



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**December 13, 2016**

**Ordinance 18439**

**Proposed No. 2016-0538.2**

**Sponsors Dembowski**

1           AN ORDINANCE relating to the sale and storage of  
2           biomethane and related environmental attributes held by  
3           the county; authorizing an amendment to an agreement  
4           approved under Ordinance 18363, for the sale and purchase  
5           of biomethane and environmental attributes associated with  
6           purified biomethane produced at the South wastewater  
7           treatment plant to IGI Resources, Inc.

8           STATEMENT OF FACTS:

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

19 injecting the surplus pipeline-quality gas into the regional natural gas  
20 pipeline.

21 4. Under Ordinance 18363, a biomethane sale and purchase agreement  
22 was authorized to sell the biomethane to IGI Resources Inc. The  
23 agreement will significantly increase revenue to the county for the  
24 biomethane following Environmental Protection Agency approval of the  
25 transaction. On November 7, 2016, the county executed a biomethane sale  
26 and purchase agreement to sell the biomethane to IGI Resources Inc. That  
27 agreement consisted of four components: a base contract; special  
28 provisions; addendum; and biogas transaction confirmation.

29 5. As contemplated in the biomethane sale and purchase agreement, the  
30 parties have since negotiated an amendment that will allow for storage of  
31 the gas while waiting for Environmental Protection Agency approval of  
32 the county's program application. This will allow the parties to generate  
33 additional revenue from the sales of the stored gas subsequent to  
34 Environmental Protection Agency approval of the application.

35 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

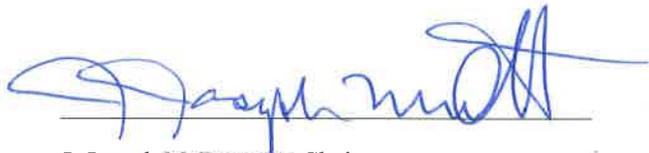
36 SECTION 1. The King County executive is hereby authorized to execute a

37 Biogas Transaction Confirmation with IGI Resources, Inc., substantially in the form of  
38 Attachment A to this ordinance.  
39

Ordinance 18439 was introduced on 11/14/2016 and passed by the Metropolitan King County Council on 12/12/2016, by the following vote:

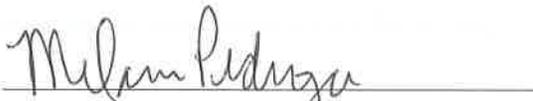
Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,  
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles  
and Ms. Balducci  
No: 0  
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



J. Joseph McDermott, Chair

ATTEST:



Melani Pedroza, Acting Clerk of the Council

APPROVED this 16 day of DECEMBER, 2016.



Dow Constantine, County Executive

RECEIVED  
2016 DEC 16 PM 3:49  
KING COUNTY COUNCIL CLERK

**Attachments:** A. Biogas Transaction Confirmation, dated November 18, 2016



**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 equal to the **Posted Price** plus the **RIN Premium Allocation** plus the **LCFS Credit Premium Allocation**, if applicable, and consistent with Section 2.1 of the Biogas Addendum includes one hundred percent of the qualified RINs and LCFS Credits generated as a result of the ultimate sale of the Biogas sold hereunder to Buyer.

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

- The "**Posted Price**" means the Gas Daily Midpoint Index for NW Pipeline Canadian Border (Sumas) (\$/MMBtu) as published by Platts or any successor thereto.
- **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. Payment of the RIN Premium Allocation as part of the Biogas Contract Price is contingent upon Buyer or Buyer's Affiliate selling Biogas purchased under BiogasTC111816 to the Vehicle Fuel Producer in the United States cited in Paragraph 5 of the Special Conditions in BiogasTC111816 and the production of RINs from such Biogas that is converted to a Vehicle Fuel.

