

INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (this “Agreement”) is entered into as of [REDACTED] (“Effective Date”) by and between Northwest Natural Gas Company (“NW Natural”) and [REDACTED] (“Producer”) (collectively referred to as “Parties” or individually as “Party”) regarding NW Natural’s design, construction, and maintenance of a receipt point into NW Natural’s distribution facilities as more fully described in this Agreement (the “Receipt Point Facilities”) to allow for NW Natural to receive biomethane (“Biomethane”) from Producer’s facilities to be located at [REDACTED] (the “Plant”).

WITNESSETH

WHEREAS, Producer intends to design, construct, commission, operate and maintain a plant for the production of Biomethane and desires to inject such Biomethane into NW Natural’s natural gas local distribution system (“LDC System”); and

WHEREAS, Producer has requested that NW Natural design, construct, operate, and maintain Receipt Point Facilities necessary for NW Natural to receive Biomethane from the Plant in quantities as defined in Exhibit A; and

WHEREAS, NW Natural is willing to design, construct, operate, and maintain the Receipt Point Facilities and other related facilities in accordance with the terms of this Agreement as supplemented by the terms and conditions in NW Natural’s tariff (“Tariff”) as approved by the Oregon Public Utility Commission (“OPUC”); and

WHEREAS, Producer agrees to pay NW Natural for all costs incurred by NW Natural in designing, constructing, operating, and maintaining the Receipt Point Facilities and other related facilities as further provided for in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and subject to all terms and conditions set forth herein, NW Natural and Producer agree as follows:

ARTICLE 1 **DEFINITIONS**

- 1.1 **“Action Level”**: the point at which an immediate shut-off of the Biomethane supply occurs for a parameter in the Biomethane Quality Specification.
- 1.2 **“Allowable Level”**: the maximum value of each constituent in the Biomethane Quality Specification that is allowed to flow through the LDC System.
- 1.3 **“Biomethane”**: pipeline-quality gas produced from various biomass sources through a biochemical process, such as anaerobic digestion.
- 1.4 **“Emergency Services”**: will have the meaning set forth in Section 5.5.
- 1.5 **“Force Majeure”**: war, terrorism, revolution, civil commotion, acts of public enemies, blockade, embargo, national strikes, or any other act whatsoever, whether similar or dissimilar to those

referred to in this Section 1.5, that is beyond the reasonable control of the Party affected, that could not have been prevented by the exercise of due diligence, or that could not otherwise reasonably be foreseen and guarded against. Force Majeure does not include changes in pricing or other economic conditions.

- 1.6 **“LDC System”**: pipelines and facilities within NW Natural’s natural gas local distribution system.
- 1.7 **“MAOP”**: Maximum Allowable Operating Pressure.
- 1.8 **“Modification”**: will have the meaning set forth in Section 5.5.
- 1.9 **“Notice to Proceed”**: written notice from Producer authorizing NW Natural to commence Phase One and Phase Two of the Project Work as described in Section 2.2.
- 1.10 **“Producer-Owned Facilities”**: any upstream facilities, piping, and equipment, necessary to connect the Producer site to the Receipt Point Facilities.
- 1.11 **“Project Work”**: design, construction, and commissioning of the Receipt Point Facilities, interconnect pipeline, and any other associated facilities, as described in the Cost Estimate at Exhibit B.
- 1.12 **“Receipt Point”**: the custody transfer point between Producer and NW Natural.
- 1.13 **“Receipt Point Facilities”**: NW Natural-owned facilities at the Producer site including pipe connecting Producer’s outlet flange to NW Natural’s distribution system, metering, pressure control equipment, quality monitoring equipment, odorization facilities, valving, automation control, communication equipment, and associated appurtenances and site work.
- 1.14 **“Routine Services”**: will have the meaning set forth in Section 5.5.
- 1.15 **“Shortfall Payment”** will have the meaning set forth in Section 3.8.
- 1.16 All terms defined in the Tariff are adopted herein. The Tariff is available at <https://www.nwnatural.com/about-us/rates-and-regulations/oregon-tariff-book>.
- 1.17 Other terms are defined in other sections of this Agreement.

ARTICLE 2 **PROJECT WORK**

2.1 **Project Work**. NW Natural, or its designee, will design and construct the Project Work in accordance with the terms of this Agreement and the Tariff. The Receipt Point Facilities will be located and designed in NW Natural’s sole judgment based on the location of the Producer site relative to the expected gas flow, system design, and daily volume to be injected into the LDC System, as described in the attached Exhibit A. NW Natural will own, operate, and maintain the Receipt Point Facilities and other Project Work facilities.

2.2 **Phased Development of Project Work**. NW Natural will perform the Project Work in two phases:

- (i) Phase One. During Phase One, NW Natural (or its designees) will design the Receipt Point Facilities and other facilities described in Exhibit B and take reasonable actions to obtain permitting for the performance of the Project Work. Phase One is estimated to be complete approximately [REDACTED] business days after receiving the Prepayment and Notice to Proceed for Phase One.
- (ii) Phase Two. During Phase Two, NW Natural (or its designees) will construct and commission the Receipt Point Facilities and other facilities described in Exhibit B. Phase Two is estimated to be complete [REDACTED] business days after NW Natural receives the Prepayment and Notice to Proceed for Phase Two. Site security during Phase Two will follow NW Natural standards and policies.

