Price**" has the meaning set forth in the Contract Price section in this Transaction Confirmation.

"**Biogas Storage Costs**" has the meaning set forth in Paragraph 6 of the Special Conditions herein.

"**Buyer's Affiliate**" means BP Products North America, Inc.

"**Calendar Quarter**" means the periods, January 1 through March 31, April 1 through June 30, July 1 through September 30 and October 1 through December 31.

"**CARB LRT Account**" shall mean Buyer's Affiliate's California Air Resources Board LRT Account.

**"EPA EMTS Account"** shall mean Buyer's Affiliate's Environmental Protection Agency EMTS Account.

**"Gas Contract Price"** has the meaning set forth in the Contract Price section in this Transaction Confirmation.

**"ICF Resources"** means ICF Resources, Inc.

**"KCVFP"** shall have the meaning set forth in Paragraph 3(a) of the Special Conditions herein.

**"LCFS Credit Value"** means the cash value of the LCFS Credits, based on the monthly average of the daily midpoints of the LCFS Credit daily prices published by Oil Price Information Service or any successor thereto, that are created by the sale and purchase of the Biogas in this Transaction Confirmation and the subsequent sale and purchase of such Biogas to the Vehicle Fuel Producer cited in this Transaction Confirmation.

**"LCFS Credit Premium Deadline"** shall have the meaning set forth in Paragraph 2(b) of the Special Conditions herein.

**"RIN Premium Deadline"** shall have the meaning set forth in Paragraph 2(a) of the Special Conditions herein.

**"WAVFP"** shall have the meaning set forth in Paragraph 3(b) of the Special Conditions herein.

**"Weaver"** means Weaver & Tidwell L.L.P.

## **2. Payment of RIN and LCFS Credit Premium Allocations.**

- a. **RIN Premium Allocation.** The RIN Premium Allocation shall be paid by Buyer's Affiliate based on the RINs generated and transferred to the EPA EMTS Account as of the fifteenth day of the Month following the Month in which Biogas flowed ("**RIN Premium Allocation Deadline**"). Any RIN Premium due for RINs not generated and transferred to the EPA EMTS Account by the RIN Premium Deadline, but generated and transferred thereafter shall be paid in the Month following the Month in which the RIN was generated. No RIN Premium will be paid for RINs not generated and transferred to the EPA EMTS Account.
- b. **LCFS Credit Premium Allocation.** The LCFS Credit Premium Allocation shall be paid by Buyer's Affiliate based on the value of LCFS Credits generated and transferred to the CARB LRT Account between the fifteenth (15<sup>th</sup>) and eighteenth (18<sup>th</sup>) Day of the Month following the end of the Calendar Quarter (April 15- 18, July 15-18, October 15-18 and January 15-18). ("**LCFS Credit Premium Allocation Deadline**"). Any LCFS Credit Premium due for LCFS Credits not generated and transferred timely to the CARB LRT Account by the LCFS Credit Premium Deadline, but generated and transferred thereafter shall be paid at the end of the following quarter. No LCFS Credit Premium will be paid for LCFS Credits not generated and transferred to the CARB LRT Account. The calculation of the LCFS Credit Premium Allocation may be amended by the parties to reflect a future development of a market for Green Attributes in Oregon or Washington State.

