
PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 12, 2019

Pacific Gas and Electric
Company
Erik Jacobson Regulatory Relations
c/o Megan Lawson
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177
PGETariffs@pge.com

Subject: Revised disposition rejecting without prejudice Advice Letters 3946-G and 3950-G.

Dear Mr. Erik Jacobson,

PG&E Advice Letters 3946-G and 3950-G, (collectively "Advice Letters") are rejected without prejudice.

Summary

The Advice Letters seek approval of a new California Biomethane Interconnection and Operation Agreement and an updated California Producers Interconnection and Operation Agreement. Staff finds that the topic of renewable natural gas interconnection is scoped within the open proceeding, Rulemaking (R.) 13-02-008, and is more appropriately addressed in a formal proceeding. Furthermore, PG&E should file a formal application to implement changes to its 1997 California Producers Interconnection and Operation Agreement. Therefore, the Advice Letters are rejected without prejudice.

Attachment 1 contains a discussion of the comments, replies to the comments and our determination for rejection the ALs without prejudice.

Please contact Jamie Ormond of the Energy Division staff at 415-703-1193 (jo2@cpuc.ca.gov) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "ERandolph".

FOR

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division.

Michael Boccadoro, AECA, 925 L St Ste 800, Sacramento, CA 95814

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Evelyn Kahl, BUCHALTER, 55 Second Street Suite 1700, San Francisco, CA 94105

ekahl@buchalter.com

Jean Spencer, Energy Division

Dorothy Duda, Energy Division

Simon Baker, Energy Division

Attachment 1

Review and Analysis

Background

Public Utilities Code Section 399.24 (AB 1900, 2012) requires that the Commission adopt policies and programs to promote the in-state production and distribution of biomethane. Decision (D.) 14-01-034¹, in Rulemaking (R.) 13-02-008, developed pipeline injection standards to permit the safe injection of biomethane into the natural gas pipeline system. D. 17-12-004², in (R.) 17-06-015, the Dairy Biomethane Pilot Rulemaking, established the implementation and selection framework to implement the pilot projects required by Senate Bill 1382 (Lara 2016).

On July 5, 2018, the Assigned Commissioner published an Amended Scoping Memo and Ruling opening the Third Phase of R. 13-02-008 to further develop a biomethane renewable natural gas industry in response to legislative direction. The scoping memo stated, "...[I]n order to promote development of a statewide biomethane industry across all investor-owned utility territories and reduce barriers to entry, it is important to establish a standardized utility biomethane interconnection tariff and standardized interconnection pro forma forms for the use of biomethane projects across the state."³

Protest & Reply

The Advice Letters were filed on March 2, 2018. Protests were filed on April 9, 2018 by Agricultural Energy Consumers Association (AECA), DVO, Inc. (DVO), and the California Natural Gas Producers Association. PG&E replied on April 16, 2018. PG&E filed AL 3950-G-A on April 18, 2019 and a substitute sheet on June 8, 2018. PG&E filed Supplemental AL 3946-G-A on June 8, 2018.

Discussion

AECA and DVO raised the following issues in protest to PG&E's California Biomethane Interconnection and Operation Agreement: 1) the continuous gas flow provisions, 2) the performance assurance requirements, 3) the gas gathering line and decommissioning costs, 4) the insurance coverage requirements, and, 5) the force majeure and termination clauses. Because staff finds that the issues presented in the ALs are more properly addressed in a formal proceeding, these protests are denied.

The California Biomethane Interconnection and Operation Agreement provided in Advice Letters 3946-G-A was used in contracting with the dairy biomethane pilot projects. Energy Division approved of their use for purpose of the pilots in the disposition of Advice Letter 5065-

¹ Approved, January 16, 2014.

² Approved, December 14, 2017.

³ Rulemaking 13-02-008, Assigned Commissioners Amended Scoping Memo and Ruling, July 5, 2018, p7.

G in response to D. 17-12-004.⁴ Yet, Energy Division finds that it is appropriate to review the potential broader use of these agreements in a formal proceeding.

The updated California Producers Interconnection and Operation Agreement, AL 3950-G, contains revisions to PG&E's pro forma traditional natural gas California Production Interconnection and Operating Agreement (CPIOA). The CPIOA has permitted the interconnection and receipt of traditional natural gas produced within the State of California into the pipeline system since 1997.⁵ In its April 9, 2018, protest, California Natural Gas Producers Association stated that PG&E should have filed a formal application to implement changes to the 1997 CPIOA. Staff agrees. This request is not in response to a Commission Decision, nor is it a quick and simplified review, as set forth in GO 96B sections 5.1 (matters appropriate for ALs). PG&E should file a formal application to implement changes to its 1997 California Producers Interconnection and Operation Agreement.

Conclusion

Staff finds that the topic of renewable natural gas interconnection is scoped within the open proceeding, Rulemaking (R.) 13-02-008, and is more appropriately addressed in a formal proceeding. Furthermore, PG&E should file a formal application to implement changes to its 1997 California Producers Interconnection and Operation Agreement. For the reasons detailed above, Advice Letters 3946-G and 3950-G are rejected without prejudice.

⁴ Requesting the Approval of Selected Dairy Pilot Biomethane Project Contracts and Waiver of Certain Tariff Provisions, approved March 8, 2019.

⁵ This agreement codified the natural gas service provisions of the traditional natural gas settlement, Gas Accord I, January 1, 1996. The Gas Accord restructured how PG&E provided fossil fuel natural gas service to California customers, "by increasing competition and choice," and restructuring the natural gas industry in Northern California. A renewable natural gas industry was not contemplated at that time. Renewable natural gas industry participants did not participate in the 1996 settlement nor the revisions presented here.



Erik Jacobson
Director
Regulatory Relations

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Fax: 415-973-3582

April 18, 2018

Advice 3950-G-A

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Supplemental: Interconnection of Producer Delivery Facilities to Accept California Production Gas for Transportation on the PG&E System

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this supplemental advice filing regarding the pro forma California Production Interconnection and Operating Agreement (CPIOA) submitted for approval in Advice Letter 3950-G. The CPIOA that includes all the terms and conditions required for California Producers to safely interconnect and deliver California Production gas into the PG&E system. This supplemental advice letter includes a limited number of revisions to the CPIOA that was initially submitted on March 2, 2018 in Advice Letter 3950-G. These revisions are intended to address some of the concerns raised by the California Natural Gas Producer Association (CNGPA) in its protest to Advice Letter 3950-G.

The submittal would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Background

The revised pro forma CPIOA was necessitated, in part, by the fact that the existing interconnection agreement was drafted in 1997, more than 20 years ago. Since that time, there have been substantial changes in the pipeline industry and commercial contract terms.

Advice Letter 3950-G was only protested by CNGPA and its protest was limited. Specifically, CNGPA challenged four provisions in the CPIOA, a procedural issue regarding its filing, and its applicability to existing receipt points under the 1997 CPIOA.

PG&E has worked with CNGPA to better understand and address the concerns raised in its protest to PG&E's advice letter. This outreach continues the extensive history of

PG&E and CNGPA working together over many years to facilitate the natural gas production and its distribution throughout Northern California. PG&E appreciates CNGPA's efforts and collaborative working relationship.

As a result of discussions with CNGPA and other trade organizations, PG&E is proposing to make several revisions to the pro forma CPIOA. A proposed revised version of the CPIOA is included as Attachment 1 to this supplemental filing, and a redline version showing the changes to the version filed in the initial Advice Letter is included as Attachment 2.

PG&E has also considered the comments provided from the biomethane community in response to Advice Letter 3946-G for the California Biomethane Interconnection and Operating Agreement (CBIOA) and has agreed to incorporate modifications to the CPIOA that PG&E believes will also benefit the California Producers as follows:

1. Allowing for a cure period and notice provisions regarding certain events of Termination
2. Allowing for relief of the continuous flow obligation when PG&E has been properly noticed of scheduled maintenance to the facilities
3. Modification of the termination provision for violation of law to be reciprocal for both PG&E and Producer
4. Extension of the initial term of the agreement from 15 to 20 years (subject to one year extensions thereafter)

These changes are reflected in the revised CPIOA included as Attachment 1.

Protests

The revisions included in Attachment 1 are proposed in consideration of CNGPA's protest, as well as comments on the CBIOA, and PG&E believes that this supplemental filing is responsive to some of the issues raised by parties. Pursuant to General Order 96-B Section 7.5.1, the protest period should not be re-opened as a result of the filing of this supplemental advice letter.

Effective Date

In the March 2, 2018 filing of Advice Letter 3950-G, PG&E requested that the Tier 3 advice filing become effective upon Commission approval. PG&E now requests that Advice Letter 3950-G become effective June 1, 2018.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact

the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

_____/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

- Attachment 1 – Clean Revised Pro Forma California Production Interconnection and Operating Agreement
- Attachment 2 – Redline Version of Revised Pro Forma California Production Interconnection and Operating Agreement

CC: Evelyn Kahl, Buchalter, ekahl@buchalter.com, California Natural Gas Producers Association

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Yvonne Yang

Phone #: (415) 973-2094

E-mail: Yvonne.Yang@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3950-G-A**

Tier: 3

Subject of AL: **Supplemental: Interconnection of Producer Delivery Facilities to Accept California Production Gas for Transportation on the PG&E System**

Keywords (choose from CPUC listing): Agreements

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.14-01-034 and Res G-3223

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: **June 1, 2018**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Pursuant to General Order 96-B Section 7.5.1, the protest period should not be re-opened as a result of the filing of this supplemental advice letter.

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Erik Jacobson

Director, Regulatory Relations

c/o Megan Lawson

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P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**CALIFORNIA PRODUCTION
INTERCONNECTION AND OPERATING
AGREEMENT**

BETWEEN

**PACIFIC GAS AND ELECTRIC COMPANY
AND**

[PRODUCER NAME]

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CALIFORNIA PRODUCTION INTERCONNECTION AND OPERATING AGREEMENT

This CALIFORNIA PRODUCTION INTERCONNECTION AND OPERATING AGREEMENT (“Agreement”), effective as of the latest signature date in the signature block (“Effective Date”), is by and between [**PRODUCER NAME**] (“Producer”), a [**STATE, ENTITY TYPE**], and PACIFIC GAS AND ELECTRIC COMPANY (“PG&E”), a California corporation. Producer and PG&E may also be referred to individually as a “Party” and jointly as the “Parties.”

RECITALS

A. Producer owns or otherwise controls, or may hereafter own or otherwise control, Gas from California Production, which is or will be capable of being physically delivered to a Receipt Point on the PG&E System within the State of California.

B. The Parties desire to provide for the delivery by Producer, and the receipt by PG&E, of Producer’s Gas at a Receipt Point.

C. Producer hereby warrants that it can demonstrate that it has the right to deliver, or appoint an operator to transport, Producer’s Gas that flows onto the PG&E System and has an Authorized Agent who can transfer good title to such Gas being delivered and to nominate all Gas to be delivered at the Receipt Point(s) and that such right is free and clear of all liens and adverse claims of any kind.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth below, PG&E and Producer agree as follows:

SECTION 1 SCOPE OF AGREEMENT AND TERM

(a) Scope. This Agreement sets forth the terms and conditions under which PG&E will accept Gas from Producer’s Delivery Facilities into the PG&E System at a Receipt Point, including the design, construction, installation, and operation of Receipt Point Facilities.

(b) Transportation. This Agreement does not provide for, or address in any way, any right of Producer to receive transportation services on the PG&E System. PG&E provides transportation services pursuant to applicable rules, schedules, tariffs, and agreements.

(c) Hinshaw Exemption. PG&E is exempt from FERC jurisdiction under the Hinshaw Exemption in the Natural Gas Act (15 U.S.C. §717(c)). PG&E shall not be required to take any action under this Agreement, including without limitation to enter into any contracts with third parties delivering Gas from Producer’s Delivery Facilities to the PG&E System, which for any reason jeopardizes or in PG&E’s sole opinion could reasonably raise a question regarding PG&E’s retention of its Hinshaw Exemption. PG&E shall notify Producer in a timely manner should PG&E become aware that any action under this Agreement jeopardizes its Hinshaw Exemption. PG&E shall make a good faith effort to allow Producer an opportunity to take such actions as are necessary to assist PG&E in addressing any Hinshaw Exemption issues. The cost of mitigating any actual or potential impact on PG&E’s Hinshaw Exemption, related to this Agreement, shall be borne by Producer.

(d) Term of Agreement. This Agreement is effective on the Effective Date and shall remain in effect for a primary term of twenty (20) years unless terminated earlier as provided in Section 16(a)(i). After the initial twenty (20) year term, the Agreement shall automatically continue without the need for any additional documentation in one (1) year terms thereafter unless terminated earlier as provided in Section 16(a)(i).

(e) Term of Receipt Point Exhibit. Each Receipt Point Exhibit is effective from the Receipt Point Exhibit Effective Date and shall remain in effect for a term of twenty (20) years unless terminated earlier as provided in Section 16(a)(ii). After the initial twenty (20) year term of the Agreement, the Receipt Point Exhibit shall automatically continue in one (1) year terms thereafter, without the need for any additional documentation, unless terminated earlier as provided in Section 16(a)(ii).

(f) Receipt Points.

(i) Initially, the Agreement shall include at least one Receipt Point and corresponding Receipt Point Exhibit.

(ii) The Parties shall execute a separate Receipt Point Exhibit for each additional Receipt Point that is added to the Agreement. Each separate Receipt Point shall be incorporated into the Agreement and shall be designated by its own numbered Receipt Point Exhibit. The Receipt Point Exhibit shall be in the form of Exhibit A hereto.

(iii) The transfer of any existing Receipt Point from another agreement into this Agreement will require the execution of a Receipt Point Exhibit associated with and incorporated into this Agreement.

(iv) To remove a Receipt Point, the Receipt Point Exhibit for that Receipt Point must be terminated as provided in Section 16(a)(ii).

SECTION 2 **DEFINITIONS**

For purposes of this Agreement, the following terms when used herein shall have the meaning set forth below. Any capitalized term that is used, but not defined, in this Agreement, and which is defined in PG&E's Gas Rules, shall have the meaning given in the PG&E Gas Rules. In the event of a conflict between any definition in this Agreement and a similar definition described in PG&E's Gas Rules, the definition in PG&E's Gas Rules shall be used.

“AGA” means American Gas Association.

“Applicable Laws and Regulations” means all duly promulgated applicable federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, judicial or administrative orders, permits, tariffs and schedules, and other duly authorized actions of any Governmental Authority, as may be amended from time to time, that are applicable to, impact, or affect this Agreement.

“Arbitration” has the meaning set forth in Section 15(d).

“Authorized Agent” means Producer's exclusive agent appointed pursuant to a CPBA Attachment 1 to represent and act on behalf of the Producer for the purpose of (a) nominating volumes of Gas supplied



to the Receipt Point for transportation by PG&E and balancing those nominations, and (b) allocating, prorating and handling administrative matters concerning the Gas to be delivered at a Receipt Point designated on a Receipt Point Exhibit.

“Biomethane Production Facility” means a facility used to convert Biogas into Biomethane, as those terms are defined in Gas Rule No. 1.

“British Thermal Unit or Btu” has the meaning set forth in Gas Rule No. 1.

“Business Day” means a calendar day except for Saturdays, Sundays, and weekdays when the CPUC’s offices are closed, due either to a State holiday or an unscheduled closure (e.g., an emergency or natural disaster), and shall be between the hours of 8:00 a.m. and 5:00 p.m. (Pacific Standard Time).

“California Production” has the meaning set forth in Gas Rule No. 1.

“CPBA” means the California Production Balancing Agreement (PG&E Gas Sample Form No. 79-944) which establishes the terms and conditions for the resolution of imbalances on the PG&E System caused by volumes of Gas, delivered into the PG&E System from California Production, which volumes exceed or are insufficient to match the nominations made for the deliveries into the PG&E System.

“CPBA Attachment 1” means Attachment 1, “Appointment of Authorized Agent” to a California Production Balancing Agreement, in which an Authorized Agent is named.

“CPUC” means the Public Utilities Commission of the State of California, including any successor regulatory body.

“Design Estimate” has the meaning set forth in Section 4(c)(iii).

“Design/Construct Estimate” has the meaning set forth in Section 4(c)(iii).

“Effective Date” has the meaning set forth in the first paragraph of this Agreement.

“Eligible LC Bank” means either a U.S. commercial bank, or a foreign bank issuing a Letter of Credit through its U.S. branch; and in each case the issuing U.S. commercial bank or foreign bank must be acceptable to PG&E in its sole discretion and such bank must have a Credit Rating of at least: (a) “A-, with a stable designation” from S&P and “A3, with a stable designation” from Moody’s, if such bank is rated by both S&P and Moody’s; or (b) “A-, with a stable designation” from S&P or “A3, with a stable designation” from Moody’s, if such bank is rated by either S&P or Moody’s, but not both, even if such bank was rated by both S&P and Moody’s as of the date of issuance of the Letter of Credit but ceases to be rated by either, but not both of those ratings agencies.

“Executive” has the meaning set forth in Section 15(b)(i).

“FERC” means the Federal Energy Regulatory Commission, including any successor regulatory body.

“Force Majeure Event” has the meaning set forth in Section 18(k).

“Gas” has the meaning set forth in Gas Rule No. 1.



“Gas Gathering Pipeline Facilities” means PG&E pipeline facilities, entering or exiting a Receipt Point Facility, including Volunteered Pipelines, that are dedicated to the sole use of transporting Producer’s Gas to market. Gas Gathering Pipeline Facilities include, but are not limited to, pipeline, fittings, valves, taps, associated appurtenances, cathodic protection equipment, land rights, and SCADA.

“Gas Rules” means any numbered gas rule filed as a tariff and approved by the CPUC for PG&E, as such Gas Rules may be revised, amended, restated or reissued from time to time. Gas Rules shall include any applicable tariffs and terms defined in the Gas Rules or tariffs. The Gas Rules are available at www.pge.com/tariffs.

“Good Utility Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the gas industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with accepted industry practice, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

“Governmental Authority” (or “Governmental Authorities”) means any federal, state, local, or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over either or both of the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Producer.

“Hazardous Waste” means waste material or conditions, and includes, but is not limited to, the definition of hazardous waste set forth in the California Health and Safety Code, Section 25117, as may be revised from time to time.

“Initial Negotiation End Date” has the meaning set forth in Section 15(b)(i).

“Interconnect Capacity” means the metering, testing, and other daily design capacity of the Receipt Point Facilities. The Interconnect Capacity is not the same as the capacity of the PG&E System to transport Gas away from the Receipt Point and is not, nor is it intended to be, any commitment by PG&E of takeaway capacity. The requested Interconnect Capacity shall be set forth on the applicable Receipt Point Exhibit.

“Interest Amount” means, with respect to an Interest Period, the amount of interest calculated as follows: (a) the sum of (i) the principal amount of Performance Assurance in the form of cash held by PG&E during that Interest Period, and (ii) the sum of all accrued and unpaid Interest Amounts accumulated prior to such Interest Period; (b) multiplied by the Interest Rate in effect for that Interest Period; (c) multiplied by the number of days in that Interest Period; (d) divided by 360.

“Interest Payment Date” means the date of returning unused Performance Assurance held in the form of cash.

“Interest Period” means the monthly period beginning on the first day of each month and ending on the last day of each month.

“Interest Rate” means the rate per annum equal to the “Monthly” Federal Funds Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication.

“ITCC” means the Income Tax Component of Contribution as described in PG&E’s Gas Preliminary Statement Part P, Income Tax Component of Contributions Provision, as may be revised from time to time.

“JAMS” shall mean the Judicial Arbitration and Mediation Service, or other similar dispute resolution provider.

“Letter of Credit” means an irrevocable, non-transferable standby letter of credit, the form of which must be substantially as contained in Exhibit E to this Agreement; provided that if the issuer is a U.S. branch of a foreign commercial bank, PG&E may require changes to such form; and the issuer must be an Eligible LC Bank on the date of issuance.

“Manager” has the meaning set forth in Section 15(b)(i).

“MAOP” means the maximum allowable operating pressure established by PG&E for any portion of or facilities associated with the PG&E System.

“Maximum Delivery Pressure” has the meaning set forth in Section 6(g).

“Mcf” and “Mcf/d” means one thousand standard cubic feet of Gas and one thousand standard cubic feet of Gas per day, respectively.

“Mediation” has the meaning set forth in Section 15(c).

“Meter Maintenance Testing” has the meaning set forth in Section 7(b).

“Minimum Flow Requirement” means the minimum daily delivery volume of Producer’s Gas to the Receipt Point in Mcf/d.

“Minimum Delivery Pressure” has the meaning set forth in Section 6(g).

“Moody’s” means Moody’s Investors Service, Inc., or its successor.

“NIST” means the National Institute of Standards and Technology, or its successor organization.

“Notice” has the meaning set forth in Section 12.

“Operating Agent (or Pumper)” means the person who oversees daily field operations of a Well(s) or a Biomethane Production Facility.