NW Natural will have no right or obligation to commence either Phase One or Phase Two of the Project Work until it receives written notice from Producer (the “**Notice to Proceed**”) requesting NW Natural to begin such phase. Upon NW Natural’s receipt of both the Notice to Proceed and the Phase One Prepayment required in Section 3.3, NW Natural will use reasonable efforts to complete Phase One within the time estimated in item (i) of this Section 2.2. NW Natural will submit to Producer a proposed Phase Two Cost Estimate for Phase Two within 30 days of NW Natural’s completion of the design for Phase Two. If Producer accepts the proposed Phase Two Cost Estimate, and upon NW Natural’s receipt of both the Notice to Proceed and the Phase Two Prepayment required in Section 3.3, NW Natural will use reasonable efforts to complete Phase Two within the time estimated in item (ii) of this Section 2.2. If Producer does not deliver to NW Natural the Notice to Proceed for Phase Two within 60 days of receipt of NW Natural’s proposed Phase Two Cost Estimate, then NW Natural may in its sole discretion terminate this Agreement and the terms of Section 9.3 will apply.

2.3 Easements, Permits and Authorizations. All easements, permits, and authorizations required for performance of the Project Work will be obtained by and in the name of NW Natural. NW Natural will be under no obligation to commence Phase Two until such time as all necessary easements, permits, and authorizations for Phase Two have been obtained. NW Natural will make reasonable efforts to prepare and submit the necessary applications and filings to obtain such easements, permits, and authorizations and will use reasonable efforts to prosecute the same to final disposition. In no event will NW Natural be liable to Producer under this Agreement for failure to obtain, or for delays in obtaining, the necessary easements, permits, and authorizations, unless NW Natural has failed to make reasonable efforts to prepare and submit the necessary applications and filings to obtain such easements, permits, and authorizations or has failed to use reasonable efforts to prosecute the same to final disposition. Producer will grant any necessary easement(s) to perform the Project Work to the extent the Receipt Point Facilities or other Project Work facilities are on Producer’s premises and Producer will provide unobstructed access at all times to the personnel of NW Natural and its designees to perform their duties under this Agreement.

2.4 Producer-Owned Facilities. Producer will design, permit, construct, own, and operate, at Producer’s sole cost and expense, Producer-Owned Facilities. The terminus of Producer-Owned Facilities at the Receipt Point Facilities will be approximately 36” above ground (to centerline) and sized in accordance with Exhibit A, with the exact height and location to be coordinated with NW Natural. The delivery pressure at the outlet flange of Producer-Owned Facilities will be determined by NW Natural during Phase One in coordination with Producer. Producer will:

- a. Design and install a pipe and valve assembly, based on industry standards, for collecting Biomethane samples from the flow of gas to the Receipt Point Facilities prior to receipt of Biomethane at the Receipt Point Facilities;

- b. Bury or elevate piping, as needed, to provide a minimum 4-ft walkway to allow for unimpeded access to all sides of the Receipt Point Facilities by foot;
- c. Obtain all necessary permits and authorizations regarding Producer-Owned Facilities
- d. Comply with all applicable laws and codes;
- e. For the operation of Producer-Owned Facilities, comply with NW Natural's security requirements;
- f. Design, construct, and maintain at the Producer site at all times, the equipment and necessary permits to valve off and immediately flare the Biomethane, or divert flow to other Producer-owned equipment, prior to the outlet flange of Producer-Owned Facilities, should NW Natural require Producer to cease all deliveries of Biomethane to the Receipt Point Facilities pursuant to Articles 4 and 5 of this Agreement. In this event, Producer will bypass the Receipt Point Facilities through a permanent bypass to route flow to the flare or other Producer-owned equipment;
- g. Design, construct, and maintain the over-pressure protection for Producer-Owned Facilities in accordance with ASME B31.3 and any other applicable codes. The over-pressure protection devices in Producer-Owned Facilities will have a set pressure at or below the MAOP defined in Exhibit A; and
- h. Prior to construction of Producer-Owned Facilities, submit documentation to NW Natural demonstrating Producer's compliance with the requirements of this Agreement.

- 2.5 Producer will provide, at its sole cost and expense, the following equipment and services:
- a. Active and continuous communication and Producer site control network connections.
 - b. An electrical circuit that is backed up by a UPS or standby generator. Amperage and voltage requirements for the electrical circuit will be determined during Phase One and subject to NW Natural's approval; and
 - c. Instrument air service via tubing to operate the isolation valve to the Receipt Point Facilities. Pressure requirements for instrument air service will be determined during Phase One and subject to NW Natural's approval.

2.6 NW Natural will have the right to review and suggest modifications to the design for Producer-Owned Facilities prior to construction, but NW Natural does not have an obligation or duty to assist Producer with the design, selection of materials, construction, or other activities required to provide Biomethane, nor will NW Natural's review of the Producer-Owned Facilities design relieve or diminish Producer's obligation to design, permit, construct, maintain, and operate Producer-Owned Facilities as specified per this Agreement. Producer is not required to implement design modifications suggested by NW Natural, but Producer will notify NW Natural if Producer decides to not implement a design modification suggested by NW Natural.

2.7 Service Commencement. Notwithstanding the requested in-service date in Producer's Notice to Proceed, service at the Receipt Point Facilities will become available on or after the date that NW Natural provides Producer with written notice that (i) the Project Work is complete and (ii) Pre-Injection Testing is complete, as specified in Section 4.8 of this Agreement.

2.8 Post-Completion Changes to Receipt Point Facilities. At any time after the Project Work is completed, Producer may request that NW Natural make Modifications to the Receipt Point Facilities. NW Natural may at its sole discretion either agree or decline to make Producer's requested Modifications to the Receipt Point Facilities. Any Modifications to the Receipt Point Facilities requested by Producer will be made at Producer's expense. If NW Natural agrees to make Producer's requested Modifications to the Receipt Point Facilities, NW Natural will make the Modifications and, upon completion of the Modifications, NW Natural will bill Producer for NW Natural's costs to perform the Modifications, as described in Article 5.6.

