

SIGNATURE PAGE

P-31-2022

To the Monmouth County Board of County Commissioners:

**THE UNDERSIGNED HEREBY DECLARES THAT
I (WE) HAVE CAREFULLY EXAMINED THE SPECIFICATIONS.
I (WE) HEREBY CERTIFY PRICES QUOTED ARE IN ACCORDANCE
WITH YOUR REQUIREMENTS.**

Company Name: VisionRNG LLC
(PRINT)

Preparer's Name: Bill Johnson
(PRINT)

Signature: Bill Johnson 7/21/2022
(DATE)

Address: 4000 Town Center Blvd, Suite 250
Canonsburg, PA 15317

Telephone No.: (205) 249-2992

Fax No.: _____

E-Mail Address: bjohnson@visionrng.com
*****(This should be the email where Contracts would be sent)*****

Contact Person: Bill Johnson

FEIN: [REDACTED]
(Federal Employee ID)

(Revised 2/2017)

Introduction and Assumptions

Vision RNG (“VRNG”) is proposing to own 100% of the proposed LFG-to-RNG project. VRNG will be fully responsible for permitting, designing, building, operating, and maintaining the proposed RNG facility. VRNG will be fully responsible for the sales and marketing of the produced RNG and associated environmental attributes, including RINs.

VRNG intends to monetize the RNG from this project by selling the natural gas commodity to the local gas utility, New Jersey Natural Gas, and the associated environmental attributes into the D3 RIN market. VRNG does not intend to utilize tax credits, carbon credits, or any other green attributes.

As described in Part A of this proposal, VRNG is wholly owned by Vision Ridge Partners (“VRP”). VRNG intends to finance the project utilizing capital contributed by VRP but may also seek long-term debt financing.

The VRNG and VRP teams are well versed and experienced in the offtake of RNG. VRNG is in commercial discussions with a number of potential offtake partners for the RNG produced by its projects under development and construction, including major oil companies, independent marketers, and voluntary buyers. Additionally, VRP, through current and former portfolio companies, including Vanguard Renewables, has executed offtake arrangements for RNG with large players in the space. VRNG is well positioned to maximize and share with Monmouth County the value of the LFG-to-RNG production anticipated at the RNG project.

VRNG is proposing an initial term of 20 years, with renewal options to extend for another 10 years, at VRNG’s option, for the agreements to be negotiated in the next steps of the RFP process. During the term of the agreements, VRNG proposes to pay Monmouth County a monthly royalty as a tiered percentage of gross revenues from the project based on realized RNG pricing, further described below.

VRNG notes the wide swings observed in the historical gas quality data provided in the RFP. Since gas quality in LFG has a significant, direct impact on the production of RNG, VRNG is proposing two royalty structures to Monmouth County as follows:

- **Base Proposal:** Monmouth County will not guarantee the gas quality of LFG, and VRNG will pay Monmouth County for the LFG per a Base Proposal royalty structure, described in the sections below.
- **Alternative Proposal:** Monmouth County will guarantee the LFG will contain less than 10% inert gasses (sum of N₂ and O₂) at the inlet of the RNG facility, and VRNG will pay Monmouth County for the LFG per an Alternative Proposal royalty structure, described in the sections below.

In developing this proposal, VRNG has made the following commercial assumptions:

- We have estimated the cost of electricity to be \$85/MWh, and we anticipate our proposed RNG facility will consume 20,000 MWh per year.
- VRNG will reimburse Monmouth County the cost of the NJNG interconnecting pipeline and interconnection, as described in the RFP. We have estimated this cost to be \$8MM.
- We estimate the value of D3 RINs throughout the proposed term to range between \$1.11 and \$2.50 (\$13.02 to \$29.32 per mmbtu). We anticipate the associated broker fees to range between 10% and 25%, depending on the offtake structure.
- We estimate, based on natural gas futures, the long-term average price paid by NJNG for the natural gas commodity to range between \$3.00/mmbtu and \$4.00/mmbtu. Our proposal includes payment to Monmouth County as a percentage of gross revenue based on realized RNG pricing, including this natural gas commodity component. The RFP requests a true-up mechanism to accommodate for natural gas pricing below or above \$3.00/mmbtu. Since VRNG proposes to pay Monmouth County based on realized RNG pricing, inclusive of natural gas commodity, we feel a true-up mechanism does not apply.