“Performance Assurance” means collateral provided by Producer to PG&E to secure Producer’s obligations under this Agreement. PG&E only accepts two forms of collateral to satisfy the Performance Assurance obligations: (a) cash via wire transfer in immediately available funds, or (b) Letter of Credit.

“PG&E Costs” means PG&E’s actual costs to design, construct, install and/or commission Receipt Point Facilities and Gas Gathering Pipeline Facilities, including but not limited to, all PG&E direct and



indirect labor, contract labor, equipment and materials costs, applicable overhead costs, land survey and land rights, environmental costs, Gas sampling costs, permitting, computer system and planning model upgrades, SCADA or other communications, and any related ITCC.

“PG&E Meter” has the meaning set forth in Section 7(a).

“PG&E System” means the gas pipeline system, and all related equipment and facilities, which are owned and operated by PG&E within the State of California, including the Receipt Point Facilities.

“Physical Operator” has the meaning set forth in Section 9.

“Pressure Headroom” means the difference between the MAOP and the normal operating pressure for a pipeline as determined by PG&E, at PG&E’s sole discretion.

“Producer” means the entity named in the first paragraph of this Agreement.

“Producer’s Delivery Facilities” means all facilities owned and operated by Producer, or the principals for whom Producer is the agent for purposes of this Agreement, upstream of the PG&E System, as described on the applicable Receipt Point Exhibit, whether now existing or to be constructed, through which Gas is transported from Producer to the PG&E System.

“Producer Test” has the meaning set forth in Section 7(b)(vii).

“Reasonable Efforts” means, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

“Receipt Point” means that point where the PG&E System and Producer’s Delivery Facilities physically interconnect for delivery of Gas by Producer to, and receipt thereof by, PG&E, as set forth in the applicable Receipt Point Exhibit.

“Receipt Point Exhibit” means the numbered Exhibit A prepared for each separate Receipt Point (e.g., Exhibit A-1 for the first Receipt Point; Exhibit A-2 for the second Receipt Point, etc.).

“Receipt Point Exhibit Effective Date” means the latest signature date in the signature block on the Receipt Point Exhibit.

“Receipt Point Facilities” (or “Receipt Point Facility”) means PG&E’s facilities generally including metering, gas quality monitoring and testing equipment determined by PG&E to be necessary to ensure compliance with Gas Rule No. 21 or other Gas Rules. Receipt Point Facilities include, but are not limited to, piping, valving, overpressure protection equipment, odorization equipment, pipeline taps, power, solar panels, structures, SCADA, communications, fixtures, real property, foundations, fencing and other institutional controls, tube trailer (if applicable) and other equipment or vehicles necessary for receiving Renewable Gas, and all other property, material, and equipment at the Receipt Point. The Receipt Point Facilities for a Receipt Point are further described in the Receipt Point Exhibit.

“Receipt Point Facilities Termination Charge” has the meaning set forth in Section 4(e).

“Referral Date” has the meaning set forth in Section 15(b)(i).

“Release to Operations” means the date on which the Receipt Point Facilities have been fully inspected, tested, and commissioned by PG&E, and PG&E has provided written authorization for commercial operation and receipt of Producer’s Gas supply.

“Renewable Gas” means Biomethane, as that term is defined in Gas Rule No. 1.

“SCADA” means Supervisory Control and Data Acquisition equipment installed and operated for the purpose of monitoring Receipt Point Facilities.

“S&P” means Standard and Poor’s Financial Services, LLC (a subsidiary of The McGraw-Hill Companies, Inc.) or its successor.

“Volunteered Pipeline” means pipelines, valves, and other attached appurtenances owned and operated by PG&E, as listed on a Receipt Point Exhibit, which are located between the Receipt Point Facilities and Producer’s Delivery Facilities dedicated for the sole benefit of the Producer and any other producers on the pipeline.

“Well(s)” means the facilities producing or providing Gas, excluding Renewable Gas, that are listed on the Receipt Point Exhibit A.

SECTION 3

CONDITIONS PRECEDENT

(a) Conditions. On the Effective Date of this Agreement and the Receipt Point Exhibit Effective Date for each Receipt Point, the following conditions shall have been satisfied by the respective Parties by the date indicated, or if no date is indicated, by the Effective Date or the Receipt Point Exhibit Effective Date, as applicable.

(i) If Producer and PG&E were or are parties to any previous or separate agreement for the delivery of Producer’s Gas to the PG&E System that included a Receipt Point that is to be included under this Agreement, that agreement’s appendices or Receipt Point Exhibit has been terminated, with no outstanding obligations between the parties thereto, and no outstanding disputes relating thereto.

(ii) Producer shall have satisfied any and all conditions set forth in Gas Rule No. 21 or other applicable Gas Rules, making Producer eligible to deliver Gas, and the Gas eligible to be received, at the Receipt Point.

(b) Cooperation. Each Party shall cooperate with the other Party as is reasonable under the circumstances, and keep the other Party advised of all significant developments in connection with obtaining satisfaction of the conditions specified in Section 3(a).

SECTION 4

RECEIPT POINT FACILITIES

(a) Receipt Point Facilities. Receipt Point Facilities shall be designed, constructed, installed, and operated for the purpose of receiving Producer’s Gas into the PG&E System.

(b) Existing Receipt Point Facilities. If there are existing Receipt Point Facilities for receipt of Gas into the PG&E System and PG&E has determined, in its sole discretion, that such facilities are



adequate for purposes of delivery of Producer's Gas to the PG&E System, then Producer shall pay PG&E's Costs to connect the Producer's Delivery Facilities to the existing Receipt Point Facilities. If Producer requests that a Renewable Gas source be connected to or injected into existing Receipt Point Facilities, then the requirements for new facilities in Sections 4(c) shall apply.

(c) New Receipt Point Facilities. New Receipt Point Facilities shall be designed, constructed, and installed pursuant to the requirements of this Section 4(c) in any of the following circumstances: (1) existing Receipt Point Facilities are not adequate for receipt of Producer's Gas into the PG&E System; (2) Producer requests that a Renewable Gas source be connected to or injected into existing Receipt Point Facilities; or (3) there are no existing Receipt Point Facilities.

(i) Request for Receipt Point Facility Location. Producer shall request PG&E to identify a specific location for the Receipt Point Facilities.

(A) At the time such request is made, Producer shall: (1) submit a new or revised Receipt Point Exhibit; (2) submit an executed Exhibit B; (3) submit an executed Exhibit C if for a Renewable Gas source; and (4) provide assignment of applicable easements, rights of way, and other necessary land rights to PG&E.

(B) PG&E shall within thirty (30) days of Producer providing the completed documentation required in Section 4(c)(i)(A): (1) if applicable, perform or witness a back pressure test; and (2) have collected or witnessed the collection of the Gas sample or witnessed the collection of and received the analysis of Producer's Renewable Gas source sample, if available. Gas sampling and testing shall comply with the procedures set forth in PG&E's Gas Rule No. 21, as revised from time to time.

(ii) Agreement On Receipt Point Facility Location. PG&E shall notify Producer of the Receipt Point Facility location it has identified with compatible Gas quality and available capacity for the receipt of Producer's Gas. Producer must then notify PG&E within thirty (30) days whether it agrees with the location of the Receipt Point Facilities. The agreed upon Receipt Point Facility location shall be included in the Receipt Point Exhibit. Identification of the location for the Receipt Point Facilities shall not obligate PG&E to maintain capacity available on the PG&E System for Producer's Gas.

(iii) Design, PG&E Cost Estimates, And Construction and Installation Options. PG&E shall provide Producer with an estimate of the PG&E Costs to design, construct, install, and commission the Receipt Point Facilities ("Design/Construct Estimate") and an estimate of the design costs alone if Producer elects to construct and install the Receipt Point Facilities as allowed under Section 4(c)(v) ("Design Estimate"). The Producer shall provide Notice to PG&E within twenty (20) days of receiving the Design/Construct Estimate and the Design Estimate whether the Producer elects to have PG&E construct and install the Receipt Point Facilities or whether the Producer will construct and install those facilities. Producer shall pay the amount of the Design/Construct Estimate, if Producer elects for PG&E to construct and install the Receipt Point Facilities, or the Design Estimate, if the Producer elects to construct and install the Receipt Point Facilities, to PG&E within thirty (30) days of receipt. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(iv) PG&E Construction and Installation of New Receipt Point Facilities. If Producer elects, pursuant to Section 4(c)(iii), for PG&E to construct and install the Receipt Point Facilities, this Section 4(c)(iv) shall apply.



(A) If at any time, PG&E determines that the PG&E Costs will likely exceed the Design/Construct Estimate, PG&E will provide Notice to Producer of the additional amounts, which Producer shall pay to PG&E as a condition of PG&E continuing work.

(B) In the case of termination of this Agreement prior to completion of the Receipt Point Facilities, PG&E shall provide an invoice to Producer for the PG&E Costs for the Receipt Point Facilities. Producer shall be credited the salvage value of the Receipt Point Facilities, if any, and shall pay all PG&E Costs for the Receipt Point Facilities, less the salvage value as determined in PG&E's sole and reasonable judgment, within thirty (30) days of receipt of the invoice. At PG&E's sole discretion, the Parties may agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(C) Where formal rights of way or easements are required on and over Producer's property, or the property of others, for the installation of the Receipt Point Facilities, Producer understands and agrees that PG&E shall not be obligated to install the Receipt Point Facilities unless and until all necessary permanent rights of way or easements, satisfactory to PG&E, free of encumbrances which PG&E believes could cause interference with ownership and operation of the Receipt Point Facilities, and free of Hazardous Waste, are granted without cost to PG&E.

(D) Upon final determination of the PG&E Costs after completion of the Receipt Point Facilities, PG&E will perform a true-up of the PG&E Costs compared to the amounts already paid by Producer, and will generate an invoice showing the difference, if any. If the PG&E Costs exceed the amount already paid by Producer, Producer shall pay the amount specified in the invoice within thirty (30) days of receipt of the invoice. If the PG&E Costs are less than the amount already paid by Producer, PG&E will refund the amount specified in the invoice within thirty (30) days of delivery of the invoice to Producer.

(E) PG&E shall not be responsible for any delay in completion of the construction and/or commencement of operation of the Receipt Point Facilities resulting from a Force Majeure Event, weather, any change in scope or schedule caused by Producer or a third-party, an act or failure or delay in acting by Producer, or any other event or occurrence outside the control of PG&E.

(v) Producer Construction and Installation of New Receipt Point Facilities. If Producer elects, pursuant to Section 4(c)(iii), to construct and install the Receipt Point Facilities, this Section 4(c)(v) shall apply.

(A) Construction, Installation, and Commissioning. Producer shall construct and install the Receipt Point Facilities in accordance with designs, specifications, plans, standards, and procedures provided by PG&E. Producer shall: (1) use qualified licensed contractors from PG&E's approved list of contractors for such work; (2) procure materials from PG&E-approved vendors; (3) ensure that the Receipt Point Facilities, and the construction thereof, comply with Applicable Laws and Regulations at all times; (4) communicate its project schedule to PG&E, and carry out the work in a manner so as to not interfere with or interrupt PG&E's operations; and (5) obtain necessary permits in consultation with PG&E, and name PG&E as the permit holder or otherwise such that PG&E will benefit from the permit during the operating phase, if applicable.

(B) Insurance Required for Producer Construction. Prior to commencing construction, Producer and any contractor retained by or on behalf of Producer shall provide to PG&E evidence of the following insurance coverages at levels set forth by PG&E for the project as reflective of PG&E's financial risk: (1) statutorily required workers' compensation insurance; (2) employers' liability

insurance; (3) at least five million dollars (\$5,000,000) in general commercial liability insurance naming PG&E as an additional named insured; and (4) at least five million dollars (\$5,000,000) in pollution legal liability/contractor's pollution liability.

(C) Inspection. Producer's work on the Receipt Point Facilities shall be subject to PG&E's inspection. PG&E shall have the right to inspect any aspect of the work upon reasonable advance notice to Producer.

(1) PG&E will inspect for compliance with its designs, specifications, plans, standards, and procedures at the following hold points, beyond which Producer shall not proceed until PG&E has provided its approval in writing: (a) materials procurement; (b) design drawings; and (c) twenty-five percent (25%), fifty percent (50%), and seventy-five percent (75%), of construction and installation. Producer shall provide adequate advance Notice to PG&E that the indicated hold points have been or will be reached.

(2) PG&E will make Reasonable Efforts to inspect and provide consent to proceed at each of the hold points as soon as practicable.

(3) Inspections and approvals by PG&E are solely for PG&E's internal use and needs. Producer agrees not to rely upon such inspections and approvals to meet Producer's responsibilities under this Agreement or for any other purpose, and agrees to hold PG&E harmless from, and Producer hereby releases PG&E from, any and all liability related directly or indirectly to the use or application of such inspections and approvals.

(D) Final Inspection and Documentation. After Producer has completed installation of the Receipt Point Facilities, Producer shall provide Notice requesting that PG&E perform final inspections, commissioning tests, and proceed to Release to Operations. Producer shall provide to PG&E: (1) as applicable, all real property documentation including applicable easements, rights of way and other necessary land rights related to or necessary for the Receipt Point Facilities; (2) an environmental indemnity agreement that covers, but is not limited to, Hazardous Waste, all in form and substance acceptable to PG&E, at PG&E's sole discretion; (3) a quitclaim deed and/or bill of sale for the Receipt Point Facilities, in form and substance acceptable to PG&E at its sole discretion; (4) complete "as-built" drawings with survey location of the Receipt Point Facilities; (5) reports on processes required to be performed pursuant to the procedures such as, without limitation, welder's qualifications, material test reports, and hydrostatic test reports; (6) if applicable, a transfer of any permits issued in Producer's name to PG&E's name; and (7) Producer's warranty that the Receipt Point Facilities were constructed in conformance with CPUC General Order No. 112-F, or any successor regulations, and the specifications plans, standards and procedures provided by PG&E pursuant to Section 4(c)(v)(A).

(E) Title Transfer, Connection, and Commissioning. After PG&E has performed its final inspection of the Receipt Point Facilities and has verified that Producer has met the requirements set forth in this Section 4(c)(v), title to the Receipt Point Facilities shall immediately transfer to PG&E whether or not the Parties have executed any documentation formalizing such transfer. PG&E will connect the Receipt Point Facilities to the PG&E System. All connections to and from the PG&E System shall be performed solely by PG&E or PG&E's contractor. All commissioning activities at the Receipt Point Facilities shall be performed solely by PG&E or PG&E's contractors. Producer shall not alter, or in any manner disturb, manipulate, or tamper with any part of the PG&E System, including the Receipt Point Facilities when owned by PG&E.



(F) Invoice for PG&E Costs. After connecting the Receipt Point Facilities to the PG&E System, PG&E will invoice Producer for PG&E's Costs to inspect and connect the Receipt Point Facilities to the PG&E System. Producer shall pay the invoice within thirty (30) days of receipt. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(G) Indemnity. Producer shall indemnify PG&E and hold it harmless from all liability in connection with construction work performed by Producer, or any contractor retained by or on behalf of Producer, under this Agreement.

(vi) Receipt Point Facilities Ownership. Receipt Point Facilities provided by PG&E under this Agreement, or transferred to PG&E as provided in Section 4(c)(v), shall at all times be and remain the property of PG&E.

(d) Repairs, Upgrades, Modifications and Replacements. PG&E shall provide Notice to Producer or producers if PG&E determines at any time that the Receipt Point Facilities or Gas Gathering Pipeline Facilities require, at PG&E's sole discretion, repairs, upgrades, modifications or replacements, which will be at Producer's or producers' expense. PG&E's Notice shall describe and include PG&E's estimate to perform the necessary repairs, upgrades, modifications or replacements and will be prorated for each producer, if applicable.

(i) If a single Producer is connected to the Receipt Point Facilities or Gas Gathering Pipeline Facilities, the Producer shall notify PG&E within thirty (30) days of receipt of PG&E's Notice that the Producer requests that PG&E make the necessary repairs, upgrades, modifications or replacements, which will be at Producer's expense. Producer shall pay PG&E within thirty (30) days of the date of the Producer's receipt of PG&E's estimate for the necessary repairs, upgrades, modifications or replacements. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements. Upon completion of the work, if the PG&E Costs exceed PG&E's estimate, PG&E will invoice the Producer for the difference between the estimate and the PG&E Costs. Producer shall pay the invoice for the remaining amount to PG&E within thirty (30) days of receipt. If the PG&E Costs are less than PG&E's estimate, PG&E will refund the difference between the estimate and the PG&E Costs within thirty (30) days of the invoice.

(ii) If more than one producer, including Producer, is served by the Receipt Point Facilities or Gas Gathering Pipeline Facilities, all producers, including Producer, shall notify PG&E within thirty (30) days of receipt of PG&E's Notice if the producers, including Producer, request that PG&E make the necessary repairs, upgrades, modifications or replacements. Producer and producers shall pay their proportionate share of the estimate to PG&E within thirty (30) days of the date of producers', including Producer's, receipt of PG&E's estimate. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements. Upon completion of the repairs, upgrades, modifications or replacements, if the PG&E Costs exceed PG&E's estimate, PG&E will invoice each producer, including Producer, proportionately for the difference between the estimate and the PG&E Costs. Producer and producers shall pay the invoice for the remaining amount to PG&E within thirty (30) days of receipt. If the PG&E Costs are less than PG&E's estimate, PG&E will refund the difference between the estimate and the PG&E Costs to each producer, including Producer, within thirty (30) days of the invoice.

(iii) If Producer fails, or producers fail, (i) to request in writing and pay PG&E's estimated costs, within thirty (30) days of receipt of PG&E's Notice as provided in Sections 4(d)(i) or (d)(ii), that



PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, or producers' expense, then PG&E shall have the right to refuse to accept Producer's and producers' Gas, and may proceed to abandon, retire, or sell the Receipt Point Facilities or Gas Gathering Pipeline Facilities, at its sole discretion.

(e) Discontinuance of Receipt Point Upon Termination And Associated Termination Charges. Upon discontinuance of the use of the Receipt Point Facilities or Gas Gathering Pipeline Facilities due to termination of the Receipt Point Exhibit or of this Agreement, the Producer shall have the option to purchase the Receipt Point Facilities or pay PG&E to decommission these facilities. Producer shall provide Notice within thirty (30) days of discontinuance of use or termination stating whether the Producer elects to try to negotiate a purchase of the Receipt Point Facilities or to pay PG&E to decommission these facilities. If the Producer elects to try to negotiate a purchase of the Receipt Point Facilities, the Parties shall have one hundred and eighty (180) days to conduct good faith negotiations for the purchase of the Receipt Point Facilities by the Producer, which negotiation time can be extended by mutual written agreement of the Parties. If the Parties are unable to agree to purchase terms within the agreed to time period, or the Producer indicates in its Notice that it is electing for PG&E to decommission the Receipt Point Facilities, the Producer shall then pay to PG&E the costs to decommission the Receipt Point Facilities or Gas Gathering Pipeline Facilities, and return the site to its original state ("Receipt Point Facilities Termination Charge").

(i) The Receipt Point Facilities Termination Charge shall include the costs to remove the Receipt Point Facilities or Gas Gathering Pipeline Facilities and site restoration costs, less the estimated salvage value as determined in PG&E's sole and reasonable judgment.

(ii) Within ninety (90) days of the termination of a Receipt Point Exhibit or of this Agreement, PG&E shall provide Notice to Producer that includes an estimate for the Receipt Point Facilities Termination Charge. No later than thirty (30) days after the Producer's receipt of this estimate, Producer shall pay PG&E the estimated Receipt Point Facilities Termination Charge. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(iii) Upon completion of the removal of the Receipt Point Facilities or Gas Gathering Pipeline Facilities and site restoration, PG&E will provide a final invoice to Producer showing the difference, if any, between the estimated Receipt Point Facilities Termination Charge and the final Receipt Point Facilities Termination Charge. If the final Receipt Point Facilities Termination Charge exceeds the amount already paid by Producer, Producer shall pay the remaining amount to PG&E within thirty (30) days of the date of the Producer's receipt of PG&E's invoice. If the final Receipt Point Facilities Termination Charge is less than the amount already paid by Producer, PG&E will refund the difference to Producer within thirty (30) days of PG&E's invoice.

(f) Alternative Interconnection of a Biomethane Production Facility. The Parties may consider alternatives to Receipt Point and Receipt Point Facilities to enable interconnection of a Biomethane Production Facility to the PG&E System such as, but not limited to, the utilization of mobile and temporary resources for the delivery of Renewable Gas to the PG&E System. The Parties agree to negotiate interconnection alternatives in good faith and to preserve the benefits of the bargain as described in this Agreement.

SECTION 5 **VOLUNTEERED PIPELINES**

(a) Control of Gas. This section shall apply only if Producer is delivering gas through a Volunteered Pipeline. Producer shall be deemed to be in control of Gas delivered into the Volunteered Pipeline(s) from the Gas Well or Renewable Gas source to the Gas Gathering Pipeline Facilities. PG&E shall be deemed to be in control of the Gas after the downstream fitting of Producer's Delivery Facilities.