ARTICLE 3
PREPAYMENT OF PROJECT WORK COSTS/MARGIN GUARANTEE

3.1 An estimate of the costs to be incurred by NW Natural to perform Phase One of the Project Work is attached as Exhibit B (“**Phase One Cost Estimate**”). An estimate of the costs to perform Phase Two of the Project Work (“**Phase Two Cost Estimate**”) will be incorporated into this Agreement by written amendment after Producer issues a Notice to Proceed for Phase Two Cost Estimate pursuant to Section 2.2. The Phase One Cost Estimate and the Phase Two Cost Estimate are collectively referred to herein as the “**Project Work Cost Estimate**”. Producer understands and agrees that the Project Work Cost Estimate (i) is provided by NW Natural solely as a good faith, non-binding estimate and (ii) is not a monetary limit on Producer’s obligation to fund the Project Work or on Producer’s other obligations under this Agreement and is subject to the requirements of Section 3.2.

3.2 Producer will pay NW Natural for all of NW Natural’s actual costs to perform the Project Work.

3.3 No later than the date that Producer gives NW Natural the Notice to Proceed for Phase One, Producer will prepay NW Natural for Phase One an amount equal to the Phase One Cost Estimate (the “**Phase One Prepayment**”). No later than the date that Producer gives NW Natural the Notice to Proceed for Phase Two, Producer will prepay NW Natural for Phase Two an amount equal to the Phase Two Cost Estimate less Producer’s Schedule X construction allowance of \$ [REDACTED] (the “**Phase Two Prepayment**”). The amount of the Phase One Prepayment and the Phase Two Prepayment are together the “**Project Cost Prepayment**”. The Phase One Prepayment and the Phase Two Prepayment will each be made in the form of wire transfer or ACH to NW Natural, and NW Natural will provide account information separately to Producer. NW Natural will have no obligation to perform Phase One, and will incur no liability for not performing Phase One, until the Phase One Prepayment is received by NW Natural; and NW Natural will have no obligation to perform Phase Two, and will incur no liability for not performing Phase Two, until the Phase Two Prepayment is received by NW Natural.

3.4 Upon completion of the Project Work, or in the event of termination of this Agreement as set forth in Article 9, NW Natural will, within 60 days of completion of the Project Work or termination of this Agreement, render to Producer a reasonably detailed listing of the actual costs incurred by NW Natural in performing the Project Work and will submit to Producer an invoice indicating any overpayment or underpayment of the actual costs, calculated as the difference between the Project Cost Prepayment and the actual costs incurred by NW Natural.

3.5 If NW Natural’s actual costs in performing the Project Work exceed the Project Cost Prepayment, Producer will pay NW Natural the amount that the actual costs exceed the Project Cost Prepayment within 30 days of the date of the invoice. If Producer fails to make such payment within said 30-day period, (a) late charges will accrue on the unpaid portion of the billing(s) determined to be due under this Agreement at the statutory rate and (b) Producer will reimburse NW Natural for any reasonable attorney’s fees that NW Natural incurs in collection of any payments due.

3.6 If the Project Cost Prepayment exceeds the amount of NW Natural’s actual costs in performing the Project Work, NW Natural will refund to Producer the full amount of the overpayment within 30 days after NW Natural provides Producer with the listing of NW Natural’s actual costs. If NW Natural fails to make such payment within said 30-day period, interest will accrue on the unpaid

portion by which the Project Cost Prepayment exceeded the amount of NW Natural's actual costs in performing the Project Work, at the statutory rate.

3.7 In addition to any and all other remedies available to NW Natural, NW Natural will have the right, at its sole discretion, to immediately suspend performance of the Project Work or terminate this Agreement if Producer: (a) makes an assignment or any general arrangement for the benefit of creditors; (b) files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (c) otherwise becomes bankrupt or insolvent (however evidenced); (d) is unable to pay its debts as they fall due; or (e) has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets. Written notice of this decision will be provided by NW Natural to Producer as soon as reasonably practical after the decision to suspend performance or terminate this Agreement is made.

3.8 Producer guarantees that the Cumulative Delivery Margin will meet or exceed the following amounts:

- a. \$ [REDACTED] by the end of the first Term Year;
- b. \$ [REDACTED] by the end of the second Term Year;
- c. \$ [REDACTED] by the end of the third Term Year;
- d. \$ [REDACTED] by the end of the fourth Term Year; and
- e. \$ [REDACTED] by the end of the fifth Term Year

Items a. through e. above are collectively the "**Minimum Delivery Margin Guarantee**." A "**Term Year**" is a period of twelve consecutive billing months, with the first Term Year starting on the first billing month after the Project Work is completed. "**Delivery Margin**" is the billing rate for a given Rate Schedule, less (1) any Commodity Component and (2) any Temporary Adjustment for such Rate Schedule. "**Cumulative Delivery Margin**" is the cumulative Delivery Margin paid by Producer at a given point, plus any Shortfall Payments made by Producer under this Section 3.8. At the end of each Term Year, NW Natural will (x) review Producer's usage, (y) calculate the Cumulative Delivery Margin for that Term Year, and (z) determine if Producer meets the Minimum Delivery Margin Guarantee for that Term Year. If Producer fails to meet the Minimum Delivery Margin Guarantee for a Term Year, Producer will pay NW Natural the difference between the Minimum Delivery Margin Guarantee and the Cumulative Delivery Margin paid by Producer ("**Shortfall Payment**"). Shortfall Payments made under this Section 3.8 will be invoiced and paid consistent with NW Natural's customary billing cycle. If this Agreement is terminated for any reason, (i) any remaining unpaid portion of the Minimum Delivery Margin Guarantee will be immediately due and payable by Producer to NW Natural, with any previously uncredited Shortfall Payments made by Producer credited toward this amount, or (ii) any Cumulative Delivery Margin amount at the time of termination in excess of the Minimum Delivery Margin Guarantee will be credited to Producer, but only to the extent of uncredited Shortfall Payments previously paid by Producer.