## **3. Buyer's Biogas Sales to Vehicle Fuel Producers.**

- a. **King County.** Buyer shall pursue Biogas Contracts with Vehicle Fuel Producers located in King County, Washington ("**KCVFP**") and shall sell and deliver all Biogas purchased under this Contract to such KCVFP provided that at the applicable time each of the following conditions are satisfied: (i) Buyer is contractually engaged with Vehicle Fuel Producers located in KCVFP and (ii) such Vehicle Fuel Producers have sufficient capacity to consume the full Biogas production from Seller.
- b. **Washington State.** To the extent that the conditions specified in clause (a) above are not satisfied, Buyer shall pursue Biogas Contracts with Vehicle Fuel Producers located in Washington State ("**WAVFP**") and shall sell and deliver all Biogas purchased under this Contract to WAVFP provided that at the applicable time each of the following conditions are satisfied: (i) Buyer is contractually engaged with WAVFP and (ii) such Vehicle Fuel Producers have sufficient capacity to consume the full Biogas production from Seller.
- c. **Other Jurisdictions.** To the extent that the conditions specified in clause (a) and clause (b) above are not satisfied, Buyer may sell and deliver Biogas purchased under this Transaction Confirmation to Vehicle Fuel Producers located in any other jurisdiction.
- d. **Modification.** Upon mutual written agreement, Buyer and Seller may adjust the prioritization of biogas distribution among Vehicle Fuel Producers in King County, Washington State, and Other Jurisdictions.

4. **Monthly Nominations and Scheduling.** On or before the twentieth (20<sup>th</sup>) Day of each Month, Seller shall notify the Buyer to confirm the schedule of daily Biogas nominations for each Delivery Point for the upcoming Month based on Seller's projected daily Gas production at each of the Delivery Points.

5. **Vehicle Fuel Producer(s):**

The Vehicle Fuel Producer(s) are listed on Exhibit C hereto. Buyer shall have the right to amend this Transaction Confirmation in writing to amend the list of Vehicle Fuel Producer(s) in this Section 5 to reflect the termination of Biogas Contracts with Vehicle Fuel Producers or the execution of new or replacement Biogas Contracts with additional Vehicle Fuel Producers. Buyer shall transmit to Seller the amended list of Vehicle Fuel Producer(s) and the amended list shall, upon receipt by Seller, replace the then-current Exhibit C.

6. **Reserved.**

7. **Representations.** Each of the parties to this Transaction Confirmation represents and warrants that, as of the Effective Date, (i) it has full and complete authority to enter into and perform this Transaction Confirmation; (ii) the person who executes this Transaction Confirmation on its behalf has full and complete authority to do so and is empowered to bind it thereby; and (iii) it is not insolvent and has not sought protection from its creditors under the United States Bankruptcy Code, or under any similar laws.

8. **Reserved.**

9. **Transfer of CARB LCFS Regulated Party Status (If Applicable).** Pursuant to Section 95484(a)(5)(D) of Title 17 of the California Code of Regulations for the Low Carbon Fuel Standard ("Section 95484(a)(5)(D)"), Seller hereby transfers to Buyer's Affiliate, and Buyer's Affiliate hereby accepts the Low Carbon Fuel Standard (LCFS) compliance obligation as the regulated party with respect to all Biogas sold by Seller to Buyer. In addition, in order to make such transfer effective as required under 95484(a)(5)(D), Seller, on a Calendar Quarter basis, shall provide the Buyer a production transfer document substantially similar to Exhibit A which shall prominently state the volume and average carbon intensity of the transferred fuel and that the Buyer's Affiliate is the regulated party for the acquired fuel and accordingly is responsible for meeting the requirements of the LCFS regulation with respect to fuel.

10. **EPA and CARB Registration Cost.**

a. ***Renewable Fuel Standard Registration Cost.*** Buyer and Seller shall share equally all costs associated with registration of, and ongoing costs associated with, the production facilities and fuel pathways in line with EPA requirements to provide RINs. Seller will cooperate with Buyer and provide all necessary information required to complete registration. Seller shall be responsible for any ongoing reporting associated with integrity and compliance of the pathway.

b. ***Low Carbon Fuel Standard Registration Cost (If applicable).*** Buyer's Affiliate and Seller shall share equally all costs associated with registration of, and ongoing costs associated with, the production facilities and fuel pathways in line with CARB requirements to provide LCFS Credit. Seller will cooperate with Buyer's Affiliate and provide all necessary information required to complete registration.