(b) Operation of Volunteered Lines. PG&E, in its sole discretion, shall have the right to operate the Volunteered Pipeline(s) in the same manner as all other pipelines in the PG&E System. PG&E, in its sole discretion, may choose to operate the Volunteered Pipeline(s) or any portion thereof at a higher or lower pressure, or to have the direction of flow changed; PG&E shall give Notice to Producer of the date and time of such action. No later than thirty (30) days after PG&E's Notice, Producer shall shut-in the Gas from California Production during any such work on the Volunteered Pipeline(s). PG&E will give Producer Notice when Producer is free to resume deliveries.

SECTION 6 **GAS DELIVERIES**

(a) Compliance with Applicable Laws and Regulations. Producer's delivery of Gas to the Receipt Point, and other performance under this Agreement, must be in compliance with Applicable Laws and Regulations and Producer shall obtain all applicable licenses and permits for the conduct of its business and the performance of this Agreement.

(b) Transfer of Gas Custody. Transfer of Gas custody between Producer and PG&E shall occur at the Receipt Point.

(c) Quality; Right of Refusal. PG&E shall have the continuing right at any time, and in its sole discretion, to monitor the quality of Gas provided by Producer and refuse to accept delivery of any Gas if: (i) Producer's Gas does not meet the Gas quality specifications set forth in Gas Rule No. 21, as revised from time to time; (ii) the composition or supply source of Producer's Gas is different from that described in the Receipt Point Exhibit; (iii) the PG&E System does not have available pipeline capacity or Pressure Headroom; or (iv) in PG&E's sole judgment the delivery of Producer's Gas may have adverse effects on PG&E's operations, the PG&E System, or on the operations or property of customers or other producers. PG&E shall promptly provide Notice to Producer of any decision to refuse acceptance of deliveries of Gas. PG&E's acceptance of Gas that does not conform to PG&E's Gas Rule specifications or Receipt Point Exhibit shall not constitute a waiver of such specifications, any remedies of PG&E, or obligations of Producer with respect to such non-conformity.

(d) Uniform Flow. Producer shall, to the extent feasible, make deliveries of Gas at each Receipt Point at substantially uniform rates of flow during a flow day. If Producer is not complying with this requirement, then PG&E reserves the right to suspend service under this Agreement until such time that Producer has taken appropriate actions to ensure compliance with this provision.

(e) Continuous Flow. Producer shall deliver Gas to each Receipt Point continuously and without interruption of supply unless continuous flow is interrupted by PG&E for operational reasons or by Producer for scheduled maintenance to Producer's facilities. Producer shall provide Notice to PG&E ten (10) days before scheduled maintenance occurs and shall include in its Notice the start and end dates for the maintenance. Producer understands that interrupted flow or a discontinuance of flow may cause Receipt Point Facilities to malfunction.



(f) Minimum Flow. Producer shall deliver Gas to each Receipt Point at an average quantity of at least 50 Mcf/d averaged over each rolling ninety (90) day period, except when flow is interrupted by PG&E for operational reasons or by Producer for scheduled maintenance to Producer's facilities. Producer shall provide Notice to PG&E ten (10) days before scheduled maintenance occurs and shall include in its Notice the start and end dates for the maintenance. Days in which flow is interrupted by PG&E for operational reasons or by Producer's scheduled maintenance shall not be included in the ninety (90) day rolling period. If Producer provides Notice to PG&E less than ten (10) days before scheduled maintenance occurs, the scheduled maintenance days shall be included in the ninety (90) day rolling period.

(g) Pressure. Producer shall deliver Gas to PG&E at each Receipt Point at a delivery pressure sufficient to enter the PG&E System ("Minimum Delivery Pressure"), but not more than the then-current MAOP of the PG&E System at the outlet of the Receipt Point less any Pressure Headroom, as determined by PG&E ("Maximum Delivery Pressure").

(i) PG&E shall provide Producer with Notice requesting an increase in Producer's Maximum Delivery Pressure not less than forty-five (45) days before PG&E is requesting that the increase become effective.

(ii) PG&E shall provide Producer with Notice requesting a decrease in Minimum Delivery Pressure not less than forty-five (45) days before PG&E is requesting that the decrease become effective.

(iii) All requested changes in Producer's Maximum Delivery Pressure and Minimum Delivery Pressure requirements resulting from a Force Majeure Event, emergency situations, safety-related pressure reductions, or as a result of pipeline integrity inspections shall be exempt from the notification timing requirements specified in Sections 6(g)(i) and 6(g)(ii).

(iv) In the event Producer cannot comply with the changes to Maximum Delivery Pressure or Minimum Delivery Pressure requirements within the notification timing requirements specified in Sections 6(g)(i) and 6(g)(ii), Producer shall provide Notice to PG&E, including the reason why it cannot comply, within ten (10) days of Producer's Receipt of PG&E's Notice. PG&E may, in its sole discretion, extend the date for complying with the requested change in the Maximum Delivery Pressure or Minimum Delivery Pressure requirements.

(h) Pulsation. Producer shall ensure that Producer's Delivery Facilities are installed and operated so that operation will not adversely affect the PG&E System or impair the accuracy of the measurement of Gas at the Receipt Point Facilities. Producer shall eliminate compressor-induced pulsation or vibration before Gas is delivered at the Receipt Point Facilities. PG&E shall not be required to take Gas if compressor-induced pulsation or vibration exists.

(i) Gas Sampling. Producer acknowledges that injection of Gas into the PG&E System requires a Gas quality assessment of a sample of the Gas from the Well or the Renewable Gas source and Producer shall request that PG&E take a sample. Producer may request that: (i) PG&E collect and analyze Gas samples from the Well according to existing standards and procedures; or (ii) utilize an independent, certified third-party laboratory to collect and analyze the sample and send the results to PG&E for review. For Renewable Gas source testing, both PG&E and Producer must utilize independent, certified third-party laboratories for constituent analysis and the results are to be shared with the other Party. PG&E has a right to observe the samples being collected. PG&E will invoice Producer for any PG&E Costs to witness,

collect, and or analyze gas sampling performed at Producer's request. Producer shall pay the invoice within thirty (30) days of receipt.

SECTION 7 **METERING AND MEASURING EQUIPMENT**

(a) **Metering.** The Receipt Point Facilities shall include PG&E's measuring equipment used in measuring deliveries from the Producer's Delivery Facilities to PG&E ("**PG&E Meter**"). Separate PG&E Meters are required for delivery of Gas from different California Production sources.

(b) **Meter Maintenance Testing.** PG&E will perform scheduled meter accuracy testing and calibration of the PG&E Meter in accordance with Good Utility Practices ("**Meter Maintenance Testing**").

(i) Metering, testing equipment, and other facilities needed to perform any tests required of PG&E shall be state-of-the-art, and meet industry standards as described in CPUC General Order No. 58A, as revised from time to time. The Meter Maintenance Testing and correction (if necessary) shall comply with the AGA Report 4A, Sample Contract Measurement Clause, Meter Facilities, and applicable CPUC requirements. PG&E will also inspect and calibrate the PG&E Meter to ensure conformance with manufacturer's stated accuracy in a field application, where such conformance does not conflict with Applicable Laws and Regulations.

(ii) PG&E shall preserve the Meter Maintenance Testing records for a period of three (3) years. Producer shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the PG&E Meter.

(iii) The Meter Maintenance Testing records from such measuring equipment shall remain the property of PG&E, but upon written request, PG&E shall make available to Producer copies of any such records and charts, together with calculations therefrom, for inspection and verification during normal business hours.

(iv) PG&E shall provide Notice to Producer prior to Meter Maintenance Testing. Except in the event of an emergency or operational necessity, such Notice shall be given to Producer at least two (2) Business Days prior to any such activity.

(v) If, as a result of any Meter Maintenance Testing, it is determined that there has been a combined meter and transmitter measurement error greater than two percent (2%) from NIST traceable secondary field standards, the Parties will adjust all prior periods back to the period where it can be mutually determined and agreed-upon that the errors commenced. If such an agreement cannot be reached, then PG&E shall estimate the Gas deliveries, and correct the reading to a zero error for the period during which the meter was in use. In all cases of meter error, period adjustments for meter error may not exceed three (3) years prior to the date on which the discovering Party provides Notice to the other Party.

(vi) During the Meter Maintenance Testing, PG&E shall confirm, where applicable, that the meter accuracy and condition is within the meter manufacturer's specifications for a field application and meets CPUC accuracy verification requirements. PG&E shall conduct such calibration and confirmation by using its NIST traceable secondary field standards.

(vii) Producer may provide a Notice to PG&E requesting a calibration test of the PG&E Meter (the "**Producer Test**"). If any Producer Test shows that the combined measurement error does not

exceed two percent (2%) of NIST traceable secondary field standards, then the cost of the Producer Test including any PG&E Costs incurred, shall be borne by Producer. PG&E Costs incurred from Producer Test will be invoiced to Producer pursuant to Section 10. In the event that any Producer Test yields a combined measurement error greater than two percent (2%) of NIST traceable secondary field standards, then the cost of the Producer Test and subsequent calibration shall be borne by PG&E.

(c) Measurement Accuracy. The accuracy of all measuring equipment used in the Receipt Point Facilities shall be verified and/or calibrated by PG&E according to Good Utility Practices and PG&E's recommended equipment maintenance schedules and using NIST traceable secondary standard equipment and transfer proving devices.

(i) Electronic transmitters and measurement equipment shall be calibrated in accordance with PG&E's applicable processes and practices, as revised from time to time. Meter measurement accuracy limits and the maintenance frequency will follow industry standard practices.

(ii) Upon Notice from the Producer, PG&E shall make available to Producer electronic measurement data that PG&E obtains related to Gas delivered to a Receipt Point.

(iii) The Parties recognize the value of implementing utilization of electronic measurement devices and shall jointly cooperate to implement the installation of such devices, and sharing the data therefrom, to provide to the extent possible, current measurement information. No particular electronic measurement or monitoring device or method of sharing of electronic data therefrom (on a real time basis or otherwise) shall be required. Each Party shall be responsible for the cost, compatibility and operation of its own measurement-related electronic systems.

SECTION 8 **CHANGE IN OPERATIONS AND SUSPENSION**

(a) Change in System Operations. PG&E does not guarantee receipt of Producer's Gas into the PG&E System. In addition to reasons for suspension described in other Sections of this Agreement, receipt of Gas may be reduced or suspended due to ongoing operations, changes in the way in which PG&E manages the operation of the PG&E System, or in accordance with PG&E's CPUC-approved tariffs. Reasons for potential reduction or suspension include, but are not limited to, the following:

(i) The MAOP of PG&E's System may be changed for operational or safety-related reasons, and the volumes of Producer's Gas that can be received at the Receipt Point may be impacted. Such pressure changes may be temporary or permanent.

(ii) Ongoing operations of the PG&E System may require suspension of deliveries at the Receipt Point due to station or pipeline maintenance or repair.

(iii) Changes in customer demand may impact PG&E's ability to receive Producer's Gas.

(iv) Pipelines may be abandoned or retired if, in the sole judgment of PG&E, the cost of repairing, maintaining, and/or operating the pipeline exceeds the value of the pipeline. At PG&E's sole discretion, if the cost of repair or maintenance, the basis for a decision to abandon or retire a pipeline, Producer will be given the option of purchasing the pipeline as needed to facilitate Producer operations. The terms and conditions of any purchase will be negotiated in good faith between the Parties.

(b) Suspension of Deliveries/Receipts.

(i) Either Party may suspend Gas deliveries or Gas receipts immediately at any time for any of the following reasons:

(A) there is any system or pipeline operation, or other action or inaction, that could impair the safety or reliability of either Party's facilities or systems, or those of PG&E customers, or could impair the deliverability of the Gas to be delivered through the Receipt Point, or would constitute a material default of this Agreement;

(B) there is no CPBA Attachment 1 in effect for a Receipt Point Exhibit;

(C) the Authorized Agent: (1) fails to comply with a provision of the CPBA; (2) becomes insolvent; or (3) fails to establish creditworthiness if requested by PG&E;

(D) any agreement required by PG&E in connection with the transportation of Gas on the PG&E System has not been executed, has been terminated, or has expired;

(E) it is necessary or desirable to test, maintain, modify, enlarge, or repair any part of the PG&E System, or related to its operation, such that suspension is necessary or advisable;

(F) such suspension is permitted by the Gas Rules or otherwise by the CPUC;

(G) during such time as Producer is in breach of this Agreement, and does not immediately cure such breach, and until PG&E has been fully compensated for all damages and cost incurred as a result of the breach;

(H) Producer fails to comply with all Applicable Laws and Regulations;

(I) the CPUC, or any other Governmental Authority materially changes, alters, or modifies this Agreement, such that a Party is deprived of its benefits anticipated herein.

(J) Producer fails to notify PG&E that the source of Producer's Renewable Gas for a Receipt Point has changed from the source described in the Receipt Point Exhibit and to follow the testing provisions described in Gas Rule No. 21; or

(K) Producer's Renewable Gas is sourced from a hazardous waste landfill.

(ii) The Party suspending deliveries or receipts will provide Notice to the other Party of such suspension and the cause, to the extent identifiable, as soon as commercially reasonable.

(iii) Resumption of service shall not proceed until authorized by PG&E.

SECTION 9
APPOINTMENT OF PHYSICAL OPERATOR

Producer may appoint an authorized and qualified representative to act for Producer as follows: (i) to give and receive Notices and requests, make and witness tests, deliver quantities of Gas hereunder; and (ii) do and receive all things as provided herein regarding the physical operation of the Producer's Delivery Facilities (the "Physical Operator"). Producer shall provide Notice to PG&E of the appointment and change

of the Physical Operator by submitting a revised Receipt Point Exhibit five (5) Business Days prior to the effective date of the change. Producer expressly agrees that PG&E may rely on all acts and Notices of the Physical Operator to the same extent as if they were performed or provided by Producer. If a Physical Operator is designated, it shall be the sole person required to be contacted by PG&E in the case of emergency. Whether or not Producer appoints a Physical Operator, for maximum protection of the PG&E System in case of operational conditions and emergencies, Producer shall provide and keep current the Operating Agent (or Pumper) contact information on each Receipt Point Exhibit for use by PG&E.

SECTION 10

INVOICING AND PAYMENT TERMS

(a) Timely Payment. All invoices will be issued pursuant to the instructions in Exhibit D and are due and payable within the time period specified in this Agreement or the date specified in the invoice, whichever is later, and will be subject to the provisions of PG&E's Gas Rules.

(b) Failure to Make Timely Payment. If Producer fails to timely pay an invoice, PG&E will have the right to suspend performance of its obligations under this Agreement or shut-in Producer's Gas until payment is received.

SECTION 11

ASSIGNMENT

(a) Requirements for Assignment Generally. This Agreement may be not be assigned by either Party without the written consent of the other Party. Consent to assignment will not be unreasonably withheld, conditioned or delayed.

(b) Assignment for Purposes of Financing. Producer shall have the right to assign this Agreement, without the consent of PG&E, for collateral security purposes to aid in providing financing for the Producer's Delivery Facilities. Producer will promptly notify PG&E of any such assignment for collateral security purposes. Any assignment for collateral purposes entered into by Producer shall require that upon any exercise of remedies by the financing party, the entity substituted for Producer shall have an equal or greater credit rating as Producer and have the legal authority and operational ability to satisfy the obligations of Producer under this Agreement.

(c) Assignment to Successor. Either Party shall have the right to assign this Agreement, without the consent of the other Party, when the assignment is to a successor, representative, or assignee which shall succeed by purchase, merger, corporate reorganization/restructuring or consolidation to all or substantially all of the assets of the assigning Party.

(d) Responsibilities for Assignee and Assignor. Assignment shall not relieve the Assignor of its obligations under this Agreement for the period before the assignment becomes effective, nor shall the non-assigning Party's obligations be enlarged, in whole or in part, by reason of the assignment. At the time the assignment becomes effective, the assignee shall become a Party to this Agreement and shall undertake all rights and responsibilities under this Agreement, including, but not limited to, the Performance Assurance requirements in Section 17.

(e) Assignment In Violation of Agreement. Any attempted assignment that violates any of the requirements of this Section 11 is void and ineffective.

SECTION 12
NOTICES

(a) Information In Notice. Where applicable, each Notice shall specify the Receipt Point Exhibit(s) to which the Notice applies.

(b) Definition and Delivery of Notice. Any notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly and duly given when delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If To Producer: [Contact Information To Be Supplied]
Mailing Address:

If To PG&E: [Contact Information To Be Supplied]
Mailing Address:

In addition to the Notice specified above notice may also be provided by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below, but must be immediately followed up by a written Notice delivered pursuant to the first paragraph of this subsection (b):

If to Producer: [Contact Information To Be Supplied]

Telephone Numbers:
Facsimile:
Email Address:

If to PG&E: [Contact Information To Be Supplied]

Telephone Numbers:
Facsimile:
Email Address:

(c) Changes. Either Party may change the Notice information in this Section 12 by giving Notice within five (5) Business Days prior to the effective date of the change.

SECTION 13
NO WARRANTY; REMEDIES; CONSEQUENTIAL DAMAGES

(a) WARRANTY DISCLAIMER. ALL INSTALLATION, INTERCONNECTION, MAINTENANCE AND OTHER SERVICES PERFORMED BY PG&E AND MATERIAL, EQUIPMENT AND FACILITIES, INCLUDING BUT NOT LIMITED TO RECEIPT POINT FACILITIES, MEASUREMENT EQUIPMENT, AND VOLUNTEERED PIPELINES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E FOR USE IN CONNECTION WITH THIS AGREEMENT, ARE PROVIDED “AS IS,” WITHOUT ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY. ALL WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED BY PG&E INCLUDING WITHOUT



LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NO WARRANTIES SHALL APPLY TO ANY SERVICES, MATERIAL, EQUIPMENT OR FACILITIES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E UNDER THIS AGREEMENT.

(b) Exclusive Remedy. In lieu of all warranties express, implied, or statutory, PG&E's sole obligation and total liability, and Producer's sole and exclusive remedy, relating to or arising out of the installation or connection of equipment or Receipt Point Facilities or Volunteered Pipeline(s), or the furnishing of equipment, material, or facilities or of any services by PG&E, shall be limited, at PG&E's option to: (i) performance of the installation or connection work or other services at PG&E's expense up to a cost equal to the amount paid by Producer for such installation or connection work, or other services, excluding any amounts paid for equipment, material or facilities or other costs; or (ii) a refund by PG&E to Producer of an amount equal to the amount paid to PG&E by Producer for said installation or connection work or other services, excluding any other costs, less any amount received by Producer as a rebate or refund of such amounts from other sources; or (iii) a refund of the amount paid by Producer to PG&E for equipment, material or facilities, as applicable, less any amount received by Producer as a rebate or refund of such amounts from other sources. Except as specifically provided for herein, PG&E shall have no obligation or liability and shall be released from any and all liability for losses, costs or damages of any kind with respect to or arising out of installation or interconnection work, or other services, equipment, material or facilities installed, connected, or in any way provided by PG&E or made available by PG&E pursuant to this Agreement, whether arising in contract, tort (including negligence), strict liability, warranty, or otherwise.

(c) CONSEQUENTIAL DAMAGES. OTHER THAN AS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.

SECTION 14 **INDEMNITY**

Producer shall be solely responsible for and shall release, indemnify, defend and hold harmless PG&E, and PG&E's parent and affiliates including their officers, directors, agents, contractors, and employees thereof against losses, costs and expenses (including in-house and outside attorneys' fees), claims, enforcement actions, judgments, suits or other obligations or liabilities, resulting from or arising out of or in any way connected with (a) physical injury to property or person, (b) construction work performed by Producer or Producer's contractors, (c) Producer's Gas from California Production, or (d) a violation of a local, state or federal common law, statute or representation, arising from the Producer's performance or nonperformance of its obligations under this Agreement; excepting only such loss, cost, expense, claim, enforcement action, judgment, suit, or other obligation or liability which arises in whole or in part from the sole negligence or willful misconduct of PG&E.

SECTION 15 **DISPUTE RESOLUTION**

(a) Intent of the Parties. Except as provided in the next sentence, the sole procedure to resolve any claim arising out of or relating to this Agreement or any related agreement is the dispute resolution procedure set forth in this Section. Either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case both Parties nonetheless will continue to pursue resolution of the dispute by means of this procedure.

(b) Management Negotiations.

(i) The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement or any related agreements by prompt negotiations between each Party's Authorized Representative, or such other person designated in writing as a representative of the Party (each a "Manager"). Either Manager may request a meeting (in person or telephonically) to initiate negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place. If the matter is not resolved within fifteen (15) Business Days of their first meeting ("Initial Negotiation End Date"), the Managers shall refer the matter to the designated senior officers of their respective companies ("Executive(s)"), who shall have authority to settle the dispute. Within ten (10) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another Notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(ii) Within ten (10) Business Days of the Referral Date the Executives shall establish a mutually acceptable location and date, which date shall not be greater than thirty (30) days from the Referral Date, to meet. After the initial meeting date, the Executives shall meet as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

(iii) All communication and writing exchanged between the Parties in connection with these negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.