ARTICLE 4 **MEASUREMENT, GAS QUALITY, AND DEPARTURE FROM SPECIFICATIONS**

4.1 Biomethane delivered at the Receipt Point Facilities will be measured by NW Natural measurement equipment installed, operated, and maintained at or near the Receipt Point Facilities. The unit of volume for measurement will be one cubic foot of gas at a base temperature of 60 °F, and at a base pressure of 14.73 psia. Measured volumes will be converted (using the gross heating value) to

dekatherms (Dth) received and delivered hereunder. The unit of energy or thermal units for the purpose of balancing total receipts and deliveries of Biomethane to the Receipt Point Facilities will be one (1) Dth. The volumes of Biomethane measured will be computed in accordance with the determination of thermal units specified in the Tariff.

4.2 The material technical requirements for Biomethane used in the LDC System are contained in NW Natural's biomethane quality specification ("**Biomethane Quality Specification**"), as revised by NW Natural from time to time, a copy of which is at www.nwnatural.com. Biomethane injected into the Receipt Point Facilities must meet the Biomethane Quality Specification. Unless otherwise approved in writing by NW Natural's Engineering Director or the Engineering Director's designee, NW Natural will at its sole discretion interrupt the flow of Biomethane into the Receipt Point Facilities if the Biomethane does not meet the Biomethane Quality Specification.

4.3 The ongoing testing and monitoring standards and requirements for the Biomethane used in the LDC System are contained in NW Natural's biomethane quality verification and monitoring specification ("**Biomethane Quality Verification and Monitoring Specification**"), as revised by NW Natural from time to time, a copy of which is at www.nwnatural.com. Biomethane injected into the Receipt Point Facilities must be verified and monitored as described in the Biomethane Quality Verification and Monitoring Specification. Producer will comply with Biomethane Quality Verification and Monitoring Specification at Producer's sole cost and expense.

4.4 NW Natural may make changes to the Biomethane Quality Specification and the Biomethane Quality Verification and Monitoring Specification at its sole discretion based on: (a) a change to requirements in the Tariff or any other tariff that NW Natural is subject to; (b) a recommendation by the American Gas Association (AGA), the Gas Technology Institute (GTI), or other reputable source; (c) the Biomethane does not comply with the Biomethane Quality Specification; (d) a change to LDC System's operating conditions; (e) a change to generally accepted natural gas utility practices for Biomethane quality or testing; or (f) an order or other decision by the Oregon Public Utility Commission (OPUC), the Washington Utility and Transportation Commission (WUTC), the Pipeline and Hazardous Materials Safety Administration (PHMSA), or another governmental body having authority in the matter. NW Natural will notify Producer of a change in Biomethane Quality Specification, and Biomethane entering the Receipt Point Facilities must comply with the changed Biomethane Quality Specification either:

- i. within six (6) months of the date Producer is notified of the change or
- ii. immediately, if either an imminent health or safety concern exists, an equipment integrity hazard is detected, or immediate application of the change is required by a governmental body having authority in the matter.

If the Biomethane Quality Specification is changed and additional equipment or another change to the Producer-Owned Facilities is required to ensure the Biomethane meets the requirements of the Biomethane Quality Specification, Producer will make the required changes to the Producer-Owned Facilities at Producer's expense. If item ii of this Section 4.4 does not apply, and changes to the Producer-Owned Facilities to comply with changes to the Biomethane Quality Specification will take longer than six (6) months to complete due to equipment procurement times or an equivalent challenge, NW Natural will determine, in its sole discretion, an alternative effective date to meet the changed Biomethane Quality Specification.

ARTICLE 5
OPERATING PROVISIONS

5.1 NW Natural will operate and maintain the Receipt Point Facilities in accordance with: (a) the Tariff, as amended from time to time; (b) the terms and conditions of this Agreement; (c) the Biomethane Quality Specification; (d) applicable laws; and (e) prudent natural gas industry practices.

5.2 NW Natural may inspect the Producer-Owned Facilities at its sole discretion.

5.3 Producer will notify NW Natural immediately if any component of the Producer-Owned Facilities is not operating properly, and NW Natural may require Modification of the component at its sole discretion.

5.4 If NW Natural determines in its sole discretion that additional data communication technology must be installed to (a) maintain safe, prudent, and efficient operating conditions, or (b) accurately monitor the flow of Biomethane, NW Natural will coordinate with Producer to purchase and install such facilities at Producer's expense, as specified in Article 3.

5.5 Subject to the terms of Section 5.6, NW Natural will provide the following services:

- a. Routine Services. NW Natural will procure and furnish all materials, equipment, services, supplies, spare parts, and labor necessary for the routine operation and maintenance of the Receipt Point Facilities ("**Routine Services**"). Routine Services will include the following: (i) making available communications, surveillance, monitoring, data acquisition, and measurement; and (ii) providing periodic testing, adjustment, calibration, and inspection of the Receipt Point Facilities, (iii) maintaining odorant supply, and (iv) maintaining valves, piping, and instruments. Routine Services does not include the replacement of major components, including meters, valves, regulators, odorizers, and analyzers.
- b. Emergency Services. In the case of an explosion, fire, storm, or other emergency situation that threatens life or property or renders the Receipt Point Facilities incapable of continued operation, NW Natural will take such steps and incur such expenses that in its sole opinion are required to respond to the emergency ("**Emergency Services**"), including interrupting the flow of Biomethane to the Receipt Point Facilities. NW Natural will, as promptly as practical, report such emergency to Producer. Emergency Services do not include Modifications.
- c. Modifications. NW Natural will procure and furnish all materials, equipment, supplies, services, and labor necessary for making repairs, upgrades, or other modifications (each, a "Modification" and collectively "Modifications") to the Receipt Point Facilities that do not qualify as Routine Services.