11. **Process for Generation and Allocation of LCFS Credits (If applicable)**

a. ***Seller Responsibilities and CARB LRT Account.***

i. In the Month following the end of a Calendar Quarter during the Term, Seller shall facilitate access for Buyer's Affiliate to any and all records relevant to determining the number of LCFS Credits so that Buyer's Affiliate can prepare the LCFS Credit generation and allocation data for submission to the Vehicle Fuel Producer or its agent.

ii. Seller shall work with ICF Resources and Weaver to register with CARB and comply with the relevant regulatory provisions of the Low Carbon Fuel Standard set forth in Title 17, California Code of Regulations in §§ 95480-95490, including, but not limited to, pathway registration, LCFS credit generation, quarterly progress reporting and annual compliance reporting.

iii. Seller shall maintain all records relevant to (1) the production and purchase and sale of Biogas, (2) Biogas transportation, distribution and (3) the sale of the Biogas purchased hereunder as it applies to LCFS Credits in accordance with the requirements of CARB.

b. ***Buyer and/or Buyer's Affiliate Responsibilities.***

i. Every Month during the Term, Buyer shall analyze the Monthly Biogas quantity purchased and received by Buyer under each Biogas Transaction Confirmation between Seller and Buyer and provide such data to Vehicle Fuel Producer.

ii. In the Month following the end of a Calendar Quarter during the Term, Buyer shall analyze the Monthly Biogas quantity sold and delivered from Seller under each Biogas Transaction Confirmation between Seller and Buyer and converted to a Vehicle Fuel by a Vehicle Fuel Producer to determine the Monthly quantity of LCFS Credits created for the Calendar Quarter.



- iii. Based on the analysis in (i), Buyer or Buyer's Affiliate shall prepare a Monthly report, for submission to the Vehicle Fuel Producer and Vehicle Fuel Producer's agent if applicable, between the fifteenth and eighteenth (15<sup>th</sup>-18<sup>th</sup>) Day of the Month, detailing the following:
    - 1. Biogas supplied to Buyer's meters and subsequently delivered to Vehicle Fuel Producer's meters;
    - 2. Buyer's estimated quantity of LCFS Credits to be allocated to Buyer's Affiliate and Vehicle Fuel Producer;
  - iv. Between the fifteenth and twentieth (15<sup>th</sup>-20<sup>th</sup>) Day of the second Month following the close of the calendar quarter (May 15-20, August 15-20, November 15-20 and February 15-20), Buyer or Buyer's Affiliate shall prepare a production transfer document consistent with the CARB LCFS to validate the transfer of the regulated party status from Seller to the Buyer or Buyer's Affiliate which states the volume and average carbon intensity of the transferred fuel and that the recipient (the Buyer or Buyer's Affiliate) is the regulated party for the acquired fuel and accordingly is responsible for the requirements of the LCFS regulation with respect to the acquired fuel.
- c. **Change in Regulations.** In the event that (i) CARB amends its regulations for the generation and allocation of LCFS Credits as related to the purchase and sale of Biogas for the production of Vehicle Fuel or (ii) Washington State or Oregon enacts a legislative and regulatory system for Green Attributes, Seller, Buyer, and Buyer's Affiliate shall work together in good faith and attempt to amend this Transaction Confirmation accordingly.

## **12. Process for Generation and Allocation of RINs**

### **a. Seller Responsibilities**

- i. On each Monday, or other mutually agreeable Day during the Delivery Period, Seller shall facilitate access for Buyer to any and all records relevant to determining the quantity of Biogas sold and delivered by Seller and purchased and received by Buyer during the prior week so that Buyer or Buyer's Affiliate, if applicable, can prepare the data regarding RIN generation for submission to the Seller and Weaver.
- ii. Based on the data submission specified in Section 12(a)(i), on each Tuesday, or other mutually agreeable day during the Term, Seller shall prepare and submit a product transfer document ("PTD") substantially similar to Exhibit B to Buyer, Buyer's Affiliate and Weaver, and either Buyer or Buyer's Affiliate or both shall cause Weaver to submit such data to the EPA EMTS account, detailing the following:
  - A. RIN transferor and transferee company information and EPA company ID;
  - B. Product information including Fuel Code;
  - C. RIN quantity to generate and transfer;
  - D. RIN Year;
  - E. PTD number
  - F. Any other data as required by the EPA RFS to generate and allocate RINs as requested by Seller or Weaver
- iii. After the PTD has been executed within the EPA EMTS account, Buyer shall cause Weaver to supply a screenshot of the executed transfer detailing the following:
  - A. RIN submission identification number and date;
  - B. Transaction identification number date;
  - C. Quantity of RINs generated and transferred to EPA EMTS Account 4320;
  - D. PTD number;
  - E. Other data necessary to document the generation and transfer of RINs to EPA EMTS Account 4320.