(iv) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the written request to meet, pursuant to subpart (ii) above, refuses or does not meet within the thirty (30) day period specified in subpart (ii) above, either Party may initiate mediation of the controversy or claim according to the terms of the following Section 15(c).

(c) Mediation. If the dispute cannot be so resolved by negotiation as set forth in Section 15(b) above, it shall be resolved at the request of any Party through a two-step dispute resolution process administered by JAMS. As the first step, the Parties agree to mediate any controversy before a mediator from the JAMS panel, pursuant to JAMS's commercial mediation rules, in San Francisco, California. Either Party may begin mediation by serving a written demand for mediation subject to the Notice provisions. The mediator shall not have the authority to require, and neither Party may be compelled to engage in, any form of discovery prior to or in connection with the mediation. If within sixty (60) days after service of a written demand for mediation, the mediation does not result in resolution of the dispute, then the controversy shall be settled by arbitration conducted by a retired judge or justice from the JAMS panel conducted in San Francisco, California, administered by and in accordance with JAMS's Commercial Arbitration Rules ("Arbitration"). The period commencing from the date of the written demand for mediation until the appointment of a mediator shall be included within the sixty (60) day mediation period.



Any mediator(s) and arbitrator(s) shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field of the dispute. Either Party may initiate Arbitration by filing with the JAMS a notice of intent to arbitrate within sixty (60) days of service of the written demand for mediation.

(d) Arbitration. At the request of a Party, the arbitrator shall have the discretion to order depositions of witnesses to the extent the arbitrator deems such discovery relevant and appropriate. Depositions shall be limited to a maximum of three (3) per Party and shall be held within thirty (30) days of the making of a request. Additional depositions may be scheduled only with the permission of the arbitrator, and for good cause shown. Each deposition shall be limited to a maximum of six (6) hours duration unless otherwise permitted by the arbitrator for good cause shown. All objections are reserved for the Arbitration hearing except for objections based on privilege and proprietary and confidential information. The arbitrator shall also have discretion to order the Parties to exchange relevant documents. The arbitrator shall also have discretion to order the Parties to answer interrogatories, upon good cause shown.

(i) Each of the Parties shall submit to the arbitrator, in accordance with a schedule set by the arbitrator, offers in the form of the award it considers the arbitrator should make. If the arbitrator requires the Parties to submit more than one such offer, the arbitrator shall designate a deadline by which time the Parties shall submit their last and best offer. In such proceedings, the arbitrator shall be limited to awarding only one of the two “last and best” offers submitted, and shall not determine an alternative or compromise remedy.

(ii) The arbitrator shall have no authority to award punitive or exemplary damages or any other damages other than direct and actual damages and the other remedies contemplated by this Agreement.

(iii) The arbitrator’s award shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand) and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the arbitrator, if necessary. The California Superior Court of the City and County of San Francisco may enter judgment upon any award rendered by the arbitrator. The Parties are aware of the decision in *Advanced Micro Devices, Inc. v. Intel Corp.*, 9 Cal. 4th 362 (1994), and, except as modified by this Agreement, intend to limit the power of the arbitrator to that of a Superior Court judge enforcing California Law. The prevailing Party in this dispute resolution process is entitled to recover its costs and reasonable attorneys’ fees.

(iv) The arbitrator shall have the authority to grant dispositive motions prior to the commencement of or following the completion of discovery if the arbitrator concludes that there is no material issue of fact pending before him.

(v) Except as may be required by Law, neither a Party nor an arbitrator may disclose the existence, content, or results of any Arbitration hereunder without the prior written consent of both Parties.

SECTION 16 **TERMINATION**

(a) Termination.

(i) Termination of Agreement. The Agreement may be terminated under any of the following conditions. Termination of the Agreement shall automatically terminate all Receipt Point Exhibits.

(A) Producer may terminate this Agreement for any reason by providing Notice sixty (60) days prior to the end of the then-current term of such Agreement. Such termination will take effect at the end of the term unless otherwise agreed to by the Parties.

(B) PG&E may terminate this Agreement at any time after the initial 20-year term by providing Notice sixty (60) days prior to the end of the then-current term, such termination to take effect at the end of the term unless otherwise agreed by the Parties.

(C) Either Party may terminate this Agreement if any Applicable Laws and Regulations relating to that Party's obligations under this Agreement, enacted or issued after the Effective Date, materially affects that Party's performance under this Agreement in a manner which is unacceptable to that Party, in its sole discretion.

(D) PG&E may, at its sole discretion, terminate this Agreement if Producer fails to make substantial progress on the construction of the initial Receipt Point Facilities included in this Agreement, if Producer elects at its option to construct and install such Receipt Point Facilities.

(E) PG&E may terminate this Agreement if Producer fails to meet PG&E's Performance Assurance requirements specified in Section 17.

(F) PG&E may terminate this Agreement if Producer becomes financially insolvent or has failed to make any payment(s) required under this Agreement in the timing required in the Agreement.

(G) PG&E may terminate this Agreement if all of the PG&E System assets are sold.

(H) PG&E may terminate this Agreement if PG&E determines, in its sole discretion, that its eligibility status under the Hinshaw Exemption as described in Section 1(c) may be adversely affected by its performance under this Agreement.

(I) Either Party may terminate this Agreement if the CPUC or FERC at any time asserts: (1) that Producer, or Producer's principal if Producer is an agent, is a public utility or subject to regulation by such regulatory body; or (2) that such regulatory body may prevent either Party from complying with this Agreement.

(J) PG&E may terminate this Agreement if Producer has made a material misrepresentation concerning any of the provisions in this Agreement and the Exhibits including, but not limited to, the representations in Exhibits B or C.

(K) PG&E may terminate this Agreement if Producer fails to comply with any of the quality, operational, and Gas delivery requirements in this Agreement including, but not limited to, the Gas quality and delivery requirements in Sections 6(c), (g), and (h).

(L) PG&E may terminate this Agreement if Producer fails to comply with any of the Gas flow requirements in Sections 6(d), (e), and (f).

(M) This Agreement shall terminate immediately when the last remaining Receipt Point Exhibit has been terminated.

(N) Either Party may terminate this Agreement:

(1) in the case of a single Receipt Point Exhibit, in the event the Receipt Point Facilities are not Released to Operations within two (2) years of the Receipt Point Exhibit Effective Date.

(2) in the event that any of the conditions in Section 3(a) have not been satisfied or waived by the Parties by the time specified therein.

(ii) Termination of Receipt Point Exhibits. A Receipt Point Exhibit may be terminated under any of the following conditions:

(A) Producer may terminate any Receipt Point Exhibit for any reason by providing Notice sixty (60) days prior to the end of the then-current term of such Receipt Point Exhibit. Such termination will take effect at the end of the term unless otherwise agreed to by the Parties.

(B) By either Party if suspension of Gas deliveries or receipts as described in Sections 6, 7, or 8 continues for a period of six (6) months without either resolution of the underlying situation, or a mutually agreed upon written plan of resolution.

(C) If permitted by the Gas Rules or otherwise by the CPUC.

(D) If the portion of the PG&E System, to which the Producer's Delivery Facilities for the specific Receipt Point are connected, is sold, retired, abandoned, or deactivated by PG&E, or is otherwise permanently removed from service.

(E) If Producer has been delivering Gas to a Receipt Point through a Volunteered Pipeline(s) and/or Gas Gathering Pipeline Facilities, PG&E shall have the right to terminate the Receipt Point Exhibit if the Producer does not agree to pay for repairs, upgrades, modifications or replacements under Section 4(d)(iii), unless a mutually acceptable arrangement for the delivery of Producer's Gas into the PG&E System has been made prior to such termination.

(F) If a CPBA Attachment 1 for the Receipt Point is not executed prior to the Release to Operations of the Receipt Point.

(b) Cure Period For Certain Termination Events. PG&E shall provide Notice to Producer if PG&E elects to terminate this Agreement and/or a Receipt Point Exhibit under Sections 16(a)(i)(C) through (I), 16(a)(i)(L) through (N), and 16(a)(ii)(B) through (C) and (F). Within fifteen (15) days of receipt of the Notice, the Parties shall discuss in good faith whether or not this Agreement can be restructured on a

mutually satisfactory basis under the circumstances to address the basis for termination. In the event the Parties are unable to agree on such a restructuring within forty-five (45) days after the first meeting on such matter, this Agreement may either (i) be extended up to an additional ninety (90) days thereafter by mutual consent obtained on or before such forty-fifth (45th) day, or (ii) be terminated if any Party, within fifteen (15) days thereafter, gives ten (10) days prior Notice.

(c) Post-Termination.

(i) Upon termination of a Receipt Point Exhibit, PG&E shall have the right to disconnect the Receipt Point Facilities from Producer's Delivery Facilities.

(ii) Termination of this Agreement shall not release either Party from its obligation to make payments or compensate the other Party for damages or costs, if any are due or have been incurred, or for amounts accrued or then due and owing, or for any amounts required or owed under this Agreement.

(iii) Notwithstanding termination of this Agreement, the rights and obligations under Sections 4(e), 10, 13, 14, and 15 shall survive.

SECTION 17
PERFORMANCE ASSURANCE

(a) Performance Assurance Requirement. Producer agrees to deliver to PG&E Performance Assurance in the form of a cash deposit or Letter of Credit to PG&E to secure its obligations under this Agreement in an amount equivalent to one million dollars (\$1,000,000.00) per Receipt Point. The Performance Assurance must be delivered to PG&E within five (5) Business Days following the Release to Operations of each Receipt Point.

(b) Payment and Transfer of Interest. PG&E shall pay interest on cash held as Performance Assurance, at the Interest Rate and on the Interest Payment Date. PG&E will transfer to Producer all accrued Interest Amount on the unused cash Performance Assurance using the payment instructions in Exhibit D.

(c) Return of Performance Assurance. PG&E shall return the unused portion of Performance Assurance including the payment of any Interest Amount due thereon pursuant to Section 17(b) above, to Producer promptly after the following has occurred: (i) this Agreement has terminated; and (ii) all payment obligations of the Producer arising under this Agreement, including the final Receipt Point Facilities Termination Charge, indemnification payments, or other damages are paid in full.

(d) Letter of Credit. Performance Assurance provided in the form of a Letter of Credit is subject to the following provisions:

(i) If Producer has provided a Letter of Credit pursuant to any of the applicable provisions in this Section 17, then Producer shall renew or cause the renewal of each outstanding Letter of Credit on a timely basis.

(ii) In the event the issuer of such Letter of Credit at any time fails to maintain the requirements of an Eligible LC Bank or Letter of Credit; indicates its intent not to renew such Letter of Credit; or fails to honor PG&E's properly documented request to draw on such Letter of Credit, then Producer shall cure such occurrence in an amount equal to the outstanding Letter of Credit by completing

within five (5) Business Days after the date of PG&E's Notice to Producer of an occurrence listed in this subsection either:

(A) providing a substitute Letter of Credit that is issued by an Eligible LC Bank, other than the bank which is the subject of PG&E's Notice to Producer; or

(B) posting cash.

(iii) If Producer fails to cure as provided in Section 17(d)(ii) or if such Letter of Credit expires or terminates without a full draw thereon by PG&E, or fails or ceases to be in full force and effect at any time that such Letter of Credit is required pursuant to the terms of this Agreement, then Producer shall have failed to meet the requirements of this Section 17.

(e) Cost. In all cases, the reasonable costs and expenses of establishing, renewing, substituting, canceling, increasing, reducing, or otherwise administering the Letter of Credit shall be borne by Producer.

SECTION 18

ADDITIONAL PROVISIONS

(a) Governing Law, Regulatory Authority, and Rules. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of California, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

(b) Interpretation. The following rules of interpretation shall apply:

(i) Unless otherwise specified herein, all references to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then existing at the applicable time to which such construction applies.

(ii) Capitalized terms used in this Agreement, including the appendices hereto, shall have the meaning set forth in Section 2, unless otherwise specified.

(iii) Any reference in this Agreement to any natural person, Governmental Authority, corporation, partnership or other legal entity includes its permitted successors and assigns or any natural person, Governmental Authority, corporation, partnership or other legal entity succeeding to its function.

(iv) All references to dollars are to U.S. dollars.

(v) The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation.

(c) Amendment. No amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties.

(d) No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

(e) Waiver.

(i) The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

(ii) Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement.

(iii) Termination of this Agreement for any reason by Producer shall not constitute a waiver of Producer's legal rights to obtain an interconnection from PG&E.

(iv) If any waiver of this Agreement is requested, such request shall be provided in writing.

(f) Entire Agreement. This Agreement, including all Exhibits, and any incorporated tariffs or Gas Rules, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement. This Agreement and each Receipt Point Exhibit shall be binding on each Party's successors and permitted assigns.

(g) Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

(h) No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

(i) Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority: (i) such portion or provision shall be deemed separate and independent; (ii) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling; and (iii) the remainder of this Agreement shall remain in full force and effect.

(j) Governmental Authority. This Agreement shall be subject to all Applicable Laws and Regulations. The Parties agree to abide by the applicable sections of PG&E's Gas Rules and tariffs, as revised from time to time. If at any time, the CPUC or any branch thereof, issues a finding or opinion, formal or informal, that this Agreement is inconsistent with CPUC rules, regulations, decisions, or policy, then this Agreement shall be amended to eliminate any inconsistency. This Agreement shall at all times be

subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.

(k) Force Majeure. Neither PG&E nor Producer shall be considered in default in the performance of its obligations under this Agreement, except obligations to make payments hereunder, to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected Party (“Force Majeure Event”). A Force Majeure Event shall include, but not be limited to, acts of God, a public enemy, or a Governmental Authority, strikes, lockouts, riots, rebellions, washouts, earthquakes, wildfires, floods, storms, extreme weather conditions, freezing of lines, or any cause or causes of whatsoever nature (whether like or unlike those herein enumerated) beyond the reasonable control of either Party. In the event either Party claims that performance of its obligations was prevented or delayed by Force Majeure, that Party shall promptly provide Notice to the other Party of the circumstances preventing or delaying performance. Such Party so claiming a cause-delayed performance shall endeavor, to the extent reasonable, to promptly remove the obstacles which preclude performance within a reasonable period of time.

(l) Execution of Documents. Each Party shall do all necessary acts and make, execute, and deliver such written instruments as shall from time to time be reasonably necessary to carry out the terms of this Agreement.

(m) Monitoring, Testing, Reporting and Recordkeeping Requirements. Each Party will comply with all federal, state and local reporting requirements and shall adhere to all monitoring, testing, reporting and recordkeeping requirements issued pursuant to but not limited to CPUC decisions, rules, and General Orders, California Statutes and Health and Safety Codes.

(n) Definition of Days. For purposes of this Agreement, the term “days” shall refer to calendar days unless otherwise noted as Business Days.



Contract No.: _____

IN WITNESS WHEREOF, the Parties hereto have caused this California Production Interconnection and Operating Agreement to be duly executed by their authorized representatives as of the last date below.

Pacific Gas and Electric Company

[Producer Name Here]

Signature

Signature

Print Name

Print Name

Title

Title

Date

Date



EXHIBIT A
RECEIPT POINT EXHIBIT A-[x]
[METER NUMBER] – [METER NAME]

This Exhibit A is issued under and pursuant to, and incorporated by reference into, the California Production Interconnection and Operating Agreement dated *[insert latest signature date of agreement]* between Pacific Gas and Electric Company ("PG&E") and *[insert Producer name]* ("Producer") (the "Agreement"). Capitalized terms not defined herein shall have the meanings set forth in the Agreement. Pursuant to the terms of Sections 1(f) and 2 (at definition of Receipt Point Exhibit) of the Agreement, this Exhibit A-[x] adds (a) a Gas Well(s) to existing or new Receipt Point Facilities or (b) a Renewable Gas source through existing Receipt Point Facilities or is amended to remove a Gas Well or Renewable Gas source from existing Receipt Point Facilities.

Effective Date: This Exhibit A-[x] shall be effective as of the latest signature date below.

Gas Well <i>[Producer to Complete]</i>						
Name	County	API #	Section	Range	Township	Quadrant
Estimated flow rate (Mcf/day)						
Requested Interconnect Capacity (Mcf/day)						
Estimated heating value (Btu/scf)						

If adding a Renewable Gas source to existing Receipt Point Facilities, select source type at right	<input type="checkbox"/> Waste water treatment plant <input type="checkbox"/> Synthetic Gas <input type="checkbox"/> Dairy farm <input type="checkbox"/> Forest waste <input type="checkbox"/> Non-hazardous landfill <input type="checkbox"/> Food waste <input type="checkbox"/> Agricultural waste <input type="checkbox"/> Other _____
Renewable Gas source project name: _____ _____	Physical Address: _____ _____ _____

Receipt Point Facilities [PG&E To Complete]	
PG&E Receipt Point Facilities	Including, but not limited to metering, gas quality monitoring and testing equipment, piping, valving, overpressure protection, odorization, pipeline taps, power, structures, SCADA, communications, real property, and all other property, material, and equipment.
PG&E Receiving Pipeline	Line Number: Mile Point:
Release to Operations Date	

Contact Information for Appointed Physical Operator [Producer to Complete]	
Name: _____ Company: _____	Mailing Address: _____ _____
Phone: _____ Mobile: _____ Fax: _____ Email: _____	Physical Address (if different): _____ _____

Contact Information for Operating Agent (Pumper) Producer to Complete <i>[Complete whether or not a Physical Operator has been appointed under this Agreement.]</i>	
Name: _____ Company: _____	Mailing Address: _____
Phone: _____ Mobile: _____ Fax: _____ Email: _____	Physical Address (if different): _____

EXECUTED BY: [PRODUCER NAME]

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXECUTED BY: PACIFIC GAS AND ELECTRIC COMPANY

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT B

PRODUCER AND APPOINTED PHYSICAL OPERATOR DECLARATION

[PRODUCER NAME] (“Producer”) and **[PHYSICAL OPERATOR NAME]**, its Appointed Physical Operator (“Physical Operator”), if applicable, hereby declare that they have title to and are fully authorized to transport all Gas that flows onto the PG&E System from the Well(s) and/or Renewable Gas source(s) referenced in the Receipt Point Exhibit(s) included in this Agreement and to appoint an Authorized Agent by executing a CPBA Attachment 1.

This declaration is effective as of the latest signature date below.

PG&E may rely on this declaration, and Producer and its Physical Operator warrant that they will indemnify and hold PG&E harmless from and against any and all claims related to their declaration of title and authority to transport Gas onto the PG&E System.

[PRODUCER NAME]:

Signature: _____

Print Name: _____

Title: _____

Date: _____

[PHYSICAL OPERATOR NAME]:

Signature: _____

Print Name: _____

Title: _____

Company: _____

Date: _____

EXHIBIT C**CALIFORNIA BIOMETHANE PRODUCER CERTIFICATION
THAT GAS INJECTED INTO THE PG&E SYSTEM IS NOT FROM A HAZARDOUS SOURCE**

Producer hereby certifies:

1) Gas injected pursuant to the California Production Interconnection and Operating Agreement dated *[insert latest signature date of agreement]* between Pacific Gas and Electric Company (“PG&E”) and *[insert Producer name]* (“Producer”) is not collected from a Hazardous Waste Facility, as that term is defined in Section 25117.1 of the California Health and Safety Code, as may be amended from time to time.

2) that Producer is in compliance with the following Health and Safety Code Sections 25421(g)(1) and (2), as they may be amended from time to time; the actual language of the Code sections takes precedence over language written below:

“(1) A person shall not knowingly sell, supply, or transport, or knowingly cause to be sold, supplied, or transported, biogas collected from a hazardous waste landfill to a gas corporation through a common carrier pipeline.”

“(2) A gas corporation shall not knowingly purchase gas collected from a hazardous waste landfill through a common carrier pipeline.”

[PRODUCER NAME]:

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT D

INVOICING AND PAYMENT INSTRUCTIONS

(Changes to any of the following information may be made by either Party by giving five (5) Business Day's written notice prior to the effective date of the change.)

Payments to PG&E by Wire: (Please include invoice number on the wire to facilitate reconciliation of the payment)	
Business Name	Information To Be Supplied
Mailing Address	Information To Be Supplied
ABA Routing Number	Information To Be Supplied
Account Name	Information To Be Supplied
Account Number	Information To Be Supplied

Payments to PG&E by Check: (Please include invoice number on the check to facilitate reconciliation of the payment)	
Business Name	Information To Be Supplied
Mailing Address	Information To Be Supplied

Payments to Producer:	
Business Name	Information To Be Supplied
Attention	Information To Be Supplied
Mailing Address	Information To Be Supplied

Invoices to Producer:	
Business Name	Information To Be Supplied
Attention	Information To Be Supplied
Mailing Address	Information To Be Supplied

EXHIBIT E**FORM OF LETTER OF CREDIT***Issuing Bank Letterhead and Address*

STANDBY LETTER OF CREDIT NO. XXXXXXXX

Date: [insert issue date]**Beneficiary:** Pacific Gas and Electric Company
[Street Address]
[City, State Zip Code]**Applicant:** [Applicant Name]
[Street Address]
[City, State Zip Code]**Letter of Credit Amount:****Expiry Date:** [insert date that is one (1) year from offer date]

Ladies and Gentlemen:

By order of **[Insert name of Applicant]** (“Applicant”), we hereby issue in favor of Pacific Gas and Electric Company (the “Beneficiary”) our irrevocable standby letter of credit No. **[Insert number of letter of credit]** (“Letter of Credit”), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. \$ **[Insert amount in figures followed by (amount in words)]** (“Letter of Credit Amount”). This Letter of Credit is available with **[Insert name of issuing or paying bank, and the city and state in which it is located]** by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on **[Insert expiry date]** (the “Expiry Date”).

