



May 12, 2020

Indian River County  
1801 27th Street  
Vero Beach, FL 32960

Attn: Vincent Burke  
Director of Utility Services

Re: Indian River Eco-District Landfill Gas Contract

Dear Vincent,

Per the Landfill Gas (“LFG”) Contract between Indian River County (“County”) and the Indian River Eco District (“IREDD”) executed July 16th, 2019, per Article 13, Section 13.1 of the LFG contract, IREDD is requesting approval to delay the LFG Commencement Date of the Landfill Gas project.

IREDD hereby requests a change in the LFG Commencement Date, from July 16th, 2020 to September 30th, 2021, based on several factors:

- **Delays due to COVID-19** – IREDD’s ability to process the LFG project’s engineering, permits, etc. has been significantly delayed due to our and our service providers ability to travel, visit the site, etc.
- **Proposed Change, from power generation to to Renewable Natural Gas (“RNG”)** – IREDD has further investigated the technical viability as well as the social, environmental, regional and economic benefits between an LFG to Power project versus an LFG to RNG project, and wishes to officially convert the project to an LFG to RNG project.

As you will recall, from the outset of our project efforts, IREDD and the County Administration team have always intended to include RNG production as an option for the LFG contract. In fact, the County LFG contract includes separate and distinct compensation scenarios in the case whereby the project development team elected to go in the direction of an RNG project.

As part of our analysis, IREDD has investigated the social, environmental, regional and economic benefits of the originally planned LFG to Power project, versus an LFG to RNG project. Although we are still refining our technical engineering designs and associated financial plans, it has become clear to IREDD that the LFG to RNG project represents a substantially better alternative for IREDD as well as for the County. From a solely economic perspective, IREDD expects that the County would likely realize over three to four times the annual royalties from an



RNG project, as compared to the royalties projected from the LFG to Power project previously envisioned at the IRED site.

The IRED team and its engineering partners are confident of the technical viability of the project, but require additional time to complete the technical design efforts, sign RNG gas off-take agreements, select equipment suppliers and deploy the construction. IRED has partnered with a highly experienced engineering firm, Nexus PMG, to complete the technical and market feasibility report for the project, as well as provide the engineering design services with the intent of having the engineering design of the RNG facility completed by June 1<sup>st</sup>, 2020. IRED has already reviewed the preliminary report content, and due to the overwhelming benefit(s) of the RNG project, IRED is electing to notify the County Administration team as far in advance as possible in hopes of promptly gaining approval of the newly proposed LFG Commencement Date that would be required in order for IRED to proceed with this path.

The requested modification to the commencement date will provide IRED with enough time to convert the LFG site designs to support an RNG project, complete discussions with counter-parties to secure an RNG off-take agreement, negotiate and structure all equipment contracts and commence construction.

We thank you for considering this extension and look forward to discussing any questions or comments the County may have regarding IRED's request.

Sincerely,

A handwritten signature in black ink, appearing to read "Alain J. Castro".

Alain J. Castro  
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