(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 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) cash revenue realized by Buyer's RIN Marketing 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) The Argus D3 Index shall be considered validated ("**Validated**") with respect to a Biogas delivery Month if the Argus D3 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 is Validated with respect to a Biogas delivery Month, then the RIN Price Basis shall be equal to the daily Argus D3 RIN Price for such Biogas delivery Month based on the daily Argus D3 Index, regardless of whether there are supporting daily D3 RIN trades in the Argus US Products daily report.
- 2) If the Argus D3 Index is not Validated with respect to a Biogas delivery Month, then Buyer shall cause an Affiliate of Buyer to which the D3 RINs have been transferred for the purpose of marketing such D3 RINs ("**Buyer's RIN Marketing Affiliate**") to 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 RIN Marketing 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 RIN Marketing 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 RIN Marketing 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 percent (70%) 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 BiogasTC111816. 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 RIN Marketing 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 thirty-five percent (35%) of the value of Buyer's Net LCFS Credit Premium Allocation divided by the Biogas quantity purchased by Buyer in the applicable Month. Settlements for LCFS Credits generated by the Biogas sold under BiogasTC111816 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 or an Affiliate of Buyer selling Biogas purchased under BiogasTC111816 to a Vehicle Fuel Producer in California 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:**

**Delivery Period 1:**

**Start Date:** The first Day of the Month that occurs at least seven (7) Days after the execution of BiogasTC111816.

**End Date:** The fourth Business Day that occurs after the EPA Approval Date. In the event that the EPA Approval Date for the Biogas Project does not occur by June 1, 2017, unless the Seller and Buyer agree in writing to extend Delivery Period 1, for a period not to exceed one year, the Contract shall terminate as of June 30, 2017. Any agreement to extend the term of Delivery Period 1 for a period of more than one year shall require the prior approval of the King County Council before such agreement shall be effective. In connection with the execution of any such agreement, Seller shall deliver to Buyer in writing such approval of the King County Council.

**Delivery Period 2:**

**Start Date:** The fifth (5<sup>th</sup>) Business Day that occurs after the EPA Approval date.

**End Date:** Thirty-six (36) Months after the Start Date for Delivery Period 2 subject to extension pursuant to Special Condition 7 below.

**Contract Quantity:** 0 – 1,000 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.

**"Biogas Contract Price"** has the meaning set forth in the Contract Price section in BiogasTC111816.

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

**"Buyer's Net LCFS Credit Premium Allocation"** means the cash value of the LCFS Credits allocated to Buyer in the subsequent year of the Biogas purchased in BiogasTC111816 to the Vehicle Fuel Producer cited in BiogasTC111816.

**"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.

**"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.

**"EPA Approval Date"** shall mean the date on which the Biogas Project is successfully registered with the EPA and the Biogas from such Biogas Project is capable of generating RINS pursuant the EPA Renewable Fuel Standard.

**"Gas Contract Price"** has the meaning set forth in the Contract Price section in BiogasTC111816.

**"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 BiogasTC111816 and the subsequent sale and purchase of such Biogas to the Vehicle Fuel Producer cited in BiogasTC111816.

**"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.**

i **Delivery Period 1.** The RIN Premium Allocation shall be paid during Delivery Period 2 after Biogas stored during Delivery Period 1 is removed from storage and sold to a Vehicle Fuel Producer. The RIN Premium Allocation shall be paid based on the RINs generated and transferred to the Buyer's EPA EMTS Account as of the fifteenth day of the Month following the Month in which Biogas is sold to a Vehicle Fuel Producer ("**RIN Premium Allocation Deadline**"). Any RIN Premium due for RINs not generated and transferred to the Buyer's 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 Buyer's EPA EMTS Account.

ii **Delivery Period 2.** The RIN Premium Allocation shall be paid based on the RINs generated and transferred to the Buyer's 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 Buyer's 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 Buyer's EPA EMTS Account.

(b) **LCFS Credit Premium Allocation.** The LCFS Credit Premium Allocation shall be paid based on the value of LCFS Credits generated and transferred to the Buyer's 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 Buyer's 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 Buyer's 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 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: (a) Buyer is contractually engaged with Vehicle Fuel Producers located in KCVFP and (b) 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: (a) Buyer is contractually engaged with WAVFP and (b) 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 BiogasTC111816 to Vehicle Fuel Producers located in any other jurisdiction.