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents:

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. **[Insert the letter of credit number]** and stating the amount of the demand; and
2. One of the following statements signed by an authorized representative or officer of Beneficiary:
 - A. “The amount of the accompanying sight draft under Letter of Credit No. **[Insert the letter of credit number]** (the “Draft Amount”) is owed to Pacific Gas and Electric Company (“PG&E”) by **[Insert the name of the legal entity entering into a CPIOA]** (“Producer”) or its assignee, pursuant to the California Production Interconnection and Operating Agreement (“CPIOA”) between Producer and PG&E dated **[Insert the date of the CPIOA]**, which entitles PG&E to draw the Draft Amount under Letter of Credit No. **[Insert the letter of credit number]**.” or
 - B. “**[Insert the name of the legal entity entering into a CPIOA]** (“Producer”) has failed to perform one or more obligations or requirements under the California Production Interconnection and Operating Agreement (“CPIOA”) between Producer and Pacific Gas and Electric Company (“PG&E”) dated **[Insert the date of the CPIOA]**, therefore PG&E is drawing under Letter of Credit No. **[Insert the letter of credit number]** the amount of the accompanying sight draft owed to PG&E.” or

C. "Letter of Credit No. **[Insert number]** will expire in thirty (30) days or earlier and **[Insert name of the legal entity entering into a CPIOA]**, or its assignee, has not provided replacement security acceptable to Pacific Gas and Electric Company."

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;
2. All banking charges associated with this Letter of Credit are for the account of the Applicant;
3. This Letter of Credit is not transferable;
4. A drawing for an amount greater than the Letter of Credit Amount is allowed, however, payment shall not exceed the Letter of Credit Amount; and
5. The Expiry Date of this Letter of Credit shall be automatically extended (without a written amendment hereto) for a period of one (1) year from the Expiry Date, and from any future Expiry Date, unless the Beneficiary has received a notice from the issuing bank, sent by registered mail or courier service, no later than sixty (60) calendar days prior to the then current Expiry Date, stating that the Expiry Date will not be extended for such an additional period.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at **[Insert the bank's address for drawings]**.

All demands for payment shall be made by presentation of originals or copies of documents; or by facsimile transmission of documents to **[Insert fax number]**, Attention: **Insert name of bank's receiving department]**, with originals or copies of documents to follow by overnight mail. If presentation is made by facsimile transmission, you may contact us at **Insert phone number]** to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the third (3rd) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the *Uniform Customs and Practice for Documentary Credits, 2007 Revision*, International Chamber of Commerce (ICC) Publication No. 600 (the "UCP 600"); provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit, if presented within thirty (30) days after the resumption of our business, and will effect payment accordingly.

The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at **[Insert number and any other necessary details]**.

Very truly yours,

[insert name of issuing bank]

By: _____
Authorized Signature

Name: _____ **[print or type name]**

Title: _____

Exhibit A

SIGHT DRAFT

TO
[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: \$ _____ DATE: _____

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC COMPANY THE AMOUNT OF U.S.\$ _____ (U.S. DOLLARS)

DRAWN UNDER [INSERT NAME OF ISSUING BANK] LETTER OF CREDIT NO. XXXXXX.

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER

BY:

NAME AND TITLE

Advice 3950-G-A
April 18, 2018

Attachment 2

Redline Version of Revised Pro Forma California
Production Interconnection and Operating Agreement



Contract No.: _____

**CALIFORNIA PRODUCTION
INTERCONNECTION AND OPERATING
AGREEMENT**

BETWEEN

**PACIFIC GAS AND ELECTRIC COMPANY
AND**

[PRODUCER NAME]

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CALIFORNIA PRODUCTION INTERCONNECTION AND OPERATING AGREEMENT

This CALIFORNIA PRODUCTION INTERCONNECTION AND OPERATING AGREEMENT (“Agreement”), effective as of the latest signature date in the signature block (“Effective Date”), is by and between [PRODUCER NAME] (“Producer”), a [STATE, ENTITY TYPE], and PACIFIC GAS AND ELECTRIC COMPANY (“PG&E”), a California corporation. Producer and PG&E may also be referred to individually as a “Party” and jointly as the “Parties.”

RECITALS

A. Producer owns or otherwise controls, or may hereafter own or otherwise control, Gas from California Production, which is or will be capable of being physically delivered to a Receipt Point on the PG&E System within the State of California.

B. The Parties desire to provide for the delivery by Producer, and the receipt by PG&E, of Producer’s Gas at a Receipt Point.

C. Producer hereby warrants that it can demonstrate that it has the right to deliver, or appoint an operator to transport, Producer’s Gas that flows onto the PG&E System and has an Authorized Agent who can transfer good title to such Gas being delivered and to nominate all Gas to be delivered at the Receipt Point(s) and that such right is free and clear of all liens and adverse claims of any kind.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth below, PG&E and Producer agree as follows:

SECTION 1 SCOPE OF AGREEMENT AND TERM

(a) Scope. This Agreement sets forth the terms and conditions under which PG&E will accept Gas from Producer’s Delivery Facilities into the PG&E System at a Receipt Point, including the design, construction, installation, and operation of Receipt Point Facilities.

(b) Transportation. This Agreement does not provide for, or address in any way, any right of Producer to receive transportation services on the PG&E System. PG&E provides transportation services pursuant to applicable rules, schedules, tariffs, and agreements.

(c) Hinshaw Exemption. PG&E is exempt from FERC jurisdiction under the Hinshaw Exemption in the Natural Gas Act (15 U.S.C. §717(c)). PG&E shall not be required to take any action under this Agreement, including without limitation to enter into any contracts with third parties delivering Gas from Producer’s Delivery Facilities to the PG&E System, which for any reason jeopardizes or in PG&E’s sole opinion could reasonably raise a question regarding PG&E’s retention of its Hinshaw Exemption. PG&E shall notify Producer in a timely manner should PG&E become aware that any action under this Agreement jeopardizes its Hinshaw Exemption. PG&E shall make a good faith effort to allow Producer an opportunity to take such actions as are necessary to assist PG&E in addressing any Hinshaw Exemption issues. The cost of mitigating any actual or potential impact on PG&E’s Hinshaw Exemption, related to this Agreement, shall be borne by Producer.



(d) Term of Agreement. This Agreement is effective on the Effective Date and shall remain in effect for a primary term of ~~fifteen~~twenty (~~15~~20) years unless terminated earlier as provided in Section 16(a)(i). After the initial ~~fifteen~~twenty (~~15~~20) year term, the Agreement shall automatically continue without the need for any additional documentation in one (1) year terms thereafter unless terminated earlier as provided in Section 16(a)(i).

(e) Term of Receipt Point Exhibit. Each Receipt Point Exhibit is effective from the Receipt Point Exhibit Effective Date and shall remain in effect for a term of ~~fifteen~~twenty (~~15~~20) years unless terminated earlier as provided in Section 16(a)(ii). After the initial ~~fifteen~~twenty (~~15~~20) year term of the Agreement, the Receipt Point Exhibit shall automatically continue in one (1) year terms thereafter, without the need for any additional documentation, unless terminated earlier as provided in Section 16(a)(ii).

(f) Receipt Points.

(i) Initially, the Agreement shall include at least one Receipt Point and corresponding Receipt Point Exhibit.

(ii) The Parties shall execute a separate Receipt Point Exhibit for each additional Receipt Point that is added to the Agreement. Each separate Receipt Point shall be incorporated into the Agreement and shall be designated by its own numbered Receipt Point Exhibit. The Receipt Point Exhibit shall be in the form of Exhibit A hereto.

(iii) The transfer of any existing Receipt Point from another agreement into this Agreement will require the execution of a Receipt Point Exhibit associated with and incorporated into this Agreement.

(iv) To remove a Receipt Point, the Receipt Point Exhibit for that Receipt Point must be terminated as provided in Section 16(a)(ii).

SECTION 2 **DEFINITIONS**

For purposes of this Agreement, the following terms when used herein shall have the meaning set forth below. Any capitalized term that is used, but not defined, in this Agreement, and which is defined in PG&E's Gas Rules, shall have the meaning given in the PG&E Gas Rules. In the event of a conflict between any definition in this Agreement and a similar definition described in PG&E's Gas Rules, the definition in PG&E's Gas Rules shall be used.

“AGA” means American Gas Association.

“Applicable Laws and Regulations” means all duly promulgated applicable federal, state, and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, judicial or administrative orders, permits, tariffs and schedules, and other duly authorized actions of any Governmental Authority, as may be amended from time to time, that are applicable to, impact, or affect this Agreement.

“Arbitration” has the meaning set forth in Section 15(d).

“Authorized Agent” means Producer's exclusive agent appointed pursuant to a CPBA Attachment 1 to represent and act on behalf of the Producer for the purpose of (a) nominating volumes of



Gas supplied to the Receipt Point for transportation by PG&E and balancing those nominations, and (b) allocating, prorating and handling administrative matters concerning the Gas to be delivered at a Receipt Point designated on a Receipt Point Exhibit.

“Biomethane Production Facility” means a facility used to convert Biogas into Biomethane, as those terms are defined in Gas Rule No. 1.

“British Thermal Unit or Btu” has the meaning set forth in Gas Rule No. 1.

“Business Day” means a calendar day except for Saturdays, Sundays, and weekdays when the CPUC’s offices are closed, due either to a State holiday or an unscheduled closure (e.g., an emergency or natural disaster), and shall be between the hours of 8:00 a.m. and 5:00 p.m. (Pacific Standard Time).

“California Production” has the meaning set forth in Gas Rule No. 1.

“CPBA” means the California Production Balancing Agreement (PG&E Gas Sample Form No. 79-944) which establishes the terms and conditions for the resolution of imbalances on the PG&E System caused by volumes of Gas, delivered into the PG&E System from California Production, which volumes exceed or are insufficient to match the nominations made for the deliveries into the PG&E System.

“CPBA Attachment 1” means Attachment 1, “Appointment of Authorized Agent” to a California Production Balancing Agreement, in which an Authorized Agent is named.

“CPUC” means the Public Utilities Commission of the State of California, including any successor regulatory body.

“Design Estimate” has the meaning set forth in Section 4(c)(iii).

“Design/Construct Estimate” has the meaning set forth in Section 4(c)(iii).

“Effective Date” has the meaning set forth in the first paragraph of this Agreement.

“Eligible LC Bank” means either a U.S. commercial bank, or a foreign bank issuing a Letter of Credit through its U.S. branch; and in each case the issuing U.S. commercial bank or foreign bank must be acceptable to PG&E in its sole discretion and such bank must have a Credit Rating of at least: (a) “A-, with a stable designation” from S&P and “A3, with a stable designation” from Moody’s, if such bank is rated by both S&P and Moody’s; or (b) “A-, with a stable designation” from S&P or “A3, with a stable designation” from Moody’s, if such bank is rated by either S&P or Moody’s, but not both, even if such bank was rated by both S&P and Moody’s as of the date of issuance of the Letter of Credit but ceases to be rated by either, but not both of those ratings agencies.

“Executive” has the meaning set forth in Section 15(b)(i).

“FERC” means the Federal Energy Regulatory Commission, including any successor regulatory body.

“Force Majeure Event” has the meaning set forth in Section 18(k).

“Gas” has the meaning set forth in Gas Rule No. 1.



“Gas Gathering Pipeline Facilities” means PG&E pipeline facilities, entering or exiting a Receipt Point Facility, including Volunteered Pipelines, that are dedicated to the sole use of transporting Producer’s Gas to market. Gas Gathering Pipeline Facilities include, but are not limited to, pipeline, fittings, valves, taps, associated appurtenances, cathodic protection equipment, land rights, and SCADA.

“Gas Rules” means any numbered gas rule filed as a tariff and approved by the CPUC for PG&E, as such Gas Rules may be revised, amended, restated or reissued from time to time. Gas Rules shall include any applicable tariffs and terms defined in the Gas Rules or tariffs. The Gas Rules are available at www.pge.com/tariffs.

“Good Utility Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the gas industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with accepted industry practice, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

“Governmental Authority” (or “Governmental Authorities”) means any federal, state, local, or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over either or both of the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Producer.

“Hazardous Waste” means waste material or conditions, and includes, but is not limited to, the definition of hazardous waste set forth in the California Health and Safety Code, Section 25117, as may be revised from time to time.

“Initial Negotiation End Date” has the meaning set forth in Section 15(b)(i).

“Interconnect Capacity” means the metering, testing, and other daily design capacity of the Receipt Point Facilities. The Interconnect Capacity is not the same as the capacity of the PG&E System to transport Gas away from the Receipt Point and is not, nor is it intended to be, any commitment by PG&E of takeaway capacity. The requested Interconnect Capacity shall be set forth on the applicable Receipt Point Exhibit.

“Interest Amount” means, with respect to an Interest Period, the amount of interest calculated as follows: (a) the sum of (i) the principal amount of Performance Assurance in the form of cash held by PG&E during that Interest Period, and (ii) the sum of all accrued and unpaid Interest Amounts accumulated prior to such Interest Period; (b) multiplied by the Interest Rate in effect for that Interest Period; (c) multiplied by the number of days in that Interest Period; (d) divided by 360.

“Interest Payment Date” means the date of returning unused Performance Assurance held in the form of cash.

“Interest Period” means the monthly period beginning on the first day of each month and ending on the last day of each month.

“Interest Rate” means the rate per annum equal to the “Monthly” Federal Funds Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication.

“ITCC” means the Income Tax Component of Contribution as described in PG&E’s Gas Preliminary Statement Part P, Income Tax Component of Contributions Provision, as may be revised from time to time.

“JAMS” shall mean the Judicial Arbitration and Mediation Service, or other similar dispute resolution provider.

“Letter of Credit” means an irrevocable, non-transferable standby letter of credit, the form of which must be substantially as contained in Exhibit E to this Agreement; provided that if the issuer is a U.S. branch of a foreign commercial bank, PG&E may require changes to such form; and the issuer must be an Eligible LC Bank on the date of issuance.

“Manager” has the meaning set forth in Section 15(b)(i).

“MAOP” means the maximum allowable operating pressure established by PG&E for any portion of or facilities associated with the PG&E System.

“Maximum Delivery Pressure” has the meaning set forth in Section 6(g).

“Mcf” and “Mcf/d” means one thousand standard cubic feet of Gas and one thousand standard cubic feet of Gas per day, respectively.

“Mediation” has the meaning set forth in Section 15(c).

“Meter Maintenance Testing” has the meaning set forth in Section 7(b).

“Minimum Flow Requirement” means the minimum daily delivery volume of Producer’s Gas to the Receipt Point in Mcf/d.

“Minimum Delivery Pressure” has the meaning set forth in Section 6(g).

“Moody’s” means Moody’s Investors Service, Inc., or its successor.

“NIST” means the National Institute of Standards and Technology, or its successor organization.

“Notice” has the meaning set forth in Section 12.

“Operating Agent (or Pumper)” means the person who oversees daily field operations of a Well(s) or a Biomethane Production Facility.

“Performance Assurance” means collateral provided by Producer to PG&E to secure Producer’s obligations under this Agreement. PG&E only accepts two forms of collateral to satisfy the Performance Assurance obligations: (a) cash via wire transfer in immediately available funds, or (b) Letter of Credit.

“PG&E Costs” means PG&E’s actual costs to design, construct, install and/or commission Receipt Point Facilities and Gas Gathering Pipeline Facilities, including but not limited to, all PG&E

direct and indirect labor, contract labor, equipment and materials costs, applicable overhead costs, land survey and land rights, environmental costs, Gas sampling costs, permitting, computer system and planning model upgrades, SCADA or other communications, and any related ITCC.

“PG&E Meter” has the meaning set forth in Section 7(a).

“PG&E System” means the gas pipeline system, and all related equipment and facilities, which are owned and operated by PG&E within the State of California, including the Receipt Point Facilities.

“Physical Operator” has the meaning set forth in Section 9.

“Pressure Headroom” means the difference between the MAOP and the normal operating pressure for a pipeline as determined by PG&E, at PG&E’s sole discretion.

“Producer” means the entity named in the first paragraph of this Agreement.

“Producer’s Delivery Facilities” means all facilities owned and operated by Producer, or the principals for whom Producer is the agent for purposes of this Agreement, upstream of the PG&E System, as described on the applicable Receipt Point Exhibit, whether now existing or to be constructed, through which Gas is transported from Producer to the PG&E System.

“Producer Test” has the meaning set forth in Section 7(b)(vii).

“Reasonable Efforts” means, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

“Receipt Point” means that point where the PG&E System and Producer’s Delivery Facilities physically interconnect for delivery of Gas by Producer to, and receipt thereof by, PG&E, as set forth in the applicable Receipt Point Exhibit.

“Receipt Point Exhibit” means the numbered Exhibit A prepared for each separate Receipt Point (e.g., Exhibit A-1 for the first Receipt Point; Exhibit A-2 for the second Receipt Point, etc.).

“Receipt Point Exhibit Effective Date” means the latest signature date in the signature block on the Receipt Point Exhibit.

“Receipt Point Facilities” (or “Receipt Point Facility”) means PG&E’s facilities generally including metering, gas quality monitoring and testing equipment determined by PG&E to be necessary to ensure compliance with Gas Rule No. 21 or other Gas Rules. Receipt Point Facilities include, but are not limited to, piping, valving, overpressure protection equipment, odorization equipment, pipeline taps, power, solar panels, structures, SCADA, communications, fixtures, real property, foundations, fencing and other institutional controls, tube trailer (if applicable) and other equipment or vehicles necessary for receiving Renewable Gas, and all other property, material, and equipment at the Receipt Point. The Receipt Point Facilities for a Receipt Point are further described in the Receipt Point Exhibit.

“Receipt Point Facilities Termination Charge” has the meaning set forth in Section 4(e).

“Referral Date” has the meaning set forth in Section 15(b)(i).

“Release to Operations” means the date on which the Receipt Point Facilities have been fully inspected, tested, and commissioned by PG&E, and PG&E has provided written authorization for commercial operation and receipt of Producer’s Gas supply.

“Renewable Gas” means Biomethane, as that term is defined in Gas Rule No. 1.

“SCADA” means Supervisory Control and Data Acquisition equipment installed and operated for the purpose of monitoring Receipt Point Facilities.

“S&P” means Standard and Poor’s Financial Services, LLC (a subsidiary of The McGraw-Hill Companies, Inc.) or its successor.

“Volunteered Pipeline” means pipelines, valves, and other attached appurtenances owned and operated by PG&E, as listed on a Receipt Point Exhibit, which are located between the Receipt Point Facilities and Producer’s Delivery Facilities dedicated for the sole benefit of the Producer and any other producers on the pipeline.

“Well(s)” means the facilities producing or providing Gas, excluding Renewable Gas, that are listed on the Receipt Point Exhibit A.

SECTION 3 CONDITIONS PRECEDENT

(a) Conditions. On the Effective Date of this Agreement and the Receipt Point Exhibit Effective Date for each Receipt Point, the following conditions shall have been satisfied by the respective Parties by the date indicated, or if no date is indicated, by the Effective Date or the Receipt Point Exhibit Effective Date, as applicable.

~~(i) — Producer and PG&E are party to a CPBA Attachment 1 for each Receipt Point.~~

(i) If Producer and PG&E were or are parties to any previous or separate agreement for the delivery of Producer’s Gas to the PG&E System that included a Receipt Point that is to be included under this Agreement, that agreement’s appendices or Receipt Point Exhibit has been terminated, with no outstanding obligations between the parties thereto, and no outstanding disputes relating thereto.

(ii) Producer shall have satisfied any and all conditions set forth in Gas Rule No. 21 or other applicable Gas Rules, making Producer eligible to deliver Gas, and the Gas eligible to be received, at the Receipt Point.

~~(iv) — Producer shall establish and maintain Performance Assurance as described in Section 17.~~

(b) Cooperation. Each Party shall cooperate with the other Party as is reasonable under the circumstances, and keep the other Party advised of all significant developments in connection with obtaining satisfaction of the conditions specified in Section 3(a).

SECTION 4

RECEIPT POINT FACILITIES

(a) Receipt Point Facilities. Receipt Point Facilities shall be designed, constructed, installed, and operated for the purpose of receiving Producer's Gas into the PG&E System.