Base Proposal – No Gas Quality Guarantee

Under this Base Proposal, Monmouth County will not provide a gas quality guarantee. During the term of the agreements, VRNG proposes to pay Monmouth County a monthly royalty as a tiered percentage of gross revenues from the project based on realized RNG pricing per the table below. We strongly believe this royalty structure allows Monmouth County to maximize value in all pricing environments.

Realized Avg. RNG Sale Price (\$/mmbtu)	Base Proposal % of Revenue
\$0 - \$15.00	15.0%
\$15.01 - \$20.00	18.0%
\$20.01 - \$25.00	22.0%
\$25.01 +	50/50 split on incremental price above \$25

To further explain the royalty payment calculation when realized RNG pricing is above \$25.00/mmbtu, VRNG proposes to share with Monmouth County 50% of the incremental difference between the actual realized price and \$25.00, in addition to the 22% of the \$25.00.

For example, if realized pricing is \$35.00/mmbtu, the royalty calculation is as follows:

- Royalty payment per mmbtu = $(22\% \times \$25.00) + (50\% \times (\$35.00 - \$25.00))$
- Royalty payment per mmbtu = $\$5.50 + \5.00
- Royalty payment per mmbtu = $\$10.50/\text{mmbtu}$

Since the Economic Benefits Summary Form requested in the RFP is not conducive to accurately show the benefits of a tiered royalty structure, VRNG has provided illustrative tables projecting the value of

these royalty payments to Monmouth County at two different realized RNG pricing scenarios as an attachment to the requested forms in **Appendix BA**.

Alternative Proposal – Gas Quality Guarantee

Under this Alternative Proposal, Monmouth County will guarantee the LFG will contain less than 10% inert gasses (sum of N₂ and O₂) at the inlet of the RNG facility. During the term of the agreements, VRNG proposes to pay Monmouth County a monthly royalty as a tiered percentage of gross revenues from the project based on realized RNG pricing per the table below. We strongly believe this royalty structure allows Monmouth County to maximize value in all pricing environments.

Realized Avg. RNG Sale Price (\$/mmbtu)	Alternative Proposal % of Revenue
\$0 - \$15.00	16.0%
\$15.01 - \$20.00	19.0%
\$20.01 - \$25.00	24.0%
\$25.01 +	50/50 split on incremental price above \$25

The mechanism to calculate royalty payments when realized RNG pricing is above \$25.00/mmbtu is similar to the Base Proposal.

For example, under this Alternative Proposal, if realized pricing is \$35.00/mmbtu, the royalty calculation is as follows:

- Royalty payment per mmbtu = (24% x \$25.00) + (50% x (\$35.00 - \$25.00))
- Royalty payment per mmbtu = \$6.00 + \$5.00
- Royalty payment per mmbtu = \$11.00/mmbtu

Since the Economic Benefits Summary Form requested in the RFP is not conducive to accurately show the benefits of a tiered royalty structure, VRNG has provided illustrative tables projecting the value of these royalty payments to Monmouth County at two different realized RNG pricing scenarios as an attachment to the requested forms in **Appendix BB**.

Appendix BA

ECONOMIC BENEFITS SUMMARY FORM

Vendor SHALL COMPLETE AND RETURN WITH PART B OF PROPOSAL

Vendor must complete this form without making any alterations to its format. Fill in values where appropriate and circle appropriate answers as indicated. Attach more information as necessary to fully explain the economic benefits of your proposal.

Vendor COMPANY NAME: VisionRNG LLC

LFG To RNG facility capacity proposed at initial installation: 3500 SCFM

(in units of raw inlet LFG flow (scfm). Need not equal LFG available at installation)

Proposal Option #1

Description: Vendor 100% owns, permits, designs, builds, operates, maintains, negotiates with end users and RIN purchasers, etc. for the LFG to RNG facility, for 20 years utilizing excess LFG from the MCRC and operating on a leased portion of County land. Vendor acknowledges that Vendor will assume all costs, labor, and equipment to design, permit, construct, and operate Vendor's facility. In return, the Vendor shares a royalty with the County as follows:

Select one or multiple bullets: *Base Proposal: royalty paid per tiered structure, see attached.*

- Vendor will pay County _____ percent of all gross revenue,
- Vendor will pay County _____ percent of all environmental attribute gross revenue, and/or
- Vendor will pay County _____ percent of _____ or a flat rate of \$ _____ per month (optional).

If royalty is based on all gross revenue:

Vendor's estimated total gross revenue in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated total gross revenue for the 20 year operating term is \$ _____ (provide back up for this estimate).