### **b. Buyer or Buyer's Affiliate Responsibilities.**

- i. On each Monday, or other mutually agreeable day, during the Delivery Period, Buyer shall analyze the Biogas quantity sold and delivered by Seller and purchased and received by Buyer under this Transaction Confirmation and sold to the Vehicle Fuel Producer cited herein which converted such Biogas to a Vehicle Fuel to determine how many RINs were generated during the prior seven (7) Day period.

ii. Based on the analysis specified in Section 12(b)(i), Buyer and/or Buyer's Affiliate shall prepare a report, for submission to Seller and Weaver, detailing the following:

- A. Biogas sold and delivered by Seller and purchased and received by Buyer at the Delivery Points
- B. Total Biogas sold under this Transaction Confirmation during the applicable Month that was subsequently sold by Buyer to Vehicle Fuel Producer cited in this Transaction Confirmation, converted by such Vehicle Fuel Producer to a Vehicle Fuel and distributed as a Vehicle Fuel.
- C. Biogas that Seller has delivered to Buyer but has not yet been converted Vehicle Fuel ("Virtual Storage")
- D. RINs to be created from Biogas purchased by Buyer from Seller.

c. **EPA EMTS Accounts:** The EPA EMTS account number to which RINs allocated to Buyer's Affiliate should be allocated and deposited is 4320.

d. **Change in Regulations.** In the event that the EPA amends its regulations for the creation of RINs as related to the purchase and sale of Biogas for the production of Vehicle Fuel, Buyer and/or Buyer's Affiliate and Seller shall work together in good faith and attempt to amend this Transaction Confirmation accordingly.

13. **Additional Event of Default.** Each of the following shall be an additional Event of Default under Section 10.2 of the Base Contract: (a) if any party hereto (i) commits any fraudulent act or (ii) makes any material misrepresentation or material inaccuracy or materially misleading statement in any supporting documentation, including, without limitation, registrations or any attestation related to RIN or LCFS Credit generation based on Biogas purchased under this this Transaction Confirmation.

14. **Buyer's Affiliate**

- a. Without limiting Buyer's obligations under the Base Contract, Buyer's Affiliate is executing this Transaction Confirmation for the purpose of allowing the parties to transfer the RINs or LCFS credits generated from the use of the Biogas sold as a Vehicle Fuel pursuant to this Transaction Confirmation directly to Buyer's Affiliate and to allow for payments for such RINs or LCFS credits to be made directly to or from Buyer's Affiliate. For the avoidance of doubt, the parties intend and agree that Buyer's Affiliate will not take title to any Biogas sold pursuant to this Transaction Confirmation. The cover page of the Base Contract shall be amended to update the contact information as shown on Exhibit C.
- b. Title to the Gas, Biogas and Green Attributes shall pass to Buyer as set forth in Section 8.1 of the Base Contract. Title to the RINs and LCFS Credits shall pass to Buyer's Affiliate upon transfer to Buyer's Affiliate's (i) EPA EMTS account for RINs, or (ii) LCFS/LRT account for LCFS credits; and (b) all obligations of Buyer under this Transaction related to generation of RINs or LCFS Credits and any pricing associated with such RINs or LCFS Credits shall be satisfied by Buyer's Affiliate.
- c. For this Transaction Confirmation, all references in the Base Contract, howsoever described, to (a) "transaction" shall be deemed to include Biogas Transactions, and (b) "Party A", "Buyer", or "party" or "parties" in the context of Party A or Buyer, shall be deemed to include Buyer's Affiliate with respect to this Transaction Confirmation, except to the extent related to a Market Disruption Event or the delivery, receipt, transportation, nominations, imbalances, or title transfer of Gas or Biogas.
- d. Buyer's Affiliate agrees to indemnify Seller and save it harmless from all Claims arising out of any third party claim based on: (i) Buyer's Affiliate-provided falsehoods, misrepresentations, material inaccuracies or misleading statement in any supporting documentation, including, without limitation, any registrations or any attestation related to RINs or LCFS Credits supplied by Buyer's Affiliate; (ii) Buyer's Affiliate's gross negligence or willful misconduct; or (iii) Buyer's Affiliate's breach of this Transaction Confirmation.