(b) Existing Receipt Point Facilities. If there are existing Receipt Point Facilities for receipt of Gas into the PG&E System and PG&E has determined, in its sole discretion, that such facilities are adequate for purposes of delivery of Producer's Gas to the PG&E System, then Producer shall pay PG&E's Costs to connect the Producer's Delivery Facilities to the existing Receipt Point Facilities. If Producer requests that a Renewable Gas source be connected to or injected into existing Receipt Point Facilities, then the requirements for new facilities in Sections 4(c) shall apply.

(c) New Receipt Point Facilities. New Receipt Point Facilities shall be designed, constructed, and installed pursuant to the requirements of this Section 4(c) in any of the following circumstances: (1) existing Receipt Point Facilities are not adequate for receipt of Producer's Gas into the PG&E System; (2) Producer requests that a Renewable Gas source be connected to or injected into existing Receipt Point Facilities; or (3) there are no existing Receipt Point Facilities.

(i) Request for Receipt Point Facility Location. Producer shall request PG&E to identify a specific location for the Receipt Point Facilities.

(A) At the time such request is made, Producer shall: (1) submit a new or revised Receipt Point Exhibit; (2) submit an executed Exhibit B; (3) submit an executed Exhibit C if for a Renewable Gas source; and (4) provide assignment of applicable easements, rights of way, and other necessary land rights to PG&E.

(B) PG&E shall within thirty (30) days of Producer providing the completed documentation required in Section 4(c)(i)(A): (1) if applicable, perform or witness a back pressure test; and (2) have collected or witnessed the collection of the Gas sample or witnessed the collection of and received the analysis of Producer's Renewable Gas source sample, if available. Gas sampling and testing shall comply with the procedures set forth in PG&E's Gas Rule No. 21, as revised from time to time.

(ii) Agreement On Receipt Point Facility Location. PG&E shall notify Producer of the Receipt Point Facility location it has identified with compatible Gas quality and available capacity for the receipt of Producer's Gas. Producer must then notify PG&E within thirty (30) days whether it agrees with the location of the Receipt Point Facilities. The agreed upon Receipt Point Facility location shall be included in the Receipt Point Exhibit. Identification of the location for the Receipt Point Facilities shall not obligate PG&E to maintain capacity available on the PG&E System for Producer's Gas.

(iii) Design, PG&E Cost Estimates, And Construction and Installation Options. PG&E shall provide Producer with an estimate of the PG&E Costs to design, construct, install, and commission the Receipt Point Facilities ("Design/Construct Estimate") and an estimate of the design costs alone if Producer elects to construct and install the Receipt Point Facilities as allowed under Section 4(c)(v) ("Design Estimate"). The Producer shall provide Notice to PG&E within twenty (20) days of receiving the Design/Construct Estimate and the Design Estimate whether the Producer elects to have PG&E construct and install the Receipt Point Facilities or whether the Producer will construct and install those facilities. Producer shall pay the amount of the Design/Construct Estimate, if Producer elects for PG&E to construct and install the Receipt Point Facilities, or the Design Estimate, if the

Producer elects to construct and install the Receipt Point Facilities, to PG&E within thirty (30) days of receipt. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(iv) PG&E Construction and Installation of New Receipt Point Facilities. If Producer elects, pursuant to Section 4(c)(iii), for PG&E to construct and install the Receipt Point Facilities, this Section 4(c)(iv) shall apply.

(A) If at any time, PG&E determines that the PG&E Costs will likely exceed the Design/Construct Estimate, PG&E will provide Notice to Producer of the additional amounts, which Producer shall pay to PG&E as a condition of PG&E continuing work.

(B) In the case of termination of this Agreement prior to completion of the Receipt Point Facilities, PG&E shall provide an invoice to Producer for the PG&E Costs for the Receipt Point Facilities. Producer shall be credited the salvage value of the Receipt Point Facilities, if any, and shall pay all PG&E Costs for the Receipt Point Facilities, less the salvage value as determined in PG&E's sole and reasonable judgment, within thirty (30) days of receipt of the invoice. At PG&E's sole discretion, the Parties may agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(C) Where formal rights of way or easements are required on and over Producer's property, or the property of others, for the installation of the Receipt Point Facilities, Producer understands and agrees that PG&E shall not be obligated to install the Receipt Point Facilities unless and until all necessary permanent rights of way or easements, satisfactory to PG&E, free of encumbrances which PG&E believes could cause interference with ownership and operation of the Receipt Point Facilities, and free of Hazardous Waste, are granted without cost to PG&E.

(D) Upon final determination of the PG&E Costs after completion of the Receipt Point Facilities, PG&E will perform a true-up of the PG&E Costs compared to the amounts already paid by Producer, and will generate an invoice showing the difference, if any. If the PG&E Costs exceed the amount already paid by Producer, Producer shall pay the amount specified in the invoice within thirty (30) days of receipt of the invoice. If the PG&E Costs are less than the amount already paid by Producer, PG&E will refund the amount specified in the invoice within thirty (30) days of delivery of the invoice to Producer.

(E) PG&E shall not be responsible for any delay in completion of the construction and/or commencement of operation of the Receipt Point Facilities resulting from a Force Majeure Event, weather, any change in scope or schedule caused by Producer or a third-party, an act or failure or delay in acting by Producer, or any other event or occurrence outside the control of PG&E.

(v) Producer Construction and Installation of New Receipt Point Facilities. If Producer elects, pursuant to Section 4(c)(iii), to construct and install the Receipt Point Facilities, this Section 4(c)(v) shall apply.

(A) Construction, Installation, and Commissioning. Producer shall construct and install the Receipt Point Facilities in accordance with designs, specifications, plans, standards, and procedures provided by PG&E. Producer shall: (1) use qualified licensed contractors from PG&E's approved list of contractors for such work; (2) procure materials from PG&E-approved vendors; (3) ensure that the Receipt Point Facilities, and the construction thereof, comply with Applicable Laws and



Regulations at all times; (4) communicate its project schedule to PG&E, and carry out the work in a manner so as to not interfere with or interrupt PG&E's operations; and (5) obtain necessary permits in consultation with PG&E, and name PG&E as the permit holder or otherwise such that PG&E will benefit from the permit during the operating phase, if applicable.

(B) Insurance Required for Producer Construction. Prior to commencing construction, Producer and any contractor retained by or on behalf of Producer shall provide to PG&E evidence of the following insurance coverages at levels set forth by PG&E for the project as reflective of PG&E's financial risk: (1) statutorily required workers' compensation insurance; (2) employers' liability insurance; (3) at least five million dollars (\$5,000,000) in general commercial liability insurance naming PG&E as an additional named insured; and (4) at least five million dollars (\$5,000,000) in pollution legal liability/contractor's pollution liability.

(C) Inspection. Producer's work on the Receipt Point Facilities shall be subject to PG&E's inspection. PG&E shall have the right to inspect any aspect of the work upon reasonable advance notice to Producer.

(1) PG&E will inspect for compliance with its designs, specifications, plans, standards, and procedures at the following hold points, beyond which Producer shall not proceed until PG&E has provided its approval in writing: (a) materials procurement; (b) design drawings; and (c) twenty-five percent (25%), fifty percent (50%), and seventy-five percent (75%), of construction and installation. Producer shall provide adequate advance Notice to PG&E that the indicated hold points have been or will be reached.

(2) PG&E will make Reasonable Efforts to inspect and provide consent to proceed at each of the hold points as soon as practicable.

(3) Inspections and approvals by PG&E are solely for PG&E's internal use and needs. Producer agrees not to rely upon such inspections and approvals to meet Producer's responsibilities under this Agreement or for any other purpose, and agrees to hold PG&E harmless from, and Producer hereby releases PG&E from, any and all liability related directly or indirectly to the use or application of such inspections and approvals.

(D) Final Inspection and Documentation. After Producer has completed installation of the Receipt Point Facilities, Producer shall provide Notice requesting that PG&E perform final inspections, commissioning tests, and proceed to Release to Operations. Producer shall provide to PG&E: (1) as applicable, all real property documentation including applicable easements, rights of way and other necessary land rights related to or necessary for the Receipt Point Facilities; (2) an environmental indemnity agreement that covers, but is not limited to, Hazardous Waste, all in form and substance acceptable to PG&E, at PG&E's sole discretion; (3) a quitclaim deed and/or bill of sale for the Receipt Point Facilities, in form and substance acceptable to PG&E at its sole discretion; (4) complete "as-built" drawings with survey location of the Receipt Point Facilities; (5) reports on processes required to be performed pursuant to the procedures such as, without limitation, welder's qualifications, material test reports, and hydrostatic test reports; (6) if applicable, a transfer of any permits issued in Producer's name to PG&E's name; and (7) Producer's warranty that the Receipt Point Facilities were constructed in conformance with CPUC General Order No. 112-F, or any successor regulations, and the specifications plans, standards and procedures provided by PG&E pursuant to Section 4(c)(v)(A).

(E) Title Transfer, Connection, and Commissioning. After PG&E has performed its final inspection of the Receipt Point Facilities and has verified that Producer has met the requirements set forth in this Section 4(c)(v), title to the Receipt Point Facilities shall immediately transfer to PG&E whether or not the Parties have executed any documentation formalizing such transfer. PG&E will connect the Receipt Point Facilities to the PG&E System. All connections to and from the PG&E System shall be performed solely by PG&E or PG&E's contractor. All commissioning activities at the Receipt Point Facilities shall be performed solely by PG&E or PG&E's contractors. Producer shall not alter, or in any manner disturb, manipulate, or tamper with any part of the PG&E System, including the Receipt Point Facilities when owned by PG&E.

(F) Invoice for PG&E Costs. After connecting the Receipt Point Facilities to the PG&E System, PG&E will invoice Producer for PG&E's Costs to inspect and connect the Receipt Point Facilities to the PG&E System. Producer shall pay the invoice within thirty (30) days of receipt. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(G) Indemnity. Producer shall indemnify PG&E and hold it harmless from all liability in connection with construction work performed by Producer, or any contractor retained by or on behalf of Producer, under this Agreement.

(vi) Receipt Point FacilityFacilities Ownership. Receipt Point Facilities provided by PG&E under this Agreement, or transferred to PG&E as provided in Section 4(c)(v), shall at all times be and remain the property of PG&E.

(d) Repairs, Upgrades, Modifications and Replacements. PG&E shall provide Notice to Producer or producers if PG&E determines at any time that the Receipt Point Facilities or Gas Gathering Pipeline Facilities require, at PG&E's sole discretion, repairs, upgrades, modifications or replacements, which will be at Producer's or producers' expense. PG&E's Notice shall describe and include PG&E's estimate to perform the necessary repairs, upgrades, modifications or replacements and will be prorated for each producer, if applicable.

(i) If a single Producer is connected to the Receipt Point Facilities or Gas Gathering Pipeline Facilities, the Producer shall notify PG&E within thirty (30) days of receipt of PG&E's Notice that the Producer requests that PG&E make the necessary repairs, upgrades, modifications or replacements, which will be at Producer's expense. Producer shall pay PG&E within thirty (30) days of the date of the Producer's receipt of PG&E's estimate for the necessary repairs, upgrades, modifications or replacements. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements. Upon completion of the work, if the PG&E Costs exceed PG&E's estimate, PG&E will invoice the Producer for the difference between the estimate and the PG&E Costs. Producer shall pay the invoice for the remaining amount to PG&E within thirty (30) days of receipt. If the PG&E Costs are less than PG&E's estimate, PG&E will refund the difference between the estimate and the PG&E Costs within thirty (30) days of the invoice.

(ii) If more than one producer, including Producer, is served by the Receipt Point Facilities or Gas Gathering Pipeline Facilities, all producers, including Producer, shall notify PG&E within thirty (30) days of receipt of PG&E's Notice if the producers, including Producer, request that PG&E make the necessary repairs, upgrades, modifications or replacements. Producer and producers shall pay their proportionate share of the estimate to PG&E within thirty (30) days of the date of producers', including Producer's, receipt of PG&E's estimate. At PG&E's sole discretion, the Parties

can agree on a mutually agreeable payment schedule subject to PG&E credit requirements. Upon completion of the repairs, upgrades, modifications or replacements, if the PG&E Costs exceed PG&E's estimate, PG&E will invoice each producer, including Producer, proportionately for the difference between the estimate and the PG&E Costs. Producer and producers shall pay the invoice for the remaining amount to PG&E within thirty (30) days of receipt. If the PG&E Costs are less than PG&E's estimate, PG&E will refund the difference between the estimate and the PG&E Costs to each producer, including Producer, within thirty (30) days of the invoice.

(iii) If Producer fails, or producers fail, to request in writing and pay PG&E's estimated costs, within thirty (30) days of receipt of PG&E's Notice as provided in Sections 4(d)(i) or (d)(ii), that PG&E make the repairs, upgrades, modifications or replacements at Producer's expense, or producers' expense, then PG&E shall have the right to refuse to accept Producer's and producers' Gas, and may proceed to abandon, retire, or sell the Receipt Point Facilities or Gas Gathering Pipeline Facilities, at its sole discretion.

(e) Discontinuance of Receipt Point Upon Termination And Associated Termination Charges. Upon discontinuance of the use of the Receipt Point Facilities or Gas Gathering Pipeline Facilities due to termination of the Receipt Point Exhibit or of this Agreement, ~~Producer shall~~the Producer shall have the option to purchase the Receipt Point Facilities or pay PG&E to decommission these facilities. Producer shall provide Notice within thirty (30) days of discontinuance of use or termination stating whether the Producer elects to try to negotiate a purchase of the Receipt Point Facilities or to pay PG&E to decommission these facilities. If the Producer elects to try to negotiate a purchase of the Receipt Point Facilities, the Parties shall have one hundred and eighty (180) days to conduct good faith negotiations for the purchase of the Receipt Point Facilities by the Producer, which negotiation time can be extended by mutual written agreement of the Parties. If the Parties are unable to agree to purchase terms within the agreed to time period, or the Producer indicates in its Notice that it is electing for PG&E to decommission the Receipt Point Facilities, the Producer shall then pay to PG&E the costs to decommission the Receipt Point Facilities or Gas Gathering Pipeline Facilities, and return the site to its original state ("Receipt Point Facilities Termination Charge").

(i) The Receipt Point Facilities Termination Charge shall include the costs to remove the Receipt Point Facilities or Gas Gathering Pipeline Facilities and site restoration costs, less the estimated salvage value as determined in PG&E's sole and reasonable judgment.

(ii) Within ninety (90) days of the termination of a Receipt Point Exhibit or of this Agreement, PG&E shall provide Notice to Producer that includes an estimate for the Receipt Point Facilities Termination Charge. No later than thirty (30) days after the Producer's receipt of this estimate, Producer shall pay PG&E the estimated Receipt Point Facilities Termination Charge. At PG&E's sole discretion, the Parties can agree on a mutually agreeable payment schedule subject to PG&E credit requirements.

(iii) Upon completion of the removal of the Receipt Point Facilities or Gas Gathering Pipeline Facilities and site restoration, PG&E will provide a final invoice to Producer showing the difference, if any, between the estimated Receipt Point Facilities Termination Charge and the final Receipt Point Facilities Termination Charge. If the final Receipt Point Facilities Termination Charge exceeds the amount already paid by Producer, Producer shall pay the remaining amount to PG&E within thirty (30) days of the date of the Producer's receipt of PG&E's invoice. If the final Receipt Point Facilities Termination Charge is less than the amount already paid by Producer, PG&E will refund the difference to Producer within thirty (30) days of PG&E's invoice.

(f) Alternative Interconnection of a Biomethane Production Facility. The Parties may consider alternatives to Receipt Point and Receipt Point Facilities to enable interconnection of a Biomethane Production Facility to the PG&E System such as, but not limited to, the utilization of mobile and temporary resources for the delivery of Renewable Gas to the PG&E System. The Parties agree to negotiate interconnection alternatives in good faith and to preserve the benefits of the bargain as described in this Agreement.

SECTION 5

VOLUNTEERED PIPELINES

(a) Control of Gas. ~~(b)~~ — This section shall apply only if Producer is delivering gas through a Volunteered Pipeline. Producer shall be deemed to be in control of Gas delivered into the Volunteered Pipeline(s) from the Gas Well or Renewable Gas source to the Gas Gathering Pipeline Facilities. PG&E shall be deemed to be in control of the Gas after the downstream fitting of Producer's Delivery Facilities.

(b) Operation of Volunteered Lines. PG&E, in its sole discretion, shall have the right to operate the Volunteered Pipeline(s) in the same manner as all other pipelines in the PG&E System. PG&E, in its sole discretion, may choose to operate the Volunteered Pipeline(s) or any portion thereof at a higher or lower pressure, or to have the direction of flow changed; PG&E shall give Notice to Producer of the date and time of such action. No later than thirty (30) days after PG&E's Notice, Producer shall shut-in the Gas from California Production during any such work on the Volunteered Pipeline(s). PG&E will give Producer Notice when Producer is free to resume deliveries.

SECTION 6

GAS DELIVERIES

(a) Compliance with Applicable Laws and Regulations. Producer's delivery of Gas to the Receipt Point, and other performance under this Agreement, must be in compliance with Applicable Laws and Regulations and Producer shall obtain all applicable licenses and permits for the conduct of its business and the performance of this Agreement.

(b) Transfer of Gas Custody. Transfer of Gas custody between Producer and PG&E shall occur at the Receipt Point.

(c) Quality; Right of Refusal. PG&E shall have the continuing right at any time, and in its sole discretion, to monitor the quality of Gas provided by Producer and refuse to accept delivery of any Gas if: (i) Producer's Gas does not meet the Gas quality specifications set forth in Gas Rule No. 21, as revised from time to time; (ii) the composition or supply source of Producer's Gas is different from that described in the Receipt Point Exhibit; (iii) the PG&E System does not have available pipeline capacity or Pressure Headroom; or (iv) in PG&E's sole judgment the delivery of Producer's Gas may have adverse effects on PG&E's operations, the PG&E System, or on the operations or property of customers or other producers. PG&E shall promptly provide Notice to Producer of any decision to refuse acceptance of deliveries of Gas. PG&E's acceptance of Gas that does not conform to PG&E's Gas Rule specifications or Receipt Point Exhibit shall not constitute a waiver of such specifications, any remedies of PG&E, or obligations of Producer with respect to such non-conformity.

(d) Uniform Flow. Producer shall, to the extent feasible, make deliveries of Gas at each Receipt Point at substantially uniform rates of flow during a flow day. If Producer is not complying with



this requirement, then PG&E reserves the right to suspend service under this Agreement until such time that Producer has taken appropriate actions to ensure compliance with this provision.

(e) Continuous Flow. Producer shall deliver Gas to each Receipt Point continuously and without interruption of supply unless continuous flow is interrupted by PG&E for operational reasons or by Producer for scheduled maintenance to Producer's facilities. Producer shall provide Notice to PG&E ten (10) days before scheduled maintenance occurs and shall include in its Notice the start and end dates for the maintenance. Producer understands that interrupted flow or a discontinuance of flow may cause Receipt Point Facilities to malfunction.

(f) Minimum Flow. Producer shall deliver Gas to each Receipt Point at an average quantity of at least 50 Mcf/d averaged over each rolling ninety (90) day period, except when flow is interrupted by PG&E for operational reasons or by Producer for scheduled maintenance to Producer's facilities. Producer shall provide Notice to PG&E ten (10) days before scheduled maintenance occurs and shall include in its Notice the start and end dates for the maintenance. Days in which flow is interrupted by PG&E for operational reasons or by Producer's scheduled maintenance shall not be included in the ninety (90) day rolling period. If Producer provides Notice to PG&E less than ten (10) days before scheduled maintenance occurs, the scheduled maintenance days shall be included in the ninety (90) day rolling period.

(g) Pressure. Producer shall deliver Gas to PG&E at each Receipt Point at a delivery pressure sufficient to enter the PG&E System ("Minimum Delivery Pressure"), but not more than the then-current MAOP of the PG&E System at the outlet of the Receipt Point less any Pressure Headroom, as determined by PG&E ("Maximum Delivery Pressure").

(i) PG&E shall provide Producer with Notice requesting an increase in Producer's Maximum Delivery Pressure not less than forty-five (45) days before PG&E is requesting that the increase become effective.

(ii) PG&E shall provide Producer with Notice requesting a decrease in Minimum Delivery Pressure not less than forty-five (45) days before PG&E is requesting that the decrease become effective.

(iii) All requested changes in Producer's Maximum Delivery Pressure and Minimum Delivery Pressure requirements resulting from a Force Majeure Event, emergency situations, safety-related pressure reductions, or as a result of pipeline integrity inspections shall be exempt from the notification timing requirements specified in Sections 6(g)(i) and 6(g)(ii).

(iv) In the event Producer cannot comply with the changes to Maximum Delivery Pressure or Minimum Delivery Pressure requirements within the notification timing requirements specified in Sections 6(g)(i) and 6(g)(ii), Producer shall provide Notice to PG&E, including the reason why it cannot comply, within ten (10) days of Producer's Receipt of PG&E's Notice. PG&E may, in its sole discretion, extend the date for complying with the requested change in the Maximum Delivery Pressure or Minimum Delivery Pressure requirements.

