ADDENDUM NO. 2

to

REQUEST FOR INFORMATION

for

Contracted Marketer

Landfill Biomethane Gas from Keithville, Louisiana

April 25, 2016

This addendum includes answers to questions from interested firms:

Q. Are you for marketer to buy biomethane or an agent to manage the selling of the biomethane?
A. Please inform us how do you see the arrangement and for what reason (e.g. lower cost, increased transparency, etc) provided that we meet the CARB requirements. We are open to proposals for various arrangements that may provide the best solution.

Q. What if the optimal value is outside of California that still provides financial settlement in California.
A. We want to reduce our compliance obligation and need to show that volumes need to make it consistently to California from the beginning of the contract.

Q. I assume that you are intended to have additional supply since Shreveport project does not satisfy the University’s demand.
A. We are currently entertaining several deals for other supply sources. We will also go out for an RFI for other biomethane delivery in the near future.

Q. Does this RFI apply to other projects? Is this the tip of the iceberg?
A. This RFI is standalone for this project. While this project may be the tip of the iceberg, separate solicitations would be issued for subsequent projects. Most likely some of the information gained through this RFI and subsequent RFP process will be used again in future solicitations.

Q. You state that biomethane may be used to generate RINs. Can you provide clarity on what is the fuel usage at campuses? Will the biomethane be used to fuel fleets or will the campuses convert current fleets over to CNG?
A. Campuses will decide how the biomethane is used and to manage their own fleets. That said, the demand to fuel fleets are much smaller than the University’s demand for biomethane to feed its co-gens. For example, UC uses 14.4 million BTU of natural gas and ~71% is used in the co-gens.

Q. Who will be the contracting entity? Will it be the University or will it roll-up to another state entity?
A. The Regents of the University of California will be the contracting party. All of the campuses roll-up to the Regents as the head of the University.

Q. How do you intend to use biomethane on campus since not allowed to generate CCO (California Compliance Offsets) with landfill gas?
A. We are not looking to generate CCOs on this project. We are pursuing fuel swapping which is allowed by CARB to reduce the University’s compliance obligation.

Q. Are you going to count the molecules for use in cogens and RINs?

May 13, 2016
A. For a period of time, we may use biomethane to generate RINS in California and then use biomethane for fuel-swapping at the campuses. Environmental attributes have to make it to California. We do not expect to get the actual molecules to California.
ADDENDUM NO. 1

to

REQUEST FOR INFORMATION

for

Contracted Marketer

Landfill Biomethane Gas from Keithville, Louisiana

April 25, 2016

This addendum makes the following modifications to the RFQ:

1. A non-mandatory conference call will be held to provide an opportunity for a Q&A session on Tuesday, May 10, 2016 at 11:00AM (Pacific Time). The conference call information is below:
   a. Call 866-740-1260
   b. Enter access code 9870951#.

2. The last day & time to submit questions will be 5:00PM on May 12, 2016. Questions should be sent by email to kenyon.potter@ucop.edu with “RFI- Contracted Marketer” in the subject line.

3. The due date for submittal of responses remains unchanged at 4:00PM on May 17, 2016.

A copy of the revised RFQ showing the redline/strikeout changes accompanies this Addendum.
Request for Information  
Contracted Marketer  
Landfill Biomethane Gas from Keithville, Louisiana  
April 25, 2016 (revised May 3, 2016)

I. Introduction
The University of California, Office of the President is seeking your responses to this Request for Information (RFI) to assist the University in final determination of the scope of services it requires for the management, reporting and marketing of biomethane from an existing landfill in Northern Louisiana. The University anticipates that it will utilize the information from respondents to this RFI in the next step in the solicitation process.

II. Background on University of California
The University of California (University) is a public university system comprised of ten campuses and five academic medical centers throughout California. The campuses are located at Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, Santa Barbara, Santa Cruz, San Diego, and San Francisco, along with a central administrative office, the University of California Office of the President (UCOP), headquartered in Oakland. The University has over 210,000 graduate and undergraduate students, 160,000 faculty and staff, and is one of the world's premier public universities.