Please confirm the foregoing correctly sets forth the terms of our agreement with respect to this Transaction by signing in the space provided below and returning a copy of the executed confirmation by faxing it to (281) 227-8470.

**IGI Resources, Inc.  
(Buyer)**

By: \_\_\_\_\_

Name: Randy Schultz

Title: President

Date: \_\_\_\_\_, 2019

**BP Products North America Inc.  
(Buyer's Affiliate)**

By: \_\_\_\_\_

Name: Sean Reavis

Title: Attorney-In-Fact

Date: \_\_\_\_\_, 2019

**King County, through its Department of Natural Resources  
and Parks - Wastewater Treatment Division  
(Seller)**

By: \_\_\_\_\_

Name: Mark Isaacson

Title: Division Director, Wastewater Treatment Division

Date: \_\_\_\_\_, 2019

**Exhibit A  
LCFS Credit Production Transfer Document**

**LCFS Biogas Product Transfer Document**

*As set forth by California Air Resource Board under Title 17, California code of Regulations §§ 95484(a)(2)(5)(D)2b.*

**Date:** \_\_\_\_\_ **Transferor:** \_\_\_\_\_ **Recipient/Transferor:** \_\_\_\_\_

**Transfer of Regulated Party Status to Recipient/Transferee:**

The recipient/transferee is now the regulated party for the acquired fuel that it has acquired as listed below and accordingly is responsible for meeting the requirements of the LCFS regulations with respect to such fuel. Invoices associated with the below flow volumes are attached.

**Production Facility ID:** \_\_\_\_\_

**Pathway Carbon Intensity:** \_\_\_\_\_

Flow Date	Fuel Type	Volume MMBtu
	Biogas	
	Biogas	
	Biogas	
	Biogas	
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Flow Date	Fuel Type	Volume MMBtu
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Flow Date	Fuel Type	Volume MMBtu
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**Exhibit B**

**Template for RIN Production Transfer Document**

**Seller (Transferor):**  
**EPA Company ID No.:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
 \_\_\_\_\_

**Seller (Transferor):**  
**EPA Company ID No.:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
 \_\_\_\_\_

**Contact Information:**  
**Name:** \_\_\_\_\_  
**Telephone:** \_\_\_\_\_  
**Email:** \_\_\_\_\_

**Contact Information:**  
**Name:** \_\_\_\_\_  
**Telephone:** \_\_\_\_\_  
**Email:** \_\_\_\_\_

**Product Information:**

- Biogas as defined in 40 CFR 80.1401
- RINs generated using landfill biogas production for transportation fuel

**Transfer Period**                      **Month X-Y, 201Z**

**Tracked Data:**

No.	Parameter	Data
1	Transaction Partner Organization Identifier	
2	Transaction Partner Organization Name	
3	RIN Quantity	
4	Batch Volume	
5	Fuel Code	
6	Assignment Code	
7	RIN Year	
8	Sell Reason Code	
9	RIN Price Amount	
10	Gallon Price Amount	
11	Transaction Date	
12	Production Transfer Number	
13	Transaction Detail Comment	
14	Supporting Document (Text 1)	
15	Supporting Document Number (Text 1)	
16	Supporting Document Number (Text 2)	
17	Supporting Document Number (Text 3)	