If royalty is based only on RIN gross revenue:

Vendor's estimated gross revenue from RIN's only in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated gross revenue from RIN's only for the 20 year operating term is \$ _____ (provide back up for this estimate).

If royalty is based on other things besides gross revenue or RIN gross revenue:

Vendor's estimated _____ from _____ in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated _____ from _____ for the 20 year operating term is \$ _____ (provide back up for this estimate).

Proposal Option #2

Vendor and County partner on all aspects of the project (i.e.: ownership, capital costs, permitting, design, construction, operation, maintenance, finding vehicle fleets to purchase the RNG, RIN sales/revenue, etc.) for 20 years. If this proposal option is selected by Vendor, provide the following with your proposal:

Vendor’s split of this partnership is: ____% for County and ____% for Vendor.

Vendor estimates their facility operation will begin on _____ (date).

Vendor’s estimated Capital Cost (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor’s estimated 1st year O&M cost (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor’s estimated 1st year gross revenue (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor’s 20-year operating term gross revenue (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor shall attach draft terms and conditions for this partnership.

Proposal Option #3

Other Alternative. Vendors may provide alternate payment provisions modifying the metrics in Option #2 above. Attach details on the alternative and describe if payments will escalate annually or quarterly and the basis for the escalation.

All Proposal Options

Explanation of other service or benefits the Vendor offers the County: (attach additional pages if necessary):

Value of other services or benefits the Vendor offers the County: \$

Vendor acknowledges that production from Vendor’s facility is secondary to the operation of the MCRC, including without limitation regulatory compliance. Collecting LFG to meet environmental regulations and/or otherwise in connection with the operation of the MCRC will take precedence over collecting LFG for commercial use if the two conflict.

Vendor’s Signature Bill Johnson Date: 7/21/2022

Base Proposal - Realized Price - \$22/MMBTU	Vision RNG has projected royalty payments to the County at realized RNG pricing of \$22.00/MMBTU and at \$27.00/MMBTU for illustrative purposes.										
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Gas Curve used (scfm)	3,128	3,142	3,154	3,167	3,179	3,190	3,201	3,211	3,221	3,231	3,240
Gas Curve used (MMBTU)	172,182	699,138	711,281	714,055	718,684	719,282	721,743	724,107	728,369	728,561	730,658
Pricing and Revenue											
Price (\$/MMBTU)	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
Revenue (\$)	\$3,788,004	\$15,381,044	\$15,648,174	\$15,709,213	\$15,811,058	\$15,824,204	\$15,878,341	\$15,930,355	\$16,024,111	\$16,028,344	\$16,074,476
Revenue Sharing											
Royalty Tier	4	4	4	4	4	4	4	4	4	4	4
Variable Royalty (%)	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Gross Variable Revenue (\$)	\$833,361	\$3,383,830	\$3,442,598	\$3,456,027	\$3,478,433	\$3,481,325	\$3,493,235	\$3,504,678	\$3,525,304	\$3,526,236	\$3,536,385
Net Variable Revenue (\$)	\$833,361	\$3,383,830	\$3,442,598	\$3,456,027	\$3,478,433	\$3,481,325	\$3,493,235	\$3,504,678	\$3,525,304	\$3,526,236	\$3,536,385
Total Revenue to Monmouth County (\$)	\$833,361	\$3,383,830	\$3,442,598	\$3,456,027	\$3,478,433	\$3,481,325	\$3,493,235	\$3,504,678	\$3,525,304	\$3,526,236	\$3,536,385
Net Revenue to MC (\$/MMBTU)	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84	\$4.84
Undiscounted Cash Flow Monmouth County (\$)	\$35,661,411										
<i>Assumed COD on Oct. 1st, 2024</i>											

