

Request for Information No. 23-004

Supply of Renewable Natural Gas

October 2023

NOTICE TO RESPONDENTS

Request for information: 23-004

Issued on: Thursday, October 19, 2023

Response submission deadline: Friday, November 10, 2023, at 5 p.m. EST

For additional information:

Email: aognr@energir.com

Table of Contents

INSTRUCTIONS TO RESPONDENTS	4
APPENDIX 1 RESPONDENT FORM	8
APPENDIX 2 PRESSURE, COMPOSITION AND CALORIFIC VALUE CRITERIA OF THE RENEWABLE NATURAL GAS DELIVERED BY THE PRODUCER TO ÉNERGIR'S NETWORK	9
APPENDIX 3 ESSENTIAL COMMERCIAL CLAUSES.....	10
APPENDIX 4 MAP OF RNG INJECTION SITES OUTSIDE QUÉBEC.....	12
APPENDIX 5 CONFIDENTIALITY AGREEMENT	13

INSTRUCTIONS TO RESPONDENTS

1. INTRODUCTION

Énergir, L.P. (“Énergir”) owns and operates the largest natural gas distribution system in Quebec and has an exclusive right to distribute natural gas in Quebec.

To date, Énergir has contracted volumes of renewable natural gas (hereinafter “**RNG**”) to meet the 2% RNG delivery target for 2023 fiscal year¹ established by the *Regulation respecting the quantity of renewable natural gas to be delivered by a distributor*² (hereinafter the “**Regulations**”).

Under the Regulations, Énergir is required to deliver 5% of its actual natural gas volumes in RNG during its fiscal year starting on October 1, 2025 (hereinafter the “**5% Target**”) and 10% of its actual natural gas volumes in RNG during its fiscal year starting on October 1, 2030 (hereinafter the “**10% Target**”).

Since 2019, Énergir has launched requests for proposals process on an annual basis. To date, Énergir has met the targets set in its requests for proposals by contracting the planned volumes of RNG.

For clarity, RNG is natural gas produced from non-fossil organic matter degraded through biological processes, including anaerobic digestion, or through thermochemical processes, including gasification.

2. PURPOSE:

- 2.1. Énergir is launching this Request for Information 23-004 (hereinafter the “**RFI**”) to obtain information on RNG production projects, whether in operation, under construction or under development, in order to contract RNG volumes. These volumes will allow Énergir to reach the 5% Target.
- 2.2. The RFI is the first phase of the call for tenders. Following this stage, Énergir will launch a request for proposals (RFP) with selected respondents.
- 2.3. Projects submitted by respondents will be analyzed by Énergir. Based on this analysis, Énergir will select certain respondents whose submitted projects meet Énergir’s needs and will provide them with the opportunity to participate in a RFP.
- 2.4. Énergir plans to contract up to 100 million m³/year of RNG through this RFP process, for a first delivery date **no later than October 1, 2025**. The delivery date is all the more important given that the 2025 fiscal year includes a delivery target provided for in the Regulations.

3. MANDATE AND CONTENT OF THE REQUEST FOR INFORMATION

Respondents must complete the RFI response form, “Respondent Form,” included in Appendix 1, taking into account the requirements and information to be considered set out in Section 4 of this document. The form includes the following tabs:

- 3.1. Respondent Information tab

¹Énergir’s rate year begins on October 1 of the current year and ends on September 30 of the subsequent year.

² c. R-6.01, r.4.3

Respondent contact information, experience and a brief description of the company must be documented in this tab.

This tab should only be completed once by the respondent, regardless of the number of projects submitted.

3.2. Project tabs

The project tab is intended to collect the specific characteristics of a project such as its location, type of main feedstocks and carbon intensity. A questionnaire to assess project progress is also included.

This tab also includes a price schedule to document the characteristics proposed by the respondent to Énergir, including price, contract duration and volumes.

The price schedule is scalable based on the number of variants the respondent wishes to submit for each project. Each project corresponds to a production site or a group of production sites whereas the variants correspond to combinations of price, contract durations and volumes.

Énergir encourages respondents to submit multiple variants for the same project, especially in terms of contract durations and volumes sold to Énergir.

Énergir has provided several project tabs to enable respondents to submit multiple projects to the RFI.

4. REQUIREMENTS AND INFORMATION TO CONSIDER

- 4.1. For a delivery of RNG in Énergir's network, the RNG must meet the composition and calorific value criteria set out in Appendix 2 of this request.
- 4.2. For RNG deliveries outside of Énergir's network, the RNG must meet the composition and calorific value criteria of the gas distributor who claims jurisdiction.
- 4.3. Énergir's core commercial clauses in its RNG contracts are set out in Appendix 3 and will need to be considered by respondents in their responses to the RFI.
- 4.4. The information and specifications of the Out-of-Quebec projects provided by the respondents will have to take into account the delivery of volumes into Énergir's distribution system through an off-grid delivery point, as specified in Appendix 4. Among other things, the proposed price will include transportation costs between the RNG production site(s) and the delivery point chosen by the respondent.
- 4.5. Respondents can submit a response to Énergir with different contract durations, up to a maximum of 20 years.
- 4.6. The first delivery date for each project submitted in the response must be no later than October 1, 2025.
- 4.7. The respondents can adjust volumes based on the expected injection start date.

- 4.8. The carbon intensity provided in the RFI response is indicative and is preferably calculated with the model published by the Canadian government under the Clean Fuels Regulation ("CFR") using the OpenLCA tool³. In the second phase of the process, the RFP, Energir will wish to obtain a carbon intensity value estimated with the CFR model using OpenLCA.
- 4.9. The price quoted shall be the price that would be paid by Énergir for each unit of RNG delivered at the delivery point, including environmental attributes and the transport, in \$CAD/GJ or \$US/GJ as set out in Appendix 3.
- 4.10. This RFI and the responses that will be provided by respondents are not intended to be binding on the parties. The exchange of information with this RFI shall not be construed as a promise to enter into any contract or other agreement of any kind.

5. **REQUEST FOR INFORMATION RESPONSE SUBMISSION**

The response must be sent by submitting the Respondent Form, in accordance with Section 3 of this document, to the email address provided below by November 10, 2023, at 5:00 p.m. EST.

- o Email: aognr@energir.com

6. **QUESTIONS AND CLARIFICATIONS**

Any questions or requests for clarification should be sent in writing to aognr@energir.com no later than November 3, 2023. Énergir reserves the right to agree to respond, or not, to questions and requests for clarification received after the aforementioned deadline.

Responses to questions or requests for clarification will be sent directly to the requester via email and general responses will be posted on the following web page: [Request for proposals – RNG | Énergir \(energir.com\)](#)

7. **MILESTONES**

The table below outlines the major milestones envisaged for the RFP at this stage.

Request for Information	
Initiation of request for information	October 19, 2023
Deadline for submitting questions	November 3, 2023
Response submission deadline	November 10, 2023, at 5:00 p.m. EST
Response analysis and request for additional information	December 2023
Request for proposals:	
Initiation of the request for proposal	December 2023
Proposal submission deadline	January-February 2024
Signature of contract(s)	Around 2nd calendar quarter 2024
Start of RNG deliveries	October 1, 2025

8. **CONFIDENTIALITY**

³ [Fuel Life Cycle Assessment Model - Canada.ca](#)

The respondent shall allow Énergir to use their response and associated documents for internal purposes, subject to maintaining of their confidentiality. Énergir may use the responses or other documents submitted within the scope of its representations to the Régie de l'énergie while maintaining confidentiality and