**EXHIBIT C  
DELIVERY POINTS AND ESTIMATED DAILY GAS QUANTITIES (MMBTU/DAY)**

<b>LOCATION</b>	<b>MAXIMUM DAILY QUANTITY (MMBTU/DAY)</b>	<b>LOCATION OR UTILITY</b>
Clean Energy Renewable Fuels		4675 MacArthur Court, Suite 800 Newport Beach, California 92660
Applied LNG Technologies		31111 Agoura Road, Suite 208 Westlake Village, CA 91361
Nopetro-St. Johns County, LLC		1625 SR 16 St. Augustine, FL 32084
Nopetro-Orlando, LLC		2713 Lynx Lane Orlando, FL 32084
Arakelian Enterprises Inc.		14048 Valley Blvd. LA Puente, CA 91746-2801
Metropolitan Transit System		1255 Imperial Avenue, Suite 1000 San Diego, CA 92101-7490
Victor Valley Transit Agency		17150 Smoketree St Hesperia, CA 92345
Clean Energy at SeaTac Airport	120	PSE
Clean Energy at Spokane Street	150	PSE
Clean Energy as CleanScapes	380	PSE
LNG Indy, LLC dba Kinetrex Energy		4536 W 86 <sup>th</sup> St Indianapolis, IN 46268
LNG Indy, LLC dba Kinetrex Energy		3565 Big Four Rd Beech Grove, IN 46107
Republic Services-Bellevue		1600 127th. Avenue NE, Bellevue, WA 98005 - PSE
Republic Services-Kent		22010 76th Ave South, Kent, WA 98032 - PSE
21 <sup>st</sup> Century Oil-Garden Grove (ARCO)		12931 Garden Grove Blvd, CA – SoCal Gas
Amador Valley Industries (AVI)		3110 Busch Rd, CA – PG&E
Anaheim Gasoline Foodmart – Valero (AGF)		2100 S Harbor Blvd, CA-SoCal Gas
AT&T Carson		23924 Figueroa St, CA – SoCal Gas
Atlas Deposal		8550 Fruitridge Rd, CA – PG&E
Aviation CNG (Inglewood, CA)		17555 Ventura Blvd, CA –SoCal Gas
Calmet Paramount		7202 Petterson Ln, CA – So Cal Gas
Canoga Park		7711 Canoga Ave, CA – SoCal Gas
Cahtedral City – Arco		36001 Date Palm Dr.,CA – SoCal Gas
City of Burbank (North Lake)		810 N. Lake St., CA – SoCal Gas
City of Burbank (South Lake)		124 S. Lake St, CA – SoCal Gas

City of Glendale	1713 Gardena Ave, CA – SoCal Gas
City of Irvine	5427 Oak Canyon Rd, CA –SoCal Gas
City of Newport Beach	592 Superior Ave, CA –SoCal Gas
City of Seal Beach (City water facility)	3111 North Gate Dr.,CA – So Cal Gas
CR&R Garden Grove	7571 Lampson Ave, CA – SoCal Gas
CR&R Perris	1706 Goetz Rd, CA – SoCal Gas
Desert Hot Springs (Mission Springs Water District)	66575 Second St., CA – SoCal Gas
Downtown Los Angeles	1055 N Alameda St.,CA – SoCal Gas
Downtown San Francisco, Olympian Oil (Nella Oil Co.)	2690 Third Street, CA – PG&E
Elk Grove eTran	10250 Iron Rock Way, CA – PG&E
Foothill Transit – Irwindale (Private)	5640 Peck Rd, CA – SoCal Gas
Foothill Transit – Irwindale (Public)	5640 Peck Rd., CA – SoCal Gas
Hertz LAX	9000 Airport Blvd., CA – SoCal Gas
La Cienega – LA	1004 S La Cienega Blvd., CA – SoCal Gas
LADOT (Sylmar, CA)	12219 Frank Modugno Dr., CA – SoCal Gas
Livermore Sanitation	7000 National Dr., CA – PG&E
Los Angeles International Airport – LAX – Island 1	10400 Aviation Blvd., CA – SoCal Gas
Mission Trail Waste Santa Clara	1313 Memorex Dr., CA – PG&E
Napa Petroleum	1153 Main St., CA – PG&E
Nationwide Environmental Service	11851 Front St., CA – SoCal Gas
Oakland International Airport	7855 Earhart Rd., CA – PG&E
Olympian – Oakland (San Leandro)	8515 San Leandro., CA – PG&E
Ontario Airport	200 E End Ave., CA –SoCal Gas
Palm Springs Airport	3400 E Tahquitz Canyon Way., CA – SoCal Gas
Pasadena – So Cal Base	3530 East Foothill Blvd., CA – SoCal Gas
Port of Oakland	205 Brush St., CA. – PG&E
San Diego Airport	2521 Pacific Highway., CA - SoCal Gas
San Diego Airport – India Shell	3519 India St., CA – SoCal Gas
San Francisco Airport	790 North McDonnell Rd., CA –PG&E
San Luis Obispo, JB Dewar	75 Prado Rd., CA – SoCal Gas
Sanitation Districts of LA County	1955 Workman Mill Rd., CA – SoCal Gas
Santa Ana SoCal Base	3210 S Maple, CA. – SoCal Gas
SFI (Stewart Family, Inc.) /Shell Station	26571 Kjunipero Serra, CA – SoCal Gas
Southern California Gas Santa Monica	1701 Santa Monica, CA – SoCal Gas