CONFIDENTIAL - DO NOT COPY OR DISTRIBUTE

Base Proposal - Realized Price - \$27/MMBTU	Vision RNG has projected royalty payments to the County at realized RNG pricing of \$22.00/MMBTU and at \$27.00/MMBTU for illustrative purposes.										
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Gas Curve used (scfm)	3,128	3,142	3,154	3,167	3,179	3,190	3,201	3,211	3,221	3,231	3,240
Gas Curve used (MMBTU)	172,182	699,138	711,281	714,055	718,684	719,282	721,743	724,107	728,369	728,561	730,658
Pricing and Revenue											
Price (\$/MMBTU)	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00
Revenue (\$)	\$4,648,914	\$18,876,736	\$19,204,578	\$19,279,489	\$19,404,480	\$19,420,614	\$19,487,055	\$19,550,890	\$19,665,954	\$19,671,149	\$19,727,766
Revenue Sharing											
Royalty Tier	5	5	5	5	5	5	5	5	5	5	5
Variable Royalty (%)	24.1%	24.1%	24.1%	24.1%	24.1%	24.1%	24.1%	24.1%	24.1%	24.1%	24.1%
Gross Variable Revenue (\$)	\$1,119,183	\$4,544,399	\$4,623,324	\$4,641,358	\$4,671,449	\$4,675,333	\$4,691,328	\$4,706,696	\$4,734,396	\$4,735,647	\$4,749,277
Net Variable Revenue (\$)	\$1,119,183	\$4,544,399	\$4,623,324	\$4,641,358	\$4,671,449	\$4,675,333	\$4,691,328	\$4,706,696	\$4,734,396	\$4,735,647	\$4,749,277
Total Revenue to Monmouth County (\$)	\$1,119,183	\$4,544,399	\$4,623,324	\$4,641,358	\$4,671,449	\$4,675,333	\$4,691,328	\$4,706,696	\$4,734,396	\$4,735,647	\$4,749,277
Net Revenue to MC (\$/MMBTU)	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50
Undiscounted Cash Flow Monmouth County (\$)	\$47,892,391										
<i>Assumed COD on Oct. 1st, 2024</i>											

CONFIDENTIAL - DO NOT COPY OR DISTRIBUTE

ECONOMIC BENEFITS SUMMARY FORM

Vendor SHALL COMPLETE AND RETURN WITH PART B OF PROPOSAL

Vendor must complete this form without making any alterations to its format. Fill in values where appropriate and circle appropriate answers as indicated. Attach more information as necessary to fully explain the economic benefits of your proposal.

Vendor COMPANY NAME: VisionRNG LLC

LFG To RNG facility capacity proposed at initial installation: 3500 SCFM

(in units of raw inlet LFG flow (scfm). Need not equal LFG available at installation)

Proposal Option #1

Description: Vendor 100% owns, permits, designs, builds, operates, maintains, negotiates with end users and RIN purchasers, etc. for the LFG to RNG facility, for 20 years utilizing excess LFG from the MCRC and operating on a leased portion of County land. Vendor acknowledges that Vendor will assume all costs, labor, and equipment to design, permit, construct, and operate Vendor's facility. In return, the Vendor shares a royalty with the County as follows:

Select one or multiple bullets: *Alternative Proposal: royalty paid per tiered structure, see attached.*

- Vendor will pay County _____ percent of all gross revenue,
- Vendor will pay County _____ percent of all environmental attribute gross revenue, and/or
- Vendor will pay County _____ percent of _____ or a flat rate of \$ _____ per month (optional).

If royalty is based on all gross revenue:

Vendor's estimated total gross revenue in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendors estimated total gross revenue for the 20 year operating term is \$ _____ (provide back up for this estimate).

If royalty is based only on RIN gross revenue:

Vendor's estimated gross revenue from RIN's only in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated gross revenue from RIN's only for the 20 year operating term is \$ _____ (provide back up for this estimate).

If royalty is based on other things besides gross revenue or RIN gross revenue:

Vendor's estimated _____ from _____ in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated _____ from _____ for the 20 year operating term is \$ _____ (provide back up for this estimate).

Proposal Option #2

Vendor and County partner on all aspects of the project (i.e.: ownership, capital costs, permitting, design, construction, operation, maintenance, finding vehicle fleets to purchase the RNG, RIN sales/revenue, etc.) for 20 years. If this proposal option is selected by Vendor, provide the following with your proposal:

Vendor’s split of this partnership is: ____% for County and ____% for Vendor.

Vendor estimates their facility operation will begin on _____ (date).

Vendor’s estimated Capital Cost (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor’s estimated 1st year O&M cost (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor’s estimated 1st year gross revenue (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor’s 20-year operating term gross revenue (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor shall attach draft terms and conditions for this partnership.

Proposal Option #3

Other Alternative. Vendors may provide alternate payment provisions modifying the metrics in Option #2 above. Attach details on the alternative and describe if payments will escalate annually or quarterly and the basis for the escalation.

All Proposal Options

Explanation of other service or benefits the Vendor offers the County: (attach additional pages if necessary):

Value of other services or benefits the Vendor offers the County: \$

Vendor acknowledges that production from Vendor’s facility is secondary to the operation of the MCRC, including without limitation regulatory compliance. Collecting LFG to meet environmental regulations and/or otherwise in connection with the operation of the MCRC will take precedence over collecting LFG for commercial use if the two conflict.

