

Amendment to Base Contract for Retail Sale and Purchase of Natural Gas

This Amendment (the "Amendment") to that certain Base Contract for Retail Sale and Purchase of Natural Gas dated December 11, 2013 any addenda thereto (the "Base Contract"), and the Transaction Confirmation dated April 10, 2024 (#SCG00004-003) ("Transaction Confirmation") between GHI Energy, LLC ("Supplier") and City of Riverside, California ("Customer") is made and entered into this ____ day of _____ 20___. Any terms capitalized but not defined herein shall have their respective meanings as set forth in the Base Contract and Transaction Confirmation. Supplier and Customer are referred to collectively as the "Parties."

RECITALS

WHEREAS, the Parties desire to amend certain provisions in the Base Contract and Transaction Confirmation.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and intending to be legally bound hereby, the parties agree as follows:

1. **Additional Definitions.** The following definitions shall be added to the Transaction Confirmation in the appropriate alphabetical order, with enumeration adjusting accordingly:
 - a. "AMP" means Alternative Measurement Protocol.
 - b. "BRRR" means the Biogas Regulatory Reform Rule.
 - c. "Central Data Exchange" or "CDX" means the EPA's electronic reporting site.
 - d. "EPA" means the United States Environmental Protection Agency."
 - e. "EPA's Moderated Transaction System" or "EMTS" means the database of record for all transactions involving RINs.
 - f. "K1 RIN" means RINs that are attached to a specified volume of RNG generated by the RNG producer and may be transferred downstream with such volume of RNG.
 - g. "K2 RIN" means a K1 RIN that has been separated from the associated volume of RNG by the RIN Separator.
 - h. "LHV" means Lower Heating Value.
 - i. "'PTDs" are Product Transfer Documents.
 - j. "Responsible Corporate Officer" or "RCO" means a person who is an official officer or employee of the company under the laws of incorporation of the state in which the company is incorporated and who is legally liable for the information submitted by the company.
 - k. "RFS" means Renewable Fuel Standard.
 - l. "RFS Regulation" means the regulations defined under 40 CFR Part 80 (88 FR 44468), or any additions or modifications thereto, collectively with other referenced materials therein.
 - m. "RIN Separator" means the party that withdrew the RNG from the natural gas commercial pipeline system, produced or oversaw the production of renewable CNG/LNG, or the party that used or dispensed for use the renewable CNG/LNG as transportation fuel.
 - n. "SCF" means Standard Cubic Feet.

4. Nature of Service. Section 2.1 of the Transaction Confirmation is deleted in its entirety and replaced with the following:

2.1 Supplier shall deliver, and be the exclusive provider of, Environmental Attributes to Customer's Fueling Station(s) in return for payments addressed herein, and Customer shall provide Supplier with rights to LCFS and RFS Credits created under the LCFS and RFS Regulations. In accordance with the terms of Sections 7 and 15 of this Transaction Confirmation, all LCFS and RFS Credits created at the Fueling Station(s) shall be the sole property of Supplier, and Supplier shall compensate Customer for the value of those credits, but at no time shall this Contract be construed as a purchase or sale of LCFS Credits from Fueling Station(s).

2.1.1. Irrespective of the entity delivering gas to Customer, Supplier shall make best efforts to meet Customer's RNG requirements through the delivery of Environmental Attributes to Customer's Fueling Station(s). The volume of Environmental Attributes to be delivered to Customer shall be approximately equal to 150,000 per year, the equivalent of Gas consumption of 1,500,000 Therms annually.

2.1.2. Customer agrees that Gas delivered to the Fueling Station(s) will be for use as CNG as a Vehicle Fuel only and will be used for no other purposes.

5. Allocation of Heavy Duty and Light Duty Vehicle Use. Section 8.1 of the Transaction Confirmation shall be amended as follows:

- a. The reference to "Section 95484(c)" in the second line of this section shall be removed and replaced with "Section 95484(b)".
- b. In the third line, the parenthetical "(14,000 pounds or less gross vehicle weight)" shall be deleted in its entirety.

6. Calculation of LCFS Credits Earned Each Month. Section 9.2.1 of the Transaction Confirmation shall be deleted in its entirety.

7. Calculation of RINs and Monthly Payment: Section 12 of the Transaction Confirmation shall be amended as follows:

- a. The heading of Section 12 shall be updated to be "Calculation of RINs and Monthly Payment."
- b. The calculation in Section 12.1 shall be deleted in its entirety and replaced with the following:

$$PAYMENT_{RINs} = THERMS_{MONTH} \times 1.16935 \times PRICE_{MONTH} \times RIN\ SHARING\%$$

Where

THERMS_{MONTH} = The total number of therms consumed in a month
1.16935 = the number of RIN Credits per therm of Gas consumed

PRICE_{MONTH} = The monthly average RIN price
RIN SHARING% = The RIN Sharing Percentage

- c. The following shall be added as new Section 12.6 to the Transaction Confirmation:

“12.6. The Parties agree that the credit creation rates for future years are subject to the EPA’s future publications, or amendment, to the current rule and shall be added to this Transaction Confirmation by amendment once such revisions are available.”