(h) Pulsation. Producer shall ensure that Producer's Delivery Facilities are installed and operated so that operation will not adversely affect the PG&E System or impair the accuracy of the measurement of Gas at the Receipt Point Facilities. Producer shall eliminate compressor-induced

pulsation or vibration before Gas is delivered at the Receipt Point Facilities. PG&E shall not be required to take Gas if compressor-induced pulsation or vibration exists.

(i) Gas Sampling. Producer acknowledges that injection of Gas into the PG&E System requires a Gas quality assessment of a sample of the Gas from the Well or the Renewable Gas source and Producer shall request that PG&E take a sample. Producer may request that: (i) PG&E collect and analyze Gas samples from the Well according to existing standards and procedures; or (ii) utilize an independent, certified third-party laboratory to collect and analyze the sample and send the results to PG&E for review. For Renewable Gas source testing, both PG&E and Producer must utilize independent, certified third-party laboratories for constituent analysis and the results are to be shared with the other Party. PG&E has a right to observe the samples being collected. PG&E will invoice Producer for any PG&E Costs to witness, collect, and or analyze gas sampling performed at Producer's request. Producer shall pay the invoice within thirty (30) days of receipt.

SECTION 7

METERING AND MEASURING EQUIPMENT

(a) Metering. The Receipt Point Facilities shall include PG&E's measuring equipment used in measuring deliveries from the Producer's Delivery Facilities to PG&E ("PG&E Meter"). Separate PG&E Meters are required for delivery of Gas from different California Production sources.

(b) Meter Maintenance Testing. PG&E will perform scheduled meter accuracy testing and calibration of the PG&E Meter in accordance with Good Utility Practices ("Meter Maintenance Testing").

(i) Metering, testing equipment, and other facilities needed to perform any tests required of PG&E shall be state-of-the-art, and meet industry standards as described in CPUC General Order No. 58A, as revised from time to time. The Meter Maintenance Testing and correction (if necessary) shall comply with the AGA Report 4A, Sample Contract Measurement Clause, Meter Facilities, and applicable CPUC requirements. PG&E will also inspect and calibrate the PG&E Meter to ensure conformance with manufacturer's stated accuracy in a field application, where such conformance does not conflict with Applicable Laws and Regulations.

(ii) PG&E shall preserve the Meter Maintenance Testing records for a period of three (3) years. Producer shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the PG&E Meter.

(iii) The Meter Maintenance Testing records from such measuring equipment shall remain the property of PG&E, but upon written request, PG&E shall make available to Producer copies of any such records and charts, together with calculations therefrom, for inspection and verification during normal business hours.

(iv) PG&E shall provide Notice to Producer prior to Meter Maintenance Testing. Except in the event of an emergency or operational necessity, such Notice shall be given to Producer at least two (2) Business Days prior to any such activity.

(v) If, as a result of any Meter Maintenance Testing, it is determined that there has been a combined meter and transmitter measurement error greater than two percent (2%) from NIST



traceable secondary field standards, the Parties will adjust all prior periods back to the period where it can be mutually determined and agreed-upon that the errors commenced. If such an agreement cannot be reached, then PG&E shall estimate the Gas deliveries, and correct the reading to a zero error for the period during which the meter was in use. In all cases of meter error, period adjustments for meter error may not exceed three (3) years prior to the date on which the discovering Party provides Notice to the other Party.

(vi) During the Meter Maintenance Testing, PG&E shall confirm, where applicable, that the meter accuracy and condition is within the meter manufacturer's specifications for a field application and meets CPUC accuracy verification requirements. PG&E shall conduct such calibration and confirmation by using its NIST traceable secondary field standards.

(vii) Producer may provide a Notice to PG&E requesting a calibration test of the PG&E Meter (the "Producer Test"). If any Producer Test shows that the combined measurement error does not exceed two percent (2%) of NIST traceable secondary field standards, then the cost of the Producer Test including any PG&E Costs incurred, shall be borne by Producer. PG&E Costs incurred from Producer Test will be invoiced to Producer pursuant to Section 10. In the event that any Producer Test yields a combined measurement error greater than two percent (2%) of NIST traceable secondary field standards, then the cost of the Producer Test and subsequent calibration shall be borne by PG&E.

(c) Measurement Accuracy. The accuracy of all measuring equipment used in the Receipt Point Facilities shall be verified and/or calibrated by PG&E according to Good Utility Practices and PG&E's recommended equipment maintenance schedules and using NIST traceable secondary standard equipment and transfer proving devices.

(i) Electronic transmitters and measurement equipment shall be calibrated in accordance with PG&E's applicable processes and practices, as revised from time to time. Meter measurement accuracy limits and the maintenance frequency will follow industry standard practices.

(ii) Upon Notice from the Producer, PG&E shall make available to Producer electronic measurement data that PG&E obtains related to Gas delivered to a Receipt Point.

(iii) The Parties recognize the value of implementing utilization of electronic measurement devices and shall jointly cooperate to implement the installation of such devices, and sharing the data therefrom, to provide to the extent possible, current measurement information. No particular electronic measurement or monitoring device or method of sharing of electronic data therefrom (on a real time basis or otherwise) shall be required. Each Party shall be responsible for the cost, compatibility and operation of its own measurement-related electronic systems.

SECTION 8

CHANGE IN OPERATIONS AND SUSPENSION

(a) Change in System Operations. PG&E does not guarantee receipt of Producer's Gas into the PG&E System. In addition to reasons for suspension described in other Sections of this Agreement, receipt of Gas may be reduced or suspended due to ongoing operations, changes in the way in which PG&E manages the operation of the PG&E System, or in accordance with PG&E's CPUC-approved tariffs. Reasons for potential reduction or suspension include, but are not limited to, the following:

(i) The MAOP of PG&E's System may be changed for operational or safety-related reasons, and the volumes of Producer's Gas that can be received at the Receipt Point may be impacted. Such pressure changes may be temporary or permanent.

(ii) Ongoing operations of the PG&E System may require suspension of deliveries at the Receipt Point due to station or pipeline maintenance or repair.

(iii) Changes in customer demand may impact PG&E's ability to receive Producer's Gas.

(iv) Pipelines may be abandoned or retired if, in the sole judgment of PG&E, the cost of repairing, maintaining, and/or operating the pipeline exceeds the value of the pipeline. At PG&E's sole discretion, if the cost of repair or maintenance, the basis for a decision to abandon or retire a pipeline, Producer will be given the option of purchasing the pipeline as needed to facilitate Producer operations. The terms and conditions of any purchase will be negotiated in good faith between the Parties.

(b) Suspension of Deliveries/Receipts.

(i) Either Party may suspend Gas deliveries or Gas receipts immediately at any time for any of the following reasons:

(A) there is any system or pipeline operation, or other action or inaction, that could impair the safety or reliability of either Party's facilities or systems, or those of PG&E customers, or could impair the deliverability of the Gas to be delivered through the Receipt Point, or would constitute a material default of this Agreement;

(B) there is no CPBA Attachment 1 in effect for a Receipt Point Exhibit;

(C) the Authorized Agent: (1) fails to comply with a provision of the CPBA; (2) becomes insolvent; or (3) fails to establish creditworthiness if requested by PG&E;

(D) any agreement required by PG&E in connection with the transportation of Gas on the PG&E System has not been executed, has been terminated, or has expired;

(E) it is necessary or desirable to test, maintain, modify, enlarge, or repair any part of the PG&E System, or related to its operation, such that suspension is necessary or advisable;

(F) such suspension is permitted by the Gas Rules or otherwise by the CPUC;

(G) during such time as Producer is in breach of this Agreement, and does not immediately cure such breach, and until PG&E has been fully compensated for all damages and cost incurred as a result of the breach;

(H) Producer fails to comply with all Applicable Laws and Regulations;

(I) the CPUC, or any other Governmental Authority materially changes, alters, or modifies this Agreement, such that a Party is deprived of its benefits anticipated herein.

(J) Producer fails to notify PG&E that the source of Producer's Renewable Gas for a Receipt Point has changed from the source described in the Receipt Point Exhibit and to follow the testing provisions described in Gas Rule No. 21; or

(K) Producer's Renewable Gas is sourced from a hazardous waste landfill.

(ii) The Party suspending deliveries or receipts will provide Notice to the other Party of such suspension and the cause, to the extent identifiable, as soon as commercially reasonable.

(iii) Resumption of service shall not proceed until authorized by PG&E.

SECTION 9

APPOINTMENT OF PHYSICAL OPERATOR

Producer may appoint an authorized and qualified representative to act for Producer as follows: (i) to give and receive Notices and requests, make and witness tests, deliver quantities of Gas hereunder; and (ii) do and receive all things as provided herein regarding the physical operation of the Producer's Delivery Facilities (the "Physical Operator"). Producer shall provide Notice to PG&E of the appointment and change of the Physical Operator by submitting a revised Receipt Point Exhibit five (5) Business Days prior to the effective date of the change. Producer expressly agrees that PG&E may rely on all acts and Notices of the Physical Operator to the same extent as if they were performed or provided by Producer. If a Physical Operator is designated, it shall be the sole person required to be contacted by PG&E in the case of emergency. Whether or not Producer appoints a Physical Operator, for maximum protection of the PG&E System in case of operational conditions and emergencies, Producer shall provide and keep current the Operating Agent (or Pumper) contact information on each Receipt Point Exhibit for use by PG&E.

SECTION 10

INVOICING AND PAYMENT TERMS

(a) Timely Payment. All invoices will be issued pursuant to the instructions in Exhibit D and are due and payable within the time period specified in this Agreement or the date specified in the invoice, whichever is later, and will be subject to the provisions of PG&E's Gas Rules.

(b) Failure to Make Timely Payment. If Producer fails to timely pay an invoice, PG&E will have the right to suspend performance of its obligations under this Agreement or shut-in Producer's Gas until payment is received.

SECTION 11

ASSIGNMENT

(a) Requirements for Assignment Generally. This Agreement may be not be assigned by either Party without the written consent of the other Party. Consent to assignment will not be unreasonably withheld, conditioned or delayed.

(b) Assignment for Purposes of Financing. Producer shall have the right to assign this Agreement, without the consent of PG&E, for collateral security purposes to aid in providing financing for the Producer's Delivery Facilities. Producer will promptly notify PG&E of any such assignment for collateral security purposes. Any assignment for collateral purposes entered into by Producer shall require that upon any exercise of remedies by the financing party, the entity substituted for Producer

shall have an equal or greater credit rating as Producer and have the legal authority and operational ability to satisfy the obligations of Producer under this Agreement.

(c) Assignment to Successor. Either Party shall have the right to assign this Agreement, without the consent of the other Party, when the assignment is to a successor, representative, or assignee which shall succeed by purchase, merger, corporate reorganization/restructuring or consolidation to all or substantially all of the assets of the assigning Party.

(d) Responsibilities for Assignee and Assignor. Assignment shall not relieve the Assignor of its obligations under this Agreement for the period before the assignment becomes effective, nor shall the non-assigning Party's obligations be enlarged, in whole or in part, by reason of the assignment. At the time the assignment becomes effective, the assignee shall become a Party to this Agreement and shall undertake all rights and responsibilities under this Agreement, including, but not limited to, the Performance Assurance requirements in Section 17.

(e) Assignment In Violation of Agreement. Any attempted assignment that violates any of the requirements of this Section 11 is void and ineffective.

SECTION 12

NOTICES

(a) Information In Notice. Where applicable, each Notice shall specify the Receipt Point Exhibit(s) to which the Notice applies.

(b) Definition and Delivery of Notice. Any notice, demand, or request required or authorized in connection with this Agreement (“Notice”) shall be deemed properly and duly given when delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If To Producer: [Contact Information To Be Supplied]
Mailing Address:

If To PG&E: [Contact Information To Be Supplied]
Mailing Address:

In addition to the Notice specified above notice may also be provided by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below, but must be immediately followed up by a written Notice delivered pursuant to the first paragraph of this subsection (b):

If to Producer: [Contact Information To Be Supplied]

Telephone Numbers:
Facsimile:
Email Address:

If to PG&E: [Contact Information To Be Supplied]

Telephone Numbers:
Facsimile:
Email Address:

(c) Changes. Either Party may change the Notice information in this Section 12 by giving Notice within five (5) Business Days prior to the effective date of the change.

SECTION 13
NO WARRANTY; REMEDIES; CONSEQUENTIAL DAMAGES

(a) WARRANTY DISCLAIMER. ALL INSTALLATION, INTERCONNECTION, MAINTENANCE AND OTHER SERVICES PERFORMED BY PG&E AND MATERIAL, EQUIPMENT AND FACILITIES, INCLUDING BUT NOT LIMITED TO RECEIPT POINT FACILITIES, MEASUREMENT EQUIPMENT, AND VOLUNTEERED PIPELINES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E FOR USE IN CONNECTION WITH THIS AGREEMENT, ARE PROVIDED “AS IS,” WITHOUT ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY. ALL WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED BY PG&E INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NO WARRANTIES SHALL APPLY TO ANY SERVICES, MATERIAL, EQUIPMENT OR FACILITIES PROVIDED BY PG&E OR MADE AVAILABLE BY PG&E UNDER THIS AGREEMENT.

(b) Exclusive Remedy. In lieu of all warranties express, implied, or statutory, PG&E’s sole obligation and total liability, and Producer’s sole and exclusive remedy, relating to or arising out of the installation or connection of equipment or Receipt Point Facilities or Volunteered Pipeline(s), or the furnishing of equipment, material, or facilities or of any services by PG&E, shall be limited, at PG&E’s option to: (i) performance of the installation or connection work or other services at PG&E’s expense up to a cost equal to the amount paid by Producer for such installation or connection work, or other services, excluding any amounts paid for equipment, material or facilities or other costs; or (ii) a refund by PG&E to Producer of an amount equal to the amount paid to PG&E by Producer for said installation or connection work or other services, excluding any other costs, less any amount received by Producer as a rebate or refund of such amounts from other sources; or (iii) a refund of the amount paid by Producer to PG&E for equipment, material or facilities, as applicable, less any amount received by Producer as a rebate or refund of such amounts from other sources. Except as specifically provided for herein, PG&E shall have no obligation or liability and shall be released from any and all liability for losses, costs or damages of any kind with respect to or arising out of installation or interconnection work, or other services, equipment, material or facilities installed, connected, or in any way provided by PG&E or made available by PG&E pursuant to this Agreement, whether arising in contract, tort (including negligence), strict liability, warranty, or otherwise.

(c) CONSEQUENTIAL DAMAGES. OTHER THAN AS EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT WILL

NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.

SECTION 14 **INDEMNITY**

Producer shall be solely responsible for and shall release, indemnify, defend and hold harmless PG&E, and PG&E's parent and affiliates including their officers, directors, agents, contractors, and employees thereof against losses, costs and expenses (including in-house and outside attorneys' fees), claims, enforcement actions, judgments, suits or other obligations or liabilities, resulting from or arising out of or in any way connected with (a) physical injury to property or person, (b) construction work performed by Producer or Producer's contractors, (c) Producer's Gas from California Production, or (d) a violation of a local, state or federal common law, statute or representation, arising from the Producer's performance or nonperformance of its obligations under this Agreement; excepting only such loss, cost, expense, claim, enforcement action, judgment, suit, or other obligation or liability which arises in whole or in part from the sole negligence or willful misconduct of PG&E.

SECTION 15 **DISPUTE RESOLUTION**

(a) Intent of the Parties. Except as provided in the next sentence, the sole procedure to resolve any claim arising out of or relating to this Agreement or any related agreement is the dispute resolution procedure set forth in this Section. Either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case both Parties nonetheless will continue to pursue resolution of the dispute by means of this procedure.

(b) Management Negotiations.

(i) The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement or any related agreements by prompt negotiations between each Party's Authorized Representative, or such other person designated in writing as a representative of the Party (each a "Manager"). Either Manager may request a meeting (in person or telephonically) to initiate negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place. If the matter is not resolved within fifteen (15) Business Days of their first meeting ("Initial Negotiation End Date"), the Managers shall refer the matter to the designated senior officers of their respective companies ("Executive(s)"), who shall have authority to settle the dispute. Within ten (10) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another Notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(ii) Within ten (10) Business Days of the Referral Date the Executives shall establish a mutually acceptable location and date, which date shall not be greater than thirty (30) days from the Referral Date, to meet. After the initial meeting date, the Executives shall meet as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

(iii) All communication and writing exchanged between the Parties in connection with these negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.



(iv) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the written request to meet, pursuant to subpart (ii) above, refuses or does not meet within the thirty (30) day period specified in subpart (ii) above, either Party may initiate mediation of the controversy or claim according to the terms of the following Section 15(c).

(c) Mediation. If the dispute cannot be so resolved by negotiation as set forth in Section 15(b) above, it shall be resolved at the request of any Party through a two-step dispute resolution process administered by JAMS. As the first step the Parties agree to mediate any controversy before a mediator from the JAMS panel, pursuant to JAMS's commercial mediation rules, in San Francisco, California. Either Party may begin mediation by serving a written demand for mediation subject to the Notice provisions. The mediator shall not have the authority to require, and neither Party may be compelled to engage in, any form of discovery prior to or in connection with the mediation. If within sixty (60) days after service of a written demand for mediation, the mediation does not result in resolution of the dispute, then the controversy shall be settled by arbitration conducted by a retired judge or justice from the JAMS panel conducted in San Francisco, California, administered by and in accordance with JAMS's Commercial Arbitration Rules ("Arbitration"). The period commencing from the date of the written demand for mediation until the appointment of a mediator shall be included within the sixty (60) day mediation period. Any mediator(s) and arbitrator(s) shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field of the dispute. Either Party may initiate Arbitration by filing with the JAMS a notice of intent to arbitrate within sixty (60) days of service of the written demand for mediation.

(d) Arbitration. At the request of a Party, the arbitrator shall have the discretion to order depositions of witnesses to the extent the arbitrator deems such discovery relevant and appropriate. Depositions shall be limited to a maximum of three (3) per Party and shall be held within thirty (30) days of the making of a request. Additional depositions may be scheduled only with the permission of the arbitrator, and for good cause shown. Each deposition shall be limited to a maximum of six (6) hours duration unless otherwise permitted by the arbitrator for good cause shown. All objections are reserved for the Arbitration hearing except for objections based on privilege and proprietary and confidential information. The arbitrator shall also have discretion to order the Parties to exchange relevant documents. The arbitrator shall also have discretion to order the Parties to answer interrogatories, upon good cause shown.

(i) Each of the Parties shall submit to the arbitrator, in accordance with a schedule set by the arbitrator, offers in the form of the award it considers the arbitrator should make. If the arbitrator requires the Parties to submit more than one such offer, the arbitrator shall designate a deadline by which time the Parties shall submit their last and best offer. In such proceedings the arbitrator shall be limited to awarding only one of the two "last and best" offers submitted, and shall not determine an alternative or compromise remedy.

(ii) The arbitrator shall have no authority to award punitive or exemplary damages or any other damages other than direct and actual damages and the other remedies contemplated by this Agreement.

(iii) The arbitrator's award shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand) and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the arbitrator, if necessary. The California Superior Court of the City and County of San Francisco may enter judgment upon any award rendered by the arbitrator. The Parties are aware of the decision in



Advanced Micro Devices, Inc. v. Intel Corp., 9 Cal. 4th 362 (1994), and, except as modified by this Agreement, intend to limit the power of the arbitrator to that of a Superior Court judge enforcing California Law. The prevailing Party in this dispute resolution process is entitled to recover its costs and reasonable attorneys' fees.

(iv) The arbitrator shall have the authority to grant dispositive motions prior to the commencement of or following the completion of discovery if the arbitrator concludes that there is no material issue of fact pending before him.

(v) Except as may be required by Law, neither a Party nor an arbitrator may disclose the existence, content, or results of any Arbitration hereunder without the prior written consent of both Parties.

SECTION 16

TERMINATION

(a) Termination.

(i) Termination of Agreement. The Agreement may be terminated under any of the following conditions. Termination of the Agreement shall automatically terminate all Receipt Point Exhibits.

(A) Producer may terminate this Agreement for any reason by providing Notice sixty (60) days prior to the end of the then-current term of such Agreement. Such termination will take effect at the end of the term unless otherwise agreed to by the Parties.

(B) PG&E may terminate this Agreement at any time after the initial ~~15~~20-year term by providing Notice sixty (60) days prior to the end of the then-current term, such termination to take effect at the end of the term unless otherwise agreed by the Parties.

(C) ~~PG&E~~Either Party may terminate this Agreement if any Applicable Laws and Regulations relating to ~~PG&E~~that Party's obligations under this Agreement, enacted or issued after the Effective Date, materially affects ~~PG&E~~that Party's performance under this Agreement in a manner which is unacceptable to ~~PG&E~~that Party, in ~~PG&E's~~sits sole discretion.

(D) PG&E may, at its sole discretion, terminate this Agreement if Producer fails to make substantial progress on the construction of the initial Receipt Point Facilities included in this Agreement, if Producer elects at its option to construct and install such Receipt Point Facilities.