5.6 Compensation for Routine Services, Emergency Services, and Modifications.

- a. For Routine Services, NW Natural will charge Producer a monthly fee determined by an average of the actual costs of routine services provided. Upon notice to Producer, NW Natural may adjust the fee for Routine Services no more than once per calendar year to account for changes in costs to perform Routine Services.
- b. NW Natural's costs for Emergency Services are included in the Producer's charges for Routine Services.

- c. Modifications will be invoiced by NW Natural and paid by Producer consistent with NW Natural's customary billing cycle.

5.7 Bypass. NW Natural will make reasonable efforts to perform Modifications in a manner that minimizes interruption of Biomethane flows onto the LDC System. If Modifications need to be performed during Producer's Biomethane deliveries to the Receipt Point Facilities, and the metering facilities need to be bypassed, NW Natural will follow standard policy and, if possible, time the meter before taking the meter out of service so that reasonable estimates may be made for the actual delivery volumes during the meter outage. NW Natural will make reasonable effort to apply such estimates to flow data made available to the Producer prior to the end of the applicable month.

5.8 Interruptions. Whenever possible, NW Natural will coordinate any interruption of service with Producer and will make reasonable efforts to minimize the interruption. NW Natural may temporarily interrupt flows to repair or otherwise make changes to the Receipt Point Facilities, for LDC system or communications upgrades or repair, or for reasons of Force Majeure. In these cases, NW Natural will give reasonable notice as circumstances permit, prior to interrupting flows, unless prevented by reasons of Force Majeure, and will make reasonable efforts to restore Producer's ability to deliver Biomethane as soon as practicable. In accordance with the Tariff, NW Natural will be exempt from all liability or damage caused by temporary interruptions of service, and NW Natural will not be liable for any profit loss related to Producer's inability to inject Biomethane at the Receipt Point during an interruption.

5.9 Interruption Restart Procedure. If NW Natural interrupts the flow of Biomethane to carry out Routine Service, Modifications, or another operation that does not result from the Biomethane being out of compliance with the Biomethane Quality Specification, and Producer does not perform maintenance on the Producer-Owned Facilities during the interruption and produces and flows Biomethane continuously during the interruption by flaring or serving other equipment, Producer may resume injection of Biomethane to the Receipt Point Facilities once the interruption ends.

5.10 Interruption for Maintenance or Emergency Services. Notwithstanding Section 5.2, Producer may interrupt the Biomethane flow for the purpose of carrying out maintenance or emergency services on the Producer-Owned Facilities or other facilities responsible for the production or treatment of the Biomethane. Producer will provide NW Natural with reasonable notice prior to Biomethane flow interruptions for maintenance and will notify NW Natural immediately when emergency services are required.

5.11 Access. NW Natural and Producer will provide each other reasonable access to the Receipt Point Facilities and Producer-Owned Facilities, respectively, to carry out rights and obligations under this Agreement.

5.12 Measurement. The measurement of Biomethane by NW Natural or Producer will be in accordance with the Tariff.

5.13 Receipt of Biomethane. NW Natural will not be obligated or required to install or pay for compression to effect deliveries of Biomethane. If the pressure of the Biomethane is not consistent with the terms of Exhibit A, NW Natural may, without any prior notification to Producer, refuse to receive the Biomethane at the Receipt Point Facilities or prevent the Biomethane from entering the LDC System.

5.14 Insurance. NW Natural will carry and maintain insurance of the type and in the amounts sufficient in its sole opinion for its operation of the LDC System and the Receipt Point Facilities.

Producer will carry and maintain insurance of the type and in the amounts specified in, and in accordance with all the requirements of, Exhibit C.

5.15 Force Majeure. Neither Party will be liable to the other for a failure to perform its obligations under this Agreement, to the extent that such failure is a result of Force Majeure. Each Party will provide notice to the other of a Force Majeure adversely impacting the Party's performance as soon as reasonably practical after the occurrence of the event or the impacted Party's knowledge thereof. Initial notice may be given orally; however, the impacted Party will provide the other Party with written notice with a reasonably detailed description of the event as soon as reasonably practical. Failure to give notice will not be deemed a waiver of such Force Majeure. Each Party will make reasonable efforts to avoid the adverse impacts of a Force Majeure and to the extent possible, will work to resolve the cause, event, act, or omission in order to resume performance adversely impacted by the Force Majeure.

ARTICLE 6

PRODUCER SALES OF BIOMETHANE AND ACKNOWLEDGMENTS

6.1 This Agreement does not obligate NW Natural to purchase Biomethane from Producer, nor does it limit Producer's ability to consume the Biomethane at the Producer site. If NW Natural purchases Biomethane produced at the Producer site, a separate gas purchase agreement will be entered into between NW Natural and the seller of the Biomethane.

6.2 If Producer sells Biomethane to third parties on NW Natural's LDC system, those sales will require that such third party have with NW Natural a Transportation Service Agreement under Schedule T of the Tariff or other applicable agreement pursuant to the Tariff, except in cases when NW Natural has an agreement to purchase the Biomethane from the third party at the Receipt Point Facilities.