The University is a national leader in sustainability research and practice. In our effort to become the first major research university system to achieve carbon neutrality by 2025, the University is expanding and accelerating its climate action efforts. Several of the University’s campuses and medical centers are subject to California’s cap and trade regulations promulgated by the California Air Resources Board pursuant to Assembly Bill 32. The University’s cap and trade compliance obligation is currently about 700,000 metric tonnes of CO₂e annually. To meet the University’s ambitious carbon neutrality goals and cap and trade obligations, a program is underway to secure biomethane supplies that meet both regulatory requirement and control long-term operational and compliance costs.

III. Background on the Project: Landfill Gas Facility near Shreveport, Louisiana
Under the University’s biomethane program, the University plans to purchase a high-Btu landfill gas facility near Shreveport, Louisiana. Stearns, Conrad and Schmidt Consulting Engineers Inc. dba SCS Energy has been retained to design, build, and manage the day to day operations of the facility on behalf of the University. It is estimated that the project will begin delivering pipeline quality biomethane
in Spring 2018, at an estimated rate of 1,469 Dth/day during the first year of operation, increasing to about 1,691 Dth/day in the fifth year. The University anticipates daily and/or seasonal variations in biomethane quantities, as well as downtime of not more than about 880 hours in any year of operation, excluding force majeure events.

Through its Operating Agent, the University will deliver quantities of biomethane to a specific delivery point on Enable’s pipeline system. The Contracted Marketer shall handle all transactions, interactions and record keeping of biomethane quantities and associated environmental attributes from the point of receipt through to the end sale or consumption in California.

The University anticipates that the transactions for the biomethane at the delivery point could include:

- Swaps for physical delivery to a California gate, retirement of Environmental Attributes, etc.; or,
- Sales of the biomethane into RIN and/or LCFS markets in California or other regulatory markets, and still be in compliance with the cap and trade requirements for on-campus fuel consumption; or,
- Sales of the ‘brown’ natural gas at the delivery point retaining or transacting on the Environmental Attributes separately; or
- Other transactions as may be approved.

**IV. Contracted Marketer Duties**

The University expects to specify that the Contracted Marketer shall:

1) Work with the Operating Agent to estimate the expected daily quantity of biomethane and/or natural gas that will be produced from the facility and that will be delivered to the transporting pipeline at the Delivery Point.

2) Act as the agent of the University on a fiduciary basis to timely prepare and submit all nominations, confirmations, scheduling, balancing, etc. of biomethane and natural gas quantities in accordance with the provisions of each Biomethane Purchase and Sales Agreement between UC and a purchaser, and in full compliance with the Tariffs and rules of the Transporting Pipeline and all applicable Federal, State and Local laws and regulations.

3) Transact biomethane at defined points, pools, or hubs on or near Enable Gas Transmission’s (Enable) Line N pipeline including transactions (i.e. physical or financial) that the University requests to be conducted on its behalf, at times, with preselected counterparties.

4) Ensure that the University retains and transfers the environmental attributes of the biomethane to natural gas contracts secured in California.
5) Manage and report Environmental Attributes (i.e. affidavit tracking) on behalf of the University including maintenance of records of all transactions which will show a clear, defined chain of ownership of the environmental attributes from the generating source of the biomethane to the final use or sale in California. This may include modifying established contracts for deliveries in California to positively affirm retention and/or application of environmental attributes.

6) Maintain the records of transactions for a minimum of 10 years. The University must be able to demonstrate clear chain of ownership of the biomethane until it reaches California.

7) Collaborate with University staff, agents, contractors, and subcontractors on business processes to ensure all regulatory requirements are satisfied, including creating applicable documentation for submittal to regulatory agencies.

8) Interact with California Air Resources Board and the Environmental Protection Agency, and/or other local, state, and federal agencies to assist in on-going compliance with regulatory requirements under California’s Mandatory Reporting Rules and Cap and Trade Program and/or other regulatory programs associated with the environmental attributes of the biomethane.

V. **Advisory Services to be provided by Contracted Marketer:**

1) Provide information, annually and at various times throughout the contract term, on natural gas markets (local, regional, and in North America); Enable’s transport and pipeline operations, including pools, delivery points, receipt points, and hubs; biomethane markets and regulations; environmental attributes markets and regulations; and models and/or forward curves of natural gas, biomethane and various other environmental commodities or environmental attributes.