Vendor’s Signature Bill Johnson Date 7/21/2022

Alternative Proposal - Realized Price - \$22/MMBTU	Vision RNG has projected royalty payments to the County at realized RNG pricing of \$22.00/MMBTU and at \$27.00/MMBTU for illustrative purposes.										
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Gas Curve used (scfm)	3,128	3,142	3,154	3,167	3,179	3,190	3,201	3,211	3,221	3,231	3,240
Gas Curve used (MMBTU)	172,182	699,138	711,281	714,055	718,684	719,282	721,743	724,107	728,369	728,561	730,658
Pricing and Revenue											
Price (\$/MMBTU)	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
Revenue (\$)	\$3,788,004	\$15,381,044	\$15,648,174	\$15,709,213	\$15,811,058	\$15,824,204	\$15,878,341	\$15,930,355	\$16,024,111	\$16,028,344	\$16,074,476
Revenue Sharing											
Royalty Tier	4	4	4	4	4	4	4	4	4	4	4
Variable Royalty (%)	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Gross Variable Revenue (\$)	\$909,121	\$3,691,451	\$3,755,562	\$3,770,211	\$3,794,654	\$3,797,809	\$3,810,802	\$3,823,285	\$3,845,787	\$3,846,802	\$3,857,874
Net Variable Revenue (\$)	\$909,121	\$3,691,451	\$3,755,562	\$3,770,211	\$3,794,654	\$3,797,809	\$3,810,802	\$3,823,285	\$3,845,787	\$3,846,802	\$3,857,874
Total Revenue to Monmouth County (\$)	\$909,121	\$3,691,451	\$3,755,562	\$3,770,211	\$3,794,654	\$3,797,809	\$3,810,802	\$3,823,285	\$3,845,787	\$3,846,802	\$3,857,874
Net Revenue to MC (\$/MMBTU)	\$5.28	\$5.28	\$5.28	\$5.28	\$5.28	\$5.28	\$5.28	\$5.28	\$5.28	\$5.28	\$5.28
Undiscounted Cash Flow Monmouth County (\$)	\$38,903,358										
<i>Assumed COD on Oct. 1st, 2024</i>											

CONFIDENTIAL - DO NOT COPY OR DISTRIBUTE

Alternative Proposal - Realized Price - \$27/MMBTU	Vision RNG has projected royalty payments to the County at realized RNG pricing of \$22.00/MMBTU and at \$27.00/MMBTU for illustrative purposes.										
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Gas Curve used (scfm)	3,128	3,142	3,154	3,167	3,179	3,190	3,201	3,211	3,221	3,231	3,240
Gas Curve used (MMBTU)	172,182	699,138	711,281	714,055	718,684	719,282	721,743	724,107	728,369	728,561	730,658
Pricing and Revenue											
Price (\$/MMBTU)	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00
Revenue (\$)	\$4,648,914	\$18,876,736	\$19,204,578	\$19,279,489	\$19,404,480	\$19,420,614	\$19,487,055	\$19,550,890	\$19,665,954	\$19,671,149	\$19,727,766
Revenue Sharing											
Royalty Tier	5	5	5	5	5	5	5	5	5	5	5
Variable Royalty (%)	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%
Gross Variable Revenue (\$)	\$1,205,274	\$4,893,969	\$4,978,965	\$4,998,386	\$5,030,791	\$5,034,974	\$5,052,199	\$5,068,749	\$5,098,581	\$5,099,927	\$5,114,606
Net Variable Revenue (\$)	\$1,205,274	\$4,893,969	\$4,978,965	\$4,998,386	\$5,030,791	\$5,034,974	\$5,052,199	\$5,068,749	\$5,098,581	\$5,099,927	\$5,114,606
Total Revenue to Monmouth County (\$)	\$1,205,274	\$4,893,969	\$4,978,965	\$4,998,386	\$5,030,791	\$5,034,974	\$5,052,199	\$5,068,749	\$5,098,581	\$5,099,927	\$5,114,606
Net Revenue to MC (\$/MMBTU)	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
Undiscounted Cash Flow Monmouth County (\$)	\$51,576,421										
<i>Assumed COD on Oct. 1st, 2024</i>											

CONFIDENTIAL - DO NOT COPY OR DISTRIBUTE