6.3 Producer agrees to comply with any applicable rules set forth in the nomination, balancing, and other operating procedures applicable to the transportation of customer-owned gas on the LDC System, as modified from time to time, which are set forth in Schedule T and in NW Natural's currently effective Gas Transportation Operating Procedures.

6.4 Producer acknowledges that Producer is not allowed to transport the Biomethane, or cause the Biomethane to be transported, on NW Natural's LDC System past the Receipt Point Facilities without NW Natural's prior approval of such transportation service.

6.5 Producer acknowledges the rights of NW Natural under this Agreement, the Tariff, and applicable law to interrupt the flow of Biomethane through the Receipt Point Facilities (collectively "Interruption Rights"). Producer will take the Interruption Rights into account when entering into any Biomethane sales agreement between Producer and a third-party purchaser, and NW Natural will not be responsible or liable to such third parties for any interruption in Biomethane flow through the Receipt Point Facilities. Producer will defend, indemnify, and hold NW Natural harmless as to any third-party claims for lost profits or other damages related to interruption of Biomethane flow through the Receipt Point Facilities.

6.6 Producer acknowledges that Producer may not sell any of the Biomethane to third parties if the Biomethane must move off the LDC System to reach such third party, including on-system third parties that would require a pathway on the interstate pipeline to reach the third party.

ARTICLE 7
LIABILITY AND INDEMNIFICATION

7.1 To the fullest extent allowed by law, Producer will indemnify, defend (with counsel approved by NW Natural), hold harmless and reimburse NW Natural and its executives, affiliates, subsidiaries, officers, shareholders, directors, agents and employees, successors and assigns from, for and against claims, suits, costs, damages, losses, penalties, expenses, and liabilities of any kind (collectively, "Damages"), including attorneys' and expert witnesses' fees and related costs and disbursements, arising out of, in connection with, or incident to this Agreement, whether or not such Damages are attributable to bodily injury, sickness, disease, death, or injury to or destruction of tangible property, but only to the extent caused by the negligence, breach of contract, or other wrongful acts or omissions of Producer or those persons or entities for whom Producer is liable. Producer's obligations under this Section will not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a person or entity referenced in this Section.

7.2 IN NO EVENT WILL EITHER PARTY OR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS BE LIABLE FOR ANY PUNITIVE, SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS, OR OTHER SIMILAR DAMAGES TO PERSONS OR PROPERTY, WHETHER SUCH DAMAGES ARE CLAIMED UNDER ANY LEGAL OR EQUITABLE THEORY. THE EXCLUSIONS AND LIMITATIONS SET FORTH IN THIS SECTION 7.2 WILL NOT APPLY TO ANY CLAIM, DAMAGES, OR OTHER LIABILITIES ARISING OUT OF OR RELATED TO: (A) FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; (B) PRODUCER'S OBLIGATIONS UNDER SECTION 6.5; (C) DAMAGES (AS DEFINED IN SECTION 7.1) THAT ARE RECOVERABLE BY NW NATURAL UNDER SECTION 7.1; OR (E) BREACHES OF CONFIDENTIALITY.

7.3 The provisions in this Article 7 will survive the termination of this Agreement.

ARTICLE 8
NOTICES AND COMMUNICATIONS

8.1 Any notice or communication permitted or required by this Agreement will be made in writing; and will be deemed duly delivered if personally delivered or sent to the other Party by registered, certified, or regular mail, postage prepaid, at the appropriate address set forth below:

To: **NORTHWEST NATURAL GAS COMPANY**
Attn: Legal Department

To: _____
Attn: _____

250 SW Taylor St
Portland OR 97204-3038

Address: _____

Any communication relating to operations identified in Article 4 will be made by calling Gas Control at 503-226-4211 x4613.

8.2 Either Party may change its address for receipt of notices, communications, or payments under this Agreement upon the provision of appropriate written notification to the other Party.

ARTICLE 9
REGULATORY APPROVAL OR MODIFICATION

9.1 This Agreement will be effective as of the Effective Date; however, if it is determined that the subject matter of this Agreement requires NW Natural to seek specific regulatory approval by OPUC, Federal Energy Regulatory Commission, or other governmental body having jurisdiction (each, a "**Governmental Authority**"), this Agreement will not become effective unless and until such approval is obtained by NW Natural. If such approval is not obtained by NW Natural, this Agreement will be null and void and of no further legal effect and NW Natural will have no responsibility or liability to Producer under any of the provisions of this Agreement.

9.2 If, during the performance of this Agreement, a Governmental Authority takes action affecting the rights, obligations, or economic interests of the Parties to this Agreement, then this Agreement may be terminated by either NW Natural or Producer if such Party's rights, obligations, or economic interests are adversely and materially affected by such regulatory action. This right of termination under Section 9.2 will be exercised by giving the other Party sixty (60) days' notice of the exercise of this right and of the specific circumstances giving rise to this right. Such termination will be effective sixty (60) days after such notice unless, prior to the expiration of the notice period, NW Natural and Producer agree to amend this Agreement to reflect the action of such Governmental Authority. Any amendment of this Agreement will be effective immediately following such Governmental Authority's approval, if necessary, of such amendment.

9.3 Upon termination under Section 9.1 or 9.2, (i) NW Natural will reimburse Producer to the extent that payments received from Producer for the Project Work exceed the costs that NW Natural incurred in performing the Project Work prior to termination, (ii) Producer will reimburse NW Natural to the extent that NW Natural's costs to perform the Project Work prior to termination exceed payments received from Producer for the Project Work (iii) NW Natural will have no further obligation to perform the Project Work, and will incur no liability for terminating the Project Work, and (iv) Producer will incur all costs to disconnect the Receipt Point Facilities from the LDC System.