2) Evaluate the local gas market at the production facilities and optimize use of those markets to implement the strategy of the University.

3) Make recommendations on an ongoing basis in light of market trends and changes to regulations and laws.

The scope of contract awarded to the successful proposer may also include transacting in other regulatory markets where the University can sell the biomethane at the highest price possible.

*Continues on next page.*
VI. Response Submittal

The following questionnaire shall be completed by interested firms (attach a separate response sheet to the questionnaire and provide a narrative answer to the applicable questions):

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<th>Yes</th>
<th>No</th>
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<td>1. Can your firm, as a single entity, provide all services requested by the University?</td>
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<td>2. Do you anticipate acting in a fiduciary capacity to provide the requested services?</td>
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<td>2.a. If so, when does that relationship apply?</td>
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<td>3. Do you anticipate acting as a broker?</td>
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<td>4. Do you anticipate your company or an affiliated company will be a counter party in any or all of the transactions?</td>
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<td>4.a. If so, what transparency is provided?</td>
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<td>5. Do you anticipate selling pipeline capacity for the transaction?</td>
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<td>5.a. If so, what transparency is provided?</td>
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<td>6. What are the financial arrangements for payment of balancing costs, remittance of sales proceeds, etc.?</td>
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<td>7. What procedures would you propose for executing transactions?</td>
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<td>8. If “best efforts” are applied, how would this be verified or transparent?</td>
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<td>9. Has your firm has attached the requested information (outlined below) to this questionnaire?</td>
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Additionally, please provide:

a) A description of how your firm will provide the services of the Contracted Marketer including the methodology and process that will be used and the anticipated deliverables.

b) A statement of qualifications of the firm to perform the services requested, and overall experience in energy, natural gas purchases, physical and financial sales of gas commodity, locational basis, pipeline capacity, pipeline transportation, nominations, settling imbalances, pipeline scheduling, gas storage, sale of RINs, Low Carbon Fuels, CARB compliant instruments, etc.

c) A description of the team that will be assigned to this engagement, including the members’ past experience providing the same or similar services, the primary role and responsibilities of each
member, amount of time dedicated to this work and the resumes of key staff, their proposed areas of responsibility, a brief description of their professional qualifications and experience in those areas, and registration numbers.

d) Identify any additional tasks (e.g., on-going or one-time) that your firm believes need to be covered in this engagement. Please describe why you believe each task is relevant.

e) Examples of similar work performed for your own account or for other clients in the past five years.

f) Based on the responses above, please provide at least two suggested compensation scenarios, e.g. a flat fee, a la carte for each service, turnkey price per Dth, etc.

Based on your responses above, an outline of contract terms and conditions and your comments on the applicability of NAESB Wholesale and Retail Gas Quadrant Standards.

B. Email your response to kenyon.potter@ucop.edu. Please note the following:
   a) “[Firm Name] PH7006 Contracted Marketer Services RFI” in the subject line of the email and include in the filename of the attached files with Firm Name PH7006 Contracted Marketer RFI.
   b) Attachments need to be clearly labeled “[Firm Name] PH7006 Contracted Marketer RFI”.

C. Responses to this RFI are requested by **4PM on May 17, 2016**.

D. A non-mandatory conference call and Q&A session is scheduled for **11AM on May 10, 2016.** The conference call in information is:

   Call 866-740-1260
   Enter access code  9870951#

E. Last date & time to submit written questions is **4PM on May 11, 2016**.

**Potential Results of RFI Process**

This RFI may result in one of the following as a next step:

   a) Direct negotiations with a firm selected through this RFI;
   b) A request for additional information from RFI respondents;
   c) The issuance of a Request for Proposals (RFP) to qualified respondents to this RFI.
   d) The issuance of a new solicitation, e.g. Request for Proposals (RFP) or Request for Qualifications (RFQ), open to all potential respondents; or
   e) Termination of the solicitation process without the selection of a respondent or issuance of an RFP or RFQ.