Southland Transit		14913 Ramona Blvd., CA – SoCal Gas
Specialty Solid Waste		3351 Thomas Rd., CA – PG&E
Torrance – Madrona Ave		20500 Madrona Ave., CA – SoCal Gas
UCLA		741 Charles Young Dr., CA. – SoCal Gas
UCSD		9413 Voigt. Dr., CA. – SoCal Gas
Veolia Transportation – Los Angeles		1611 Naud St., CA – SoCal Gas
Ware Disposal		1451 South Manhattan Ave., CA – SoCal Gas.
Waste Connection SLO		2268 Carpenter Canyon Rd., CA. – SoCal Gas
Waste Management – Palm Desert		41575 Eclectic St., CA. – SoCal Gas
Yellow Cab Coop		1200 Mississippi St., CA – PG&E
Yucca Valley		7485 Kickapoo Trail, CA. –SoCal Gas
UPS Fuel Services		1800 N. Main St., CA. – SoCal Gas
UPS Fuel Services		1825 W. Mckinley Avenue, CA. – PG&E
UPS Fuel Services		1380 Shores Street, CA. – PG&E
Burrtec Waste Industries – Saugus		26000 Springbrook Avenue, CA. – SoCal Gas
Burrtec Waste Industries – Fontana		9820 Cherry Avenue, CA. – SoCal Gas
Burrtec Waste Industries – Azusa		1017 W. Gladstone St., CA. – SoCal Gas
Superior Ready Mix		6994 Mission Gorge Rd., CA. – SDG&E
Universal Waste Systems		2460 E. 24 <sup>th</sup> Street, CA. – SoCal Gas
Universal Waste Systems		9016 Norwalk Blvd., CA. – SoCal Gas
Los Angeles, CA Veolia Dash		1950 E Washington Blvd, CA. –SoCal Gas
MV Transportation (LA DOT South)		1201 N. Central Ave., CA. – SoCal Gas
City of Torrance Transit		20500 Madrona Ave., CA. – SoCal Gas
EJ Harrison		1895 Irlo Ave., CA. – SoCal Gas
UCLA Fleet Services NGV		11075 Kinross Ave., CA. – SoCal Gas
Blue Line Transfer		560 E. Jamie Ct., CA. – PG&E
Long Beach Oil and Gas		2400 E. Spring Street, CA. – LBGO
Downtown Long Beach		400 W. Broadway, CA. – LBGO
Republic Services		1131 North Blue Gum Street, CA – SoCal Gas.
Republic Services		881 Energy Way, CA. – SDG&E
Republic Services		14905 S. San Pedro Street, CA. – SoCal Gas
Republilc Services		1601 Dixon Landing Rd., CA. – PG&E
Republic Services		441 North Buchanan Circle, CA. – PG&E