8. Termination. Section 14.1 of the Transaction Confirmation shall be modified to add “or RFS” after both uses of “LCFS” in the first sentence.
9. Regulatory Requirements for RINs. The following shall be added as a new Section 15 to the Transaction Confirmation:

“15. REGULATORY REQUIREMENT FOR RINs

15.1 The meter used to monitor the RNG consumed as transportation fuel or used to withdraw natural gas from the United States Natural Gas distribution system, must abide by EPA’s approved meter guidelines as described in the BRRR. Should it not, Supplier shall create, with Customer’s cooperation, an AMP for the meter to be submitted to EPA. The payments outlined in Section 12 shall not be owed to Customer until the AMP is approved by EPA. If an AMP is not approved by EPA during the term, then Customer or Supplier can terminate this Agreement with sixty (60) days written notice to the other party of its intent to terminate the Agreement.

15.2. The BRRR requires all EPA RFS participants to register under EMTS in accordance with their respective roles. The Parties shall cooperate with one another to effect the foregoing, including with respect to coordinating activities to assist necessary third parties with respect to any such registration.

15.2.1 Supplier shall transfer K1 RINs to Customer with the RNG to be used as transportation fuel. The RIN Separator shall be responsible for demonstrating that such RNG was used as transportation fuel.

15.2.2 Customer represents and warrants that it meets at least one of the criteria of a RIN Separator as defined under the BRRR. Customer shall perform all tasks required of it under the BRRR, including, but not limited to, designating an RCO and maintaining an account within the EMTS. The RCO shall be responsible for the RIN separation process as well as the transfer of the separated RINs to Supplier’s (or its designee’s) account within ten (10) days after separation, on a monthly basis, including the creation of associated PTDs. The Parties agree that the K1 RINs shall be transferred with the RNG from Supplier to Customer for K2 RIN Separation and transfer thereof to Supplier, or Supplier’s designee, after separation.

15.2.3 Customer shall designate Supplier as its agent to complete certain tasks on its behalf, including, but not limited, RIN separation and administrative tasks,

as such activities be allowed and described under the BRRR. Customer shall remain ultimately responsible for these and all other actions required of Customer under the BRRR, whether performed by Supplier or Customer.

15.2.4 Customer shall provide to Supplier all meter information necessary for the generation and separation of RINs, to include but not be limited to the name and location of withdrawal point where RNG was taken from the natural gas pipeline, quantity of RNG in MMBtu LHV and SCF withdrawn, quantity of CNG dispensed, dispensing locations, and the quantity of CNG in MMBtu LHV and SCF.

15.2.5 To implement the modification of the Parties' obligations under the RFS Regulation, the Parties agree to cooperate with each other and support the transition of all reasonably necessary administrative and regulatory processes and requirements, including, but not limited to, requirements related to documentation (including, without limitation, PTDs, and affidavits whether from Customer or EPA RFS participants downstream of Customer), recordkeeping, reporting, RNG measurement, sampling, and testing.

15.3 Annual RIN Attestation audits shall be required for Customer's designated role as RIN Separator. Supplier shall coordinate the audit on Customer's behalf and reduce LCFS and RIN payments by the associated cost. Supplier shall use commercially reasonable efforts to minimize this cost on Customer's behalf.

15.4 To the extent not expressly addressed herein and recognizing that guidance and practical custom shall be received by the EPA and shall be developed by commercial parties during the implementation of the BRRR the Parties shall, without undue delay, implement any other or further amendments, modifications, or changes reasonably necessary to conform their performance to the requirements of the BRRR."

10. Ratification. Except as specifically amended herein, the terms of the Base Contract and Transaction Confirmation shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

Supplier

GHI Energy, LLC

By: Anthony Cox
Anthony Cox (Dec 16, 2024 11:46 EST)

Name: Anthony Cox

Title: Vice President

By: Tamara Kelly
Tamara Kelly (Dec 16, 2024 12:39 EST)

Name: Tamara Kelly

Title: Witness for GHI

CITY OF RIVERSIDE, a California
charter city and municipal corporation

By: _____
City Manager

Attest: _____
City Clerk

Certified as to Availability of Funds:

By: Kio Zulu
Chief Financial Officer

Approved as to Form:

By: RJ
Deputy City Attorney