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):**

Primary Vehicle Fuel Producer(s):	Location:
Clean Energy Fuels	At the Clean Energy Sites as listed in Exhibit C

Buyer shall have the right to amend BiogasTC111816 in writing to amend the list of Vehicle Fuel Producer(s) in this Section 4 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.

6. **Biogas Storage Costs.** Buyer and Seller acknowledge that Biogas storage costs that Buyer actually incurs for the storage of Biogas purchased during Delivery Period 1 ("Biogas Storage Costs") cannot be quantified until stored Biogas is removed from storage. Buyer shall communicate Biogas Storage Costs to Seller during the second week following the Month in which such Biogas stored during Delivery Period 1 is sold to a Vehicle Fuel Producer(s). Seller's share of Biogas Storage Costs shall not exceed \$0.35/MMBtu and shall be deducted from the RIN Premium Allocation that is due to Seller from the sale of stored Biogas to a Vehicle Fuel Producer(s) and the corresponding generation of Vehicle Fuel.

7. **Representations.** Each of the parties to this Addendum represents and warrants that, as of the Effective Date, (i) it has full and complete authority to enter into and perform BiogasTC111816; (ii) the person who executes BiogasTC111816 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. **Right to Extend Term.** Buyer and Seller may agree in writing to extend the Delivery Period of BiogasTC111816 for two additional one (1) year periods; provided that, at least sixty (60) days prior to the expiration of the then-current Delivery Period, either Buyer or Seller provides the other party with written notice of its interest to extend the applicable period.

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, and Buyer 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 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 RIN's. 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 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 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 to

any and all records relevant to determining the number of LCFS Credits so that Buyer 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 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 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:

- A. Biogas supplied to Buyer's meters and subsequently delivered to Vehicle Fuel Producer's meters;
- B. Buyer's estimated quantity of LCFS Credits to be allocated to Buyer and Vehicle Fuel Producer;

iv. Between the fifteenth and eighteenth (15<sup>th</sup>-18<sup>th</sup>) Day of the Month following the close of the calendar quarter (April 15-18, July 15-18, October 15-18 and January 15-18), Buyer 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 which states the volume and average carbon intensity of the transferred fuel and that the recipient (the Buyer) 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 enacts a legislative and regulatory system for Green Attributes, Seller and Buyer shall work together in good faith and attempt to amend BiogasTC111816 accordingly.

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

**a. Seller Responsibilities and EPA EMTS Account.**

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 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 the Buyer and Weaver, and Buyer 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 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 BiogasTC111816 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 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 BiogasTC111816 during the applicable Month that was subsequently sold by Buyer to Vehicle Fuel Producer cited in BiogasTC111816, 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 the Buyer 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 Seller shall work together in good faith and attempt to amend BiogasTC111816 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 either party (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 BiogasTC111816 or (b) with respect to Seller, if the Start Date for the Delivery Period does not occur by the date that is six (6) Months after the date of BiogasTC111816.

**14. Hierarchy.** In the event of any inconsistency between the Base Contract and BiogasTC111816, this Biogas TC111816 shall govern.

**15. Notice to Buyer Regarding Execution of BiogasTC111816.** Seller shall provide Buyer with written notice of the execution date for Biogas TC111816 via email not later than 12:00 pm pacific prevailing time on the Day prior to the Day on which Seller shall execute BiogasTC111816. Upon execution of BiogasTC111816, Seller shall provide an electronic copy of the fully executed BiogasTC111816 to Buyer not later than 12:00 pm pacific prevailing time on such date. Such notices for this purpose only shall be directed to Ralph Epling at [Ralph.Epling@bp.com](mailto:Ralph.Epling@bp.com), with a copy to Art Bieser at [Art.Bieser@bp.com](mailto:Art.Bieser@bp.com).

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.

<b>IGI Resources, Inc.</b> <b>(Buyer)</b>	<b>King County, through its Department of Natural Resources and Parks - Wastewater Treatment Division</b> <b>(Seller)</b>
By: _____ Name: Randy Schultz Title: President Date: November ____, 2016	By: _____ Name: Mark Isaacson Title: Division Director, Wastewater Treatment Division Date: November ____, 2016



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)	