(E) PG&E may terminate this Agreement if Producer fails to meet PG&E's Performance Assurance requirements specified in Section 17.

(F) PG&E may terminate this Agreement if Producer becomes financially insolvent or has failed to make any payment(s) required under this Agreement in the timing required in the Agreement.

(G) PG&E may terminate this Agreement if all of the PG&E System assets are sold.

(H) PG&E may terminate this Agreement if PG&E determines, in its sole discretion, that its eligibility status under the Hinshaw Exemption as described in Section 1(c) may be adversely affected by its performance under this Agreement.

(I) Either Party PG&E may terminate this Agreement if the CPUC or FERC at any time asserts: (1) that Producer, or Producer's principal if Producer is an agent, is a public utility or subject to regulation by such regulatory body; or (2) that such regulatory body may prevent either Party PG&E from complying with this Agreement.

(J) PG&E may terminate this Agreement if Producer has made a material misrepresentation concerning any of the provisions in this Agreement and the Exhibits including, but not limited to, the representations in Exhibits B or C.

(K) PG&E may terminate this Agreement if Producer fails to comply with any of the quality, operational, and Gas delivery requirements in this Agreement including, but not limited to, the Gas quality and delivery requirements in ~~Section 6.~~ Sections 6(c), (g), and (h).

(L) PG&E may terminate this Agreement if Producer fails to comply with any of the Gas flow requirements in Sections 6(d), (e), and (f).

(M) This Agreement shall terminate immediately when the last remaining Receipt Point Exhibit has been terminated.

(N) Either Party may terminate this Agreement:

(1) in the case of a single Receipt Point Exhibit, in the event the Receipt Point Facilities are not Released to Operations within two (2) years of the Receipt Point Exhibit Effective Date.

(2) in the event that any of the conditions in Section 3(a) have not been satisfied or waived by the Parties by the time specified therein.

(ii) Termination of Receipt Point Exhibits. A Receipt Point Exhibit may be terminated under any of the following conditions:

(A) Producer may terminate any Receipt Point Exhibit for any reason by providing Notice sixty (60) days prior to the end of the then-current term of such Receipt Point Exhibit. Such termination will take effect at the end of the term unless otherwise agreed to by the Parties.

(B) By either Party if suspension of Gas deliveries or receipts as described in Sections ~~66, 7,~~ or ~~78~~ continues for a period of six (6) months without either resolution of the underlying situation, or a mutually agreed upon written plan of resolution.

(C) If permitted by the Gas Rules or otherwise by the CPUC.

(D) If the portion of the PG&E System, to which the Producer's Delivery Facilities for the specific Receipt Point are connected, is sold, retired, abandoned, or deactivated by PG&E, or is otherwise permanently removed from service.

(E) If Producer has been delivering Gas to a Receipt Point through a Volunteered Pipeline(s) and/or Gas Gathering Pipeline Facilities, PG&E shall have the right to terminate the Receipt Point Exhibit if the Producer does not agree to pay for repairs, upgrades, modifications or replacements under Section 4(d)(iii), unless a mutually acceptable arrangement for the delivery of Producer's Gas into the PG&E System has been made prior to such termination.

(F) If a CPBA Attachment 1 for the Receipt Point is not executed prior to the Release to Operations of the Receipt Point.

(c) Cure Period For Certain Termination Events. PG&E shall provide Notice to Producer if PG&E elects to terminate this Agreement and/or a Receipt Point Exhibit under Sections 16(a)(i)(C) through (I), 16(a)(i)(L) through (N), and 16(a)(ii)(B) through (C) and (F). Within fifteen (15) days of receipt of the Notice, the Parties shall discuss in good faith whether or not this Agreement can be restructured on a mutually satisfactory basis under the circumstances to address the basis for termination. In the event the Parties are unable to agree on such a restructuring within forty-five (45) days after the first meeting on such matter, this Agreement may either (i) be extended up to an additional ninety (90) days thereafter by mutual consent obtained on or before such forty-fifth (45th) day, or (ii) be terminated if any Party, within fifteen (15) days thereafter, gives ten (10) days prior Notice.

(d) Post-Termination.

(i) Upon termination of a Receipt Point Exhibit, PG&E shall have the right to disconnect the Receipt Point Facilities from Producer's Delivery Facilities.

(ii) Termination of this Agreement shall not release either Party from its obligation to make payments or compensate the other Party for damages or costs, if any are due or have been incurred, or for amounts accrued or then due and owing, or for any amounts required or owed under this Agreement.

(iii) Notwithstanding termination of this Agreement, the rights and obligations under Sections 4(e), 10, 13, 14, and 15 shall survive.

SECTION 17

PERFORMANCE ASSURANCE

(a) Performance Assurance Requirement. Producer agrees to deliver to PG&E Performance Assurance in the form of a cash deposit or Letter of Credit to PG&E to secure its obligations under this Agreement in an amount equivalent to one million dollars (\$1,000,000.00) per Receipt Point. The Performance Assurance must be delivered to PG&E within five (5) Business Days following the ~~Effective Date~~Release to Operations of each Receipt Point's ~~Exhibit A~~.

(b) Payment and Transfer of Interest. PG&E shall pay interest on cash held as Performance Assurance, at the Interest Rate and on the Interest Payment Date. PG&E will transfer to Producer all accrued Interest Amount on the unused cash Performance Assurance using the payment instructions in Exhibit D.

(c) Return of Performance Assurance. PG&E shall return the unused portion of Performance Assurance including the payment of any Interest Amount due thereon pursuant to Section 17(b) above, to Producer promptly after the following has occurred: (i) this Agreement has terminated;

and (ii) all payment obligations of the Producer arising under this Agreement, including the final Receipt Point Facilities Termination Charge, indemnification payments, or other damages are paid in full.

(d) Letter of Credit. Performance Assurance provided in the form of a Letter of Credit is subject to the following provisions:

(i) If Producer has provided a Letter of Credit pursuant to any of the applicable provisions in this Section 17, then Producer shall renew or cause the renewal of each outstanding Letter of Credit on a timely basis.

(ii) In the event the issuer of such Letter of Credit at any time fails to maintain the requirements of an Eligible LC Bank or Letter of Credit; indicates its intent not to renew such Letter of Credit; or fails to honor PG&E's properly documented request to draw on such Letter of Credit, then Producer shall cure such occurrence in an amount equal to the outstanding Letter of Credit by completing within five (5) Business Days after the date of PG&E's Notice to Producer of an occurrence listed in this subsection either:

(A) providing a substitute Letter of Credit that is issued by an Eligible LC Bank, other than the bank which is the subject of PG&E's Notice to Producer; or

(B) posting cash.

(iii) If Producer fails to cure as provided in Section 17(d)(ii) or if such Letter of Credit expires or terminates without a full draw thereon by PG&E, or fails or ceases to be in full force and effect at any time that such Letter of Credit is required pursuant to the terms of this Agreement, then Producer shall have failed to meet the requirements of this Section 17.

(e) Cost. In all cases, the reasonable costs and expenses of establishing, renewing, substituting, canceling, increasing, reducing, or otherwise administering the Letter of Credit shall be borne by Producer.

SECTION 18 **ADDITIONAL PROVISIONS**

(a) Governing Law, Regulatory Authority, and Rules. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of California, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

(b) Interpretation. The following rules of interpretation shall apply:

(i) Unless otherwise specified herein, all references to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then existing at the applicable time to which such construction applies.

(ii) Capitalized terms used in this Agreement, including the appendices hereto, shall have the meaning set forth in Section 2, unless otherwise specified.

(iii) Any reference in this Agreement to any natural person, Governmental Authority, corporation, partnership or other legal entity includes its permitted successors and assigns or any natural person, Governmental Authority, corporation, partnership or other legal entity succeeding to its function.

(iv) All references to dollars are to U.S. dollars.

(v) The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation.

(c) Amendment. No amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties.

(d) No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

(e) Waiver.

(i) The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

(ii) Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement.

(iii) Termination of this Agreement for any reason by Producer shall not constitute a waiver of Producer’s legal rights to obtain an interconnection from PG&E.

(iv) If any waiver of this Agreement is requested, such request shall be provided in writing.

(f) Entire Agreement. This Agreement, including all Exhibits, and any incorporated tariffs or Gas Rules, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement. This Agreement and each Receipt Point Exhibit shall be binding on each Party’s successors and permitted assigns.

(g) Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

(h) No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.



(i) Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority: (i) such portion or provision shall be deemed separate and independent; (ii) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling; and (iii) the remainder of this Agreement shall remain in full force and effect.

(j) Governmental Authority. This Agreement shall be subject to all Applicable Laws and Regulations. The Parties agree to abide by the applicable sections of PG&E's Gas Rules and tariffs, as revised from time to time. If at any time, the CPUC or any branch thereof, issues a finding or opinion, formal or informal, that this Agreement is inconsistent with CPUC rules, regulations, decisions, or policy, then this Agreement shall be amended to eliminate any inconsistency. This Agreement shall at all times be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.

(k) Force Majeure. Neither PG&E nor Producer shall be considered in default in the performance of its obligations under this Agreement, except obligations to make payments hereunder, to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of the affected Party ("Force Majeure Event"). A Force Majeure Event shall include, but not be limited to, acts of God, a public enemy, or a Governmental Authority, strikes, lockouts, riots, rebellions, washouts, earthquakes, wildfires, floods, storms, extreme weather conditions, freezing of lines, or any cause or causes of whatsoever nature (whether like or unlike those herein enumerated) beyond the reasonable control of either Party. In the event either Party claims that performance of its obligations was prevented or delayed by Force Majeure, that Party shall promptly provide Notice to the other Party of the circumstances preventing or delaying performance. Such Party so claiming a cause-delayed performance shall endeavor, to the extent reasonable, to promptly remove the obstacles which preclude performance within a reasonable period of time.

(l) Execution of Documents. Each Party shall do all necessary acts and make, execute, and deliver such written instruments as shall from time to time be reasonably necessary to carry out the terms of this Agreement.

(m) Monitoring, Testing, Reporting and Recordkeeping Requirements. Each Party will comply with all federal, state and local reporting requirements and shall adhere to all monitoring, testing, reporting and recordkeeping requirements issued pursuant to but not limited to CPUC decisions, rules, and General Orders, California Statutes and Health and Safety Codes.

(n) Definition of Days. For purposes of this Agreement, the term "days" shall refer to calendar days unless otherwise noted as Business Days.

~~<<Signature Page Follows>>~~



Contract No.: _____

IN WITNESS WHEREOF, the Parties hereto have caused this California Production Interconnection and Operating Agreement to be duly executed by their authorized representatives as of the last date below.

Pacific Gas and Electric Company

[Producer Name Here]

Signature

Signature

Print Name

Print Name

Title

Title

Date

Date

If adding a Renewable Gas source to existing Receipt Point Facilities, select source type at right	<input type="checkbox"/> Waste water treatment plant <input type="checkbox"/> Synthetic Gas <input type="checkbox"/> Dairy farm <input type="checkbox"/> Forest waste <input type="checkbox"/> Non-hazardous landfill <input type="checkbox"/> Food waste <input type="checkbox"/> Agricultural waste <input type="checkbox"/> Other _____
Renewable Gas source project name: _____ _____	Physical Address: _____ _____ _____

Receipt Point Facilities [PG&E To Complete]	
PG&E Receipt Point Facilities	Including, but not limited to metering, gas quality monitoring and testing equipment, piping, valving, overpressure protection, odorization, pipeline taps, power, structures, SCADA, communications, real property, and all other property, material, and equipment.
PG&E Receiving Pipeline	Line Number: Mile Point:
Release to Operations Date	

Contact Information for Appointed Physical Operator [Producer to Complete]	
Name: _____ Company: _____	Mailing Address: _____
Phone: _____ Mobile: _____ Fax: _____ Email: _____	Physical Address (if different): _____ _____

<p>Contact Information for Operating Agent (Pumper) Producer to Complete <i>[Complete whether or not a Physical Operator has been appointed under this Agreement.]</i></p>	
<p>Name: _____ Company: _____</p>	<p>Mailing Address: _____</p>
<p>Phone: _____ Mobile: _____ Fax: _____ Email: _____</p>	<p>Physical Address (if different): _____ _____</p>

EXECUTED BY: [PRODUCER NAME]

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXECUTED BY: PACIFIC GAS AND ELECTRIC COMPANY

Signature: _____

Print Name: _____



Contract No.: _____

Title: _____

Date: _____

EXHIBIT B**PRODUCER AND APPOINTED PHYSICAL OPERATOR DECLARATION**

[PRODUCER NAME] (“Producer”) and **[PHYSICAL OPERATOR NAME]**, its Appointed Physical Operator (“Physical Operator”), if applicable, hereby declare that they have title to and are fully authorized to transport all Gas that flows onto the PG&E System from the Well(s) and/or Renewable Gas source(s) referenced in the Receipt Point Exhibit(s) included in this Agreement and to appoint an Authorized Agent by executing a CPBA Attachment 1.

This declaration is effective as of the latest signature date below.

PG&E may rely on this declaration, and Producer and its Physical Operator warrant that they will indemnify and hold PG&E harmless from and against any and all claims related to their declaration of title and authority to transport Gas onto the PG&E System.

[PRODUCER NAME]:

Signature: _____

Print Name: _____

Title: _____

Date: _____

[PHYSICAL OPERATOR NAME]:

Signature: _____

Print Name: _____

Title: _____

Company: _____

Date: _____

EXHIBIT C

**CALIFORNIA BIOMETHANE PRODUCER CERTIFICATION
THAT GAS INJECTED INTO THE PG&E SYSTEM IS NOT FROM A HAZARDOUS SOURCE**

Producer hereby certifies:

1) Gas injected pursuant to the California Production Interconnection and Operating Agreement dated *[insert latest signature date of agreement]* between Pacific Gas and Electric Company (“PG&E”) and *[insert Producer name]* (“Producer”) is not collected from a Hazardous Waste Facility, as that term is defined in Section 25117.1 of the California Health and Safety Code, as may be amended from time to time.

2) that Producer is in compliance with the following Health and Safety Code Sections 25421(g)(1) and (2), as they may be amended from time to time; the actual language of the Code sections takes precedence over language written below:

“(1) A person shall not knowingly sell, supply, or transport, or knowingly cause to be sold, supplied, or transported, biogas collected from a hazardous waste landfill to a gas corporation through a common carrier pipeline.”

“(2) A gas corporation shall not knowingly purchase gas collected from a hazardous waste landfill through a common carrier pipeline.”

[PRODUCER NAME]:

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT D

INVOICING AND PAYMENT INSTRUCTIONS

(Changes to any of the following information may be made by either Party by giving five (5) Business Day's written notice prior to the effective date of the change.)

Payments to PG&E by Wire: (Please include invoice number on the wire to facilitate reconciliation of the payment)	
Business Name	Information To Be Supplied
Mailing Address	Information To Be Supplied
ABA Routing Number	Information To Be Supplied
Account Name	Information To Be Supplied
Account Number	Information To Be Supplied

Payments to PG&E by Check: (Please include invoice number on the check to facilitate reconciliation of the payment)	
Business Name	Information To Be Supplied
Mailing Address	Information To Be Supplied

Payments to Producer:	
Business Name	Information To Be Supplied
Attention	Information To Be Supplied
Mailing Address	Information To Be Supplied

Invoices to Producer:	
Business Name	Information To Be Supplied
Attention	Information To Be Supplied
Mailing Address	Information To Be Supplied

EXHIBIT E**FORM OF LETTER OF CREDIT***Issuing Bank Letterhead and Address*

STANDBY LETTER OF CREDIT NO. XXXXXXXX

Date: [insert issue date]

Beneficiary:	Pacific Gas and Electric Company [Street Address] [City, State Zip Code]	Applicant:	[Applicant Name] [Street Address] [City, State Zip Code]
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Letter of Credit Amount:**Expiry Date:** [insert date that is one (1) year from offer date]

Ladies and Gentlemen:

By order of **[Insert name of Applicant]** (“Applicant”), we hereby issue in favor of Pacific Gas and Electric Company (the “Beneficiary”) our irrevocable standby letter of credit No. **[Insert number of letter of credit]** (“Letter of Credit”), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. \$ **[Insert amount in figures followed by (amount in words)]** (“Letter of Credit Amount”). This Letter of Credit is available with **[Insert name of issuing or paying bank, and the city and state in which it is located]** by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on **[Insert expiry date]** (the “Expiry Date”).

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents:

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. **[Insert the letter of credit number]** and stating the amount of the demand; and
2. One of the following statements signed by an authorized representative or officer of Beneficiary:
 - A. “The amount of the accompanying sight draft under Letter of Credit No. **[Insert the letter of credit number]** (the “Draft Amount”) is owed to Pacific Gas and Electric Company (“PG&E”) by **[Insert the name of the legal entity entering into a CPIOA]** (“Producer”) or its assignee, pursuant to the California Production Interconnection and Operating Agreement (“CPIOA”) between Producer and PG&E dated **[Insert the date of the CPIOA]**, which entitles PG&E to draw the Draft Amount under Letter of Credit No. **[Insert the letter of credit number]**.” or
 - B. “[**Insert the name of the legal entity entering into a CPIOA]** (“Producer”) has failed to perform one or more obligations or requirements under the California Production Interconnection and Operating Agreement (“CPIOA”) between Producer and Pacific Gas and Electric Company (“PG&E”) dated **[Insert the date of the CPIOA]**, therefore PG&E is drawing under Letter of Credit No. **[Insert the letter of credit number]** the amount of the accompanying sight draft owed

to PG&E.” or

C. “Letter of Credit No. **[Insert number]** will expire in thirty (30) days or earlier and **[Insert name of the legal entity entering into a CPIOA]**, or its assignee, has not provided replacement security acceptable to Pacific Gas and Electric Company.”

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;
2. All banking charges associated with this Letter of Credit are for the account of the Applicant;
3. This Letter of Credit is not transferable;
4. A drawing for an amount greater than the Letter of Credit Amount is allowed, however, payment shall not exceed the Letter of Credit Amount; and
5. The Expiry Date of this Letter of Credit shall be automatically extended (without a written amendment hereto) for a period of one (1) year from the Expiry Date, and from any future Expiry Date, unless the Beneficiary has received a notice from the issuing bank, sent by registered mail or courier service, no later than sixty (60) calendar days prior to the then current Expiry Date, stating that the Expiry Date will not be extended for such an additional period.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at **[Insert the bank’s address for drawings]**.

All demands for payment shall be made by presentation of originals or copies of documents; or by facsimile transmission of documents to **[Insert fax number]**, Attention: **Insert name of bank’s receiving department]**, with originals or copies of documents to follow by overnight mail. If presentation is made by facsimile transmission, you may contact us at **Insert phone number]** to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the third (3rd) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the *Uniform Customs and Practice for Documentary Credits, 2007 Revision*, International Chamber of Commerce (ICC) Publication No. 600 (the “UCP 600”); provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit, if presented within thirty (30) days after the resumption of our business, and will effect payment accordingly.

The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at **[Insert number and any other necessary details]**.

Very truly yours,

[insert name of issuing bank]

By: _____
Authorized Signature

Name: _____ **[print or type name]**

Title: _____

Exhibit A

SIGHT DRAFT

TO
[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: \$ _____ DATE: _____

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC COMPANY THE AMOUNT OF U.S.\$ _____ (_____ U.S. DOLLARS)

DRAWN UNDER [INSERT NAME OF ISSUING BANK] LETTER OF CREDIT NO. XXXXXX.

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER

BY:

NAME AND TITLE

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	Ellison Schneider & Harris LLP	Praxair
Alcantar & Kahl LLP	Energy Management Service	Regulatory & Cogeneration Service, Inc.
Anderson & Poole	Evaluation + Strategy for Social Innovation	SCD Energy Solutions
Atlas ReFuel	GenOn Energy, Inc.	SCE
BART	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Green Charge Networks	SPURR
Braun Blasing Smith Wynne P.C.	Green Power Institute	San Francisco Water Power and Sewer
CalCom Solar	Hanna & Morton	Seattle City Light
California Cotton Ginners & Growers Assn	ICF	Sempra Utilities
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
Casner, Steve	Keyes & Fox LLP	Sunshine Design
Cenergy Power	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
Center for Biological Diversity	Linde	TerraVerde Renewable Partners
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Tiger Natural Gas, Inc.
City of San Jose	Los Angeles Dept of Water & Power	TransCanada
Clean Power Research	MRW & Associates	Troutman Sanders LLP
Coast Economic Consulting	Manatt Phelps Phillips	Utility Cost Management
Commercial Energy	Marin Energy Authority	Utility Power Solutions
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Specialists
Crossborder Energy	Modesto Irrigation District	Verizon
Crown Road Energy, LLC	Morgan Stanley	Water and Energy Consulting
Davis Wright Tremaine LLP	NLine Energy, Inc.	Wellhead Electric Company
Day Carter Murphy	NRG Solar	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	Office of Ratepayer Advocates	Yep Energy
Don Pickett & Associates, Inc.	OnGrid Solar	
Douglass & Liddell	Pacific Gas and Electric Company	