Republic Services		271 Rianda St., CA. – PG&E
Republic Services		8364 Clairemont Mesa Blvd., CA. – SDG&E
Republic Services		9200 Glenoaks Blvd. CA. – SoCal Gas
Republic Services		17121 Nicholas Lane, CA. – SoCal Gas
Republic Services		1680 Edgewater Avenue, CA. – PG&E
Republic Services		2631 E. 67 <sup>th</sup> Street, CA. – LBGO
Waste Connections San Jose		1333 Old Oakland Road, CA. – PG&E
Union City (Municipality)		34650 7 <sup>th</sup> St., CA. – PG&E
Garden City Sanitation		1080 Walsh Ave., CA. – PG&E
Alameda County Industries		577 Aladdin Ave., CA. –PG&E
EDCO San Marcos		224 S. Las Posas Rd., CA. - SDG&E
EDCO Escondido		1035 W. Washington Ave., CA. – SDG&E
EDCO La Mesa		8173 Commercial St., CA. – SDG&E
EDCO Lemon Grove		6670 Federal Blvd., CA. – SDG&E
EDCO Buena Park		6762 Stanton Ave., CA. – SoCal Gas
EDCO Signal Hill		950 E. 27 <sup>th</sup> St., CA. – SoCal Gas
Republic Services – Corvallis		110 NE Walnut Blvd., OR. - NWNat
Republic Services – Wilsonville		10295 SW Ridder Rd., OR. - NWNat
Republic Services – Phoenix		4811 W. Lower Buckeye Rd., AZ. – SW Gas
Republic Services – Denver		5075 E. 75 <sup>th</sup> Ave., CO. – XCEL Energy
Republic Services – Ft. Lauderdale		751 NW 31 <sup>st</sup> Ave., FL. – TECO
Republic Services – Volusia		3143 W. International Speedway Blvd., FL. – TECO
Republic Services – Lakeland		380 Maine Ave., FL. – TECO
Republic Services – Boise		11101 W. Executive Dr., ID. – Intermountain
Republic Services – Nampa		3015 E. Comstock, ID. – Intermountain
Republic Services – Elgin		1330 Gasket Drive, IL. - Nicor
Republic Services – Langsdale		832 Langsdale, IN. – N/A
Republic Services – Indy – 96 <sup>th</sup>		4934 Robinson Road, IN. – N/A
Republic Services – Evansville		2017 N. Fares Ave., IN. – Vectren Energy
Republic Services – Baton Rouge		12451 Leisure Road, LA. – Entergy
Republic Services – Fall River		1080 Airport Rd., MA. – Liberty Utilities
Republic Services – Eden Prairie		9813 Flying Cloud Drive, MN – Centerpoint Energy
Republic Services – Bridgeton, MO.		12976 Saint Charles Rock Road, MO. – Laclede Gas
Republic Services – Springfield		2116 W. Bennett St., MO. – City Utilities

Republic Services – Raleigh		5111 Chin Page Rd., NC. – PSNC Energy
Republic Services – Mount Laurel		4102 Church Rd., NJ. – PSE&G
Republic Services – Las Vegas		3060 North Commerce Ave., NV. – SW Gas
Republic Services – Cheyenne		615 N. Cheyenne Ave. NV. – SW Gas
Republic Services – Elyria		40195 Butternut Ridge Rd., OH. – NiSource
Republic Services – York		3730 Sandhurst, PA. – Columbia Gas
Republic Services Charleston		141 Fennell Road, SC.- SCE&G
Republic Services – Arlington		1212 Harrison Avenue, TX. – Cokinos
Republic Services – Houston – Little York		8101 E. Little York Rd., TX. – Luminent
Republic Services – Houston – Fondren		13630 Fondren Rd., TX - Luminent
Saddle Creek Transportation, Inc.		3010 Saddle Creek Rd., FL. - TECO