**General Requirements**

A. No Commitment
This RFI does not make or imply any commitment enter into a contract with the University.

B. Modifications to the RFI

Any material clarifications or modifications to the RFI or the selection process will be made in writing and posted on the website. It is the responsibility of the firms, before submitting a response to the RFI, to ascertain if the University has issued any notices, clarifications, addenda, or other communications. Oral explanations or instructions from University staff, campus staff, city or county officials, or consultants shall not be considered binding on the University. Capitalized terms used in this RFI or the solicitation documents are defined herein.

C. Reserved Rights

In addition to other reserved rights contained herein, the University reserves the right to:

- Modify or cancel the selection process or schedule at any time and for any reason.
- Accept late or incomplete responses to this RFI.
- Waive minor irregularities, non-conformities, and apparent clerical mistakes.
- Reject any and all responses to this RFI and to seek new submissions when it is in the best interest of the University to do so.
- Determine the responsiveness of each submission based on these requirements, and may reject any submittal deemed incomplete or non-responsive.
- Evaluate the submittals as to their veracity, substance and relevance to development of the property and seek clarification or additional information from respondents and independent sources as it deems necessary to evaluation of the response, including evidence of the firm’s financial status.
- Request supplemental qualifying information from any or all respondent(s) to this RFI.
- Utilize one or multiple committees of person(s) to screen and/or evaluate firms and make recommendations to the University.
- Incorporate this RFI and the selected team's response to this RFI as a part of any formal agreement between the University and the firm.

D. Hold Harmless

By participation in this RFI process, respondent agrees to hold harmless The Regents of the University of California, its officers, employees, students and consultants from all claims, liabilities and costs related to all aspects of the firm or its proposed team selection process.
E. Public Information

All information submitted for qualifications based evaluation in response to this RFI and marked as “confidential” will be considered official information acquired in confidence, and the University of California will maintain its confidentiality unless (1) the University determines that it is required to release the information to a third party pursuant to the requirements of the California Public Records Act or (2) the University is required by court order to release the information to a third party pursuant to the requirements of the California Public Records Act. In the event that the University receives a request pursuant to the California Public Records Act and the University determines that it is required to disclose information marked “confidential” by the provisions of the California Public Records Act, the University will notify the prospective bidder of the pending disclosure at least 72 hours prior to such disclosure so that the prospective bidder may seek a restraining order in advance of such disclosure. The University shall err on the side of transparency and will generally treat information provided by the prospective bidder that is not marked “confidential” as subject to disclosure pursuant to the California Public Records Act. Likewise, any decision by the University that any document is subject to disclosure pursuant to the California Public Records Act shall not prevent the University from making a subsequent determination that any document is not subject to disclosure pursuant to the California Public Records Act. All other information submitted for RFQ evaluation will be considered official information acquired in confidence, and the University will maintain its confidentiality to the extent permitted by law.

F. Expenses

All expenses related to any firm’s response to this RFI or other expenses incurred while the selection process is underway, are the sole obligation and responsibility of that firm and its proposed team. The University will not, directly or indirectly, assume responsibility for these costs.

G. Prohibitions against Gratuities

The firm nor any member of the team shall not offer any gratuities, favors, or anything of monetary value to any official, employee, or outside consultant associated with the development of the property for purposes of influencing consideration of a response to this RFI or subsequent RFP.

H. Representations

Information referenced in this RFI or otherwise made available by University staff or consultants, is provided for the convenience of the responders only. The University does not warrant the accuracy or completeness of this information.
I. Negotiations

The University reserves the right to hold exclusive negotiations that may differ from the terms and conditions originally solicited or offered. The University reserves the right to negotiate with any one or more firms upon terms that may differ from the terms and conditions originally solicited or offered. The University reserves the right, in its sole and absolute discretion, to discuss the requirements of this RFI or any element of a response to this RFI with any entity. If the University elects to enter into such discussions with any entity, the University shall have no obligation to give notice to any other entity(ies) of the fact or content of such discussions.

J. Funding and Budget Approval

Final selection and appointment of a Firm is contingent upon funding and budget approval.

K. Equal Opportunity

Every effort will be made to ensure that all persons, regardless of race, religion, sex, color, marital status, sexual orientation, ethnicity and national origin have equal access to contracts and other business opportunities with the University. Each candidate firm will be required to show evidence of its equal employment opportunity policy.