ARTICLE 10
GOVERNING LAW

10.1 This Agreement will be governed by and construed in accordance with the laws of the State of Oregon, without regard to principles of conflicts of law.

ARTICLE 11
MODIFICATION, ASSIGNMENT, SUCCESSORS AND ASSIGNS

11.1 This Agreement may not be modified or amended in any respect except by a written instrument executed by the Parties. No waiver or modification of any provision of this Agreement will occur as a result of any course of performance or course of dealing between NW Natural and Producer, or from any usage of trade.

11.2 Neither Party may assign this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, any reasonable and documented out-of-pocket costs or expenses NW Natural incurs as a result of NW Natural's provision of consent under this Section 11.1 will be borne by Producer. Any attempted assignment made without such prior written consent will be void and of no legal effect. This Agreement will be binding upon and inure to

the benefit of any valid successors or assigns to the original Parties to this Agreement, but any assignment of this Agreement will not relieve either Party of any obligations to the other Party incurred prior to such assignment.

ARTICLE 12 **CONFIDENTIALITY**

12.1 This Agreement and the terms set forth herein are confidential and the Parties agree not to disclose such terms other than as set forth in this Agreement; but each Party may disclose the terms of this Agreement to the following: (i) each of their and their respective affiliates' officers, employees, agents, lenders and other advisors that have a bona fide need to know such information and that have agreed to use this information only for the purposes intended herein and agreed to keep such information confidential; and (ii) NW Natural may disclose the terms hereof to the OPUC or other regulatory authority having jurisdiction. The provisions of this Section 12.1 will survive for a period of one (1) year after the termination of this Agreement.

ARTICLE 13 **SURVIVING TERMS**

13.1 Articles 7, 10, 12, and 14, Section 5.15, and any other provision of this Agreement that expressly or by its nature provides for rights, obligations, or remedies that extend after termination, will survive and continue in full force and effect following the termination of this Agreement.

ARTICLE 14 **OTHER GENERAL PROVISIONS**

14.1 This Agreement sets forth the entire integrated agreement of the Parties with respect to the subject matter herein. This Agreement supersedes all other agreements relating to the subject matter herein that the Parties may have previously entered. This Agreement has been drafted with the joint participation of each Party and will be construed to be neither against nor in favor of any Party; rather, this Agreement will be construed in accordance with the fair meaning of its stated terms. The headings set forth in this Agreement will not affect the interpretation of this Agreement. Any provision of this Agreement held to be unenforceable will be ineffective only to the extent of such unenforceability, without affecting any other provision of this Agreement. Any term used in the plural will refer to all members of the relevant class, and any term used in the singular will refer to any one or more of the members of the relevant class. References in this Agreement to sections are to sections to this Agreement. "Including" will mean "including, but not limited to." "Herein," "hereof," "hereto," and other similar terms, refer to this Agreement as a whole and not merely to the specific section or clause where such terms may appear. "Or" will not be exclusive. Time will be of the essence. This Agreement may be signed in counterparts. An e-mailed pdf of the signature page will have the same legal effect as an original. No waiver by a Party of any provision of this Agreement will be deemed to be a waiver of any preceding, concurrent, or succeeding breach of the same or any other provision. Subject to the terms herein, all rights and remedies granted or referred to in this Agreement are cumulative and resort to one will not preclude resort to any other available right or remedy. The signatories to this Agreement certify that they have the authority to bind the Party they represent.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date, subject to the provisions of Section 9.1.

NORTHWEST NATURAL GAS COMPANY:

By: _____
Printed Name: _____
Title: _____
Date of Signature: _____

_____:

By: _____
Printed Name: _____
Title: _____
Date of Signature: _____

EXHIBIT A
RECEIPT POINT FACILITIES DESIGN CRITERIA

The Receipt Point Facilities will be located at [REDACTED].

The Receipt Point Facilities will be designed and constructed based on the following design criteria:

Average Daily Biomethane Flow: [REDACTED] Dth/day

Peak Hourly Biomethane Flow: [REDACTED] Dth/hr

Minimum Design Pressure: [REDACTED] psig

MAOP: [REDACTED] psig

Maximum Potential Compressor Flow: [REDACTED] SCFM

Flow rates and pressures of Biomethane delivered to the Receipt Point Facilities outside the values stated above may not be compatible with Receipt Point Facilities as designed and may require Modifications . If Producer requests a Modification or if NW Natural determines that a Modification must be made to accommodate average flows outside of the initial design range, all costs will be borne by Producer.

Pressure design assumptions set forth in this Agreement are based on NW Natural downstream pressure control and are not to be construed as implying a guaranty of any particular level of pressure during service. NW Natural downstream system pressure will control pressure through the Receipt Point Facilities. These assumptions are for design purposes only to ensure Producer can provide sufficient pressure.

The Receipt Point Facilities will be designed to include the following major items:

- [REDACTED]-inch wrapped steel pipe connecting Producer's outlet flange to NW Natural's distribution system
- metering
- pressure control equipment
- quality monitoring equipment
- odorization facilities
- valving
- automation control
- communication equipment
- associated appurtenances

EXHIBIT B
PHASE ONE COST ESTIMATE

[To be inserted.]

Assumptions for Phase One Cost Estimate:

[To be inserted.]

Allowances for Phase One Cost Estimate:

[To be inserted.]

Exclusions from Phase One Cost Estimate:

[To be inserted.]

EXHIBIT C
INSURANCE REQUIREMENTS

Producer will at all times provide and maintain the following coverages and the following minimum limits of insurance written on an occurrence basis by a company or companies rated A/IX or better in the most recent edition of “Best’s Insurance Guide” (or such lesser rating as may be approved by NW Natural in writing) and authorized to do business in Oregon.

