

Agenda

How Renewable Natural Gas works

The value of Renewable Natural Gas to a developer

Contractual best practices

Top questions to ask a developer to separate the pretenders

Top questions to ask developers

Q: How many renewable natural gas projects have you actually built and operated?

Why: Several developers claim to be working with dozens of dairies while only purchasing small scale electric production projects that are going to struggle to become RNG projects

Q: What do you think the CI score for my dairy is?

Why: If they are offering you royalties, but don't understand the value of your gas, then they haven't done their homework and will likely need to renegotiate the contract

Q: How much biogas do you expect to produce at my dairy? How much digestion capacity do you expect, what is the expected residence time, and what style digester.

Why: The volume of gas produced will have a tangible impact on revenue

Q: What kind of RNG upgrading technology will you be using and will you have a thermal oxidizer for the tail gas:

Why: Technology has a large impact on the footprint and viability of the project. If there is hydrogen sulfide in the tail gas, not having a thermal oxidizer will lead to odors.



Top questions to quiz developers on (continued)

Q: Where are you going to sell your gas?

A: This is particularly important to know if the dairy is taking a % of revenue for a royalty. If the developer locks in prices at a lower price, lowering the royalty payment, the dairy should have a say in the placement of the gas

Q: How will this project be financed?

A: If they need to get loans through the USDA program or grant money, development will take longer

Q: What permits will you need and what do I need to change?

A: The developer should already be thinking about necessary changes to the Dairy's nutrient management plan, environmental permitting, and meeting with local zoning boards



Finally...some personal advice

Avoid developers claiming to be constructing dozens of projects and are releasing weekly press statements

Building 2 or 3 new RNG projects a year is difficult and there are only so many qualified people who can do it. If a company claims to have “signed up 70 dairies”, you need to ask them how are they going to execute on 70 projects?

The reality is there probably aren't 70 top-tier RNG projects in the USA— let alone all going to one developer.

Novilla RNG works with developers that are interested in executing on a couple of good projects per year and have the capabilities to do so.



RNG project under construction – imagine trying to do 70 of these in the next year

Novilla RNG has a business philosophy of up-front honesty and transparency so that contracts don't need to be renegotiated



Contact us for a free evaluation:

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We are ready to help your dairy partner with the right developer