

RECOVERED METHANE SUPPLY RFI AUGUST 7, 2023

PREAMBLE

Please find below some key requirements for Recovered Methane projects within the Clean Heat Program¹:

1. Recovered Methane project location:

As per the Colorado statutory definition of Recovered Methane, it must originate from a project located within the boundaries of the state of Colorado.

2. Recovered Methane greenhouse gas calculations:

Recovered Methane must meet one of the Recovered Methane Protocols that have been approved by the Air Quality Control Commission². The number of Recovered Methane Credits generated must be calculated following the appropriate Recovered Methane Protocol, which is independent of Carbon Intensity (CI) scores. The RFI separately requests the CI score for the project utilizing the Argonne GREET model, if available.

3. Recovered Methane purchase:

As per section III of the RFI Document, it is the preference of the participating utilities to purchase the RNG commodity together with its environmental attributes as one bundled product. Unbundled environmental attributes may be considered for purchase provided the delivery and end-use of the RNG commodity is in compliance with the requirements of the Clean Heat Program.

4. Recovered Methane delivery and end-use:

Recovered Methane needs to be delivered through injection into a dedicated or common carrier pipeline that physically flows within Colorado toward the end user in Colorado for which the Recovered Methane was produced. The Recovered Methane is to replace geological gas supplied by a local distribution company or municipal utility, to an end-user for thermal combustion purposes.

5. Recovered Methane environmental attributes:

Recovered Methane environmental attributes are represented by a Recovered Methane Credit and issued according to an approved Recovered Methane Protocol. Please note that any other environmental attributes including but not limited to Renewable Energy Certificates (RECs), Renewable Identification Numbers (RINs) and Renewable Thermal Certificates (RTCs) are not eligible Recovered Methane environmental attributes and the issuance of Recovered Methane Credits is mutually exclusive from the issuance of any other environmental attributes.

¹ https://leg.colorado.gov/sites/default/files/2021a_264_signed.pdf

² https://drive.google.com/file/d/1HHaamSLC_eABeV4044HU26B_JgP_Hv1A/view

FREQUENTLY ASKED QUESTIONS

Question: Has any consideration been made to provide developmental funding for a Colorado RNG project?

Answer: Developmental funding for a Colorado RNG project falls outside of the scope of this RFI. However, please feel free to share information about your project or technology for consideration by the participating utilities.

Question: Can you help me understand why you need any information about the quality and physical characteristics of a credit holder's gas?

Answer: Either brown gas or RNG, must still meet gas quality specifications as defined by each utility's or pipeline's tariff in order to be injected into the pipeline. This will guarantee quality specs from the project are met, and the project is viable for end use consumption. As per the Preamble, the participating utilities have a preference for purchasing the RNG commodity together with its environmental attributes as one bundled product. The RNG commodity will need to meet all gas quality criteria as outlined in the RFI Document.

Question: Please let me know if we can propose supplying RNG after our projects are online via the Book and Claim process?

Answer: Physical delivery of the RNG commodity together with its environmental attributes as one bundled product is preferred. As per the preamble, unbundled environmental attributes may be considered for purchase, provided the delivery and end-use of the RNG commodity is in compliance with the requirements of the Clean Heat Program.

Question: What is the minimum and maximum RNG volume Colorado Springs Utility is looking to procure for this project? Will there be multiple RNG Suppliers selected for this project?

Answer: We have not set a minimum, but we plan to purchase approximately 8,100 Dth in 2025 and subsequently 18,600 Dth annually. The maximum that we could purchase is 8,103 Dth in 2025 and subsequently 40,515 Dth annually. Multiple suppliers will be selected as applicable.

Question: Would Colorado Utilities Springs prefer getting a higher CI RNG? For example, CI - 0-100. This is still Net Zero Emissions, or will they favor the lower CI levels in the range greater than -100-200 CI and

Answer: While lower CIs are beneficial, lower priced CIs will get preference during any RFQ process.

above? The lower the CI, the higher the cost (and vice versa). The higher the CI, the lower the price. We'd like to hear more input on Colorado Spring Utilities regarding the CI scores, or do they care more about the lower pricing while still getting RNG that is close to Net Zero Emissions?

Question: 3. Can we provide Colorado Spring Utilities RNG via the Book and Claim process vs. having physical deliveries? Will they favor one over the other?

Answer: We would take the physical gas along with the Recovered Methane Credits, which will be retired in the Recovered Methane Crediting and Tracking System.

Question: Under Section III, Requirements, iii. Acceptable locations, it mentions gas originating in Colorado and purchased by a Utility within the state.

- **Just to clarify - Does this mean that this RFI is just for RNG projects such as dairies, landfills that are located in the state of Colorado?**
- **If so, is it mandated or is it a preference?**
- **If so, is it foreseen that there will be another RFI or effort to purchase RNG/Environmental Attributes from projects outside of Colorado?**

Answer: As per the requirements mentioned in the preamble, all eligible Recovered Methane for the purpose of this RFI must originate with a project located within the boundaries of the state of Colorado. This is a requirement of the Clean Heat Program. At this time, there is no RFI or purchase of Recovered Methane envisioned for projects located outside of the boundaries of the state of Colorado.