A. Workers’ Compensation and Employer’s Liability:

- (i) State: Statutory
- (ii) Employers Liability:
 - \$1,000,000 Each Accident
 - \$1,000,000 each Disease.

B. Commercial General Liability (Occurrence Form):

- (i) Combined Bodily Injury and Property Damage:
 - \$2,000,000 Each Occurrence
 - \$5,000,000 General Aggregate
 - \$2,000,000 Products and Completed Operations
- (ii) The following coverages must be included:
 - (1) Premises Operations.
 - (2) Contractual Obligations (including the contract obligations specified in the indemnification paragraph(s) of this Agreement).
 - (3) The policy will be endorsed to be primary and non-contributory with any insurance maintained by NW Natural and its subsidiaries, affiliates, officers, directors, employees, agents and shareholders, and their respective successors and assigns.
 - (4) Products and Completed Operations Insurance consistent with the requirements of this Paragraph B and Subparagraphs (i) and (ii) will be maintained by Producer for the duration of the applicable statute of repose.
 - (5) There can be no exclusions for subsidence, collapse, explosion or underground property damage.
 - (6) There can be no exclusion for mold, fungus, water intrusion or water damage.
 - (7) Cross-liability coverage as would be achieved under the standard Insurance Services Office (ISO) separation of insureds clause, without any exclusions for cross-liability.
 - (8) The limits will not be eroded or wasted by defense fees or costs.

C. Business Auto:

- (i) Combined Bodily Injury and Property Damage:
 - \$1,000,000 Each Accident
- (ii) The following coverages must be included:
 - (iii) Owned Automobiles
 - (iv) Non-Owned and Hired Automobiles

D. Pollution Liability Insurance:

- (i) \$3,000,000 per claim
- (ii) Pollution liability insurance will include coverage for (a) transporting of hazardous waste and materials and (b) non-owned disposal sites (NODS).
- (iii) Pollution liability insurance described in this Section C will be maintained by Producer for the duration of the applicable statute of repose.

E. Excess/Umbrella Liability Coverage:

- (i) \$10,000,000 Each Occurrence
- (ii) \$10,000,000 General Aggregate
- (iii) Coverage will be excess to and at least as broad as all insurance required above, including employer's liability, commercial general liability, and business auto.
- (iv) Excess/umbrella liability insurance will be maintained by Producer for the duration of the applicable statute of repose.

E. Certificates and Certified Copies of Policies. Certificates of insurance for Producer's insurance will be filed with NW Natural and be acceptable to NW Natural. Upon NW Natural's request at any time, Producer will immediately provide an actual certified copy of its insurance policies.

F. Notice of Cancellation, Reduction or Expiration. Insurance policies required by this Agreement will contain a provision that coverages or limits afforded under the policies will not be canceled, reduced or allowed to expire until at least 10 days' prior written notice has been given to NW Natural.

G. NW Natural's Remedies. Failure of Producer to secure and maintain insurance with the coverages and limits required by this Agreement will be a material breach of this Agreement entitling NW Natural, in its sole discretion and without waiving any other remedies, to purchase replacement insurance at the expense of the Producer. Producer consents to NW Natural procuring replacement insurance in Producer's name and Producer will cooperate in all respects with NW Natural's efforts in this regard. Alternatively, at NW Natural's sole discretion, NW Natural may purchase an NW Natural's protective policy or other similar policy that affords to NW Natural coverages and limits providing reasonably equivalent protections as NW Natural would have received if Producer maintained the insurance required by this Agreement. NW Natural's costs incurred in finding replacement insurance or an NW Natural's protective policy will either be reimbursed directly by Producer or may be offset against amounts owed by NW Natural to Producer on this Project or other projects.

H. Insurance In Excess of Requirements. If Producer purchases insurance in excess of the coverages or limits required under this Agreement, such excess coverages or limits will apply to the Project and inure to the benefit of NW Natural and will include a waiver of subrogation against NW Natural and its affiliates, employees, officers, directors, and agents.

I. No Waiver by NW Natural. The insurance requirements under this Agreement can only be waived or modified by NW Natural by an express written instrument signed by NW Natural acknowledging the reduced coverages or limits. No other act or omission by NW Natural or its

agents, including (i) implicit or verbal acceptance or approval of reduced coverages or limits or (ii) failure to require proof of compliant insurance, will amount to NW Natural's waiver of the insurance requirements of this Agreement.

K. Waiver of Subrogation. Producer warrants that all of Producer's liability insurance policies, including worker's compensation, will contain a waiver of subrogation against NW Natural, its affiliates, subsidiaries, directors, officers, employees and agents.

L. Additional Insureds. Producer warrants that all of Producer's liability insurance policies will contain an endorsement expressly naming NW Natural, its affiliates, subsidiaries, directors, officers, employees and agents as Additional Insureds. The coverage under the additional insured endorsement will (i) be primary and noncontributory with respect to any insurance maintained by the additional insureds, (ii) provide the same coverages and limits to the additional insured as are afforded to the primary insured as required by this Agreement, (iii) will provide coverage to the additional insureds for both ongoing operations and the products-completed operations hazard, (iv) these requirements are to be complied with for the same durations as the coverages afforded to the primary insured as required by this Agreement, and (v) waive all rights of subrogation against the Additional Insureds.

M. Additional Insurance. Any additional general liability insurance (including additional excess and umbrella coverages) that is maintained by Producer will be deemed to have been required in this Exhibit and the requirements of Parts K and L of this Exhibit will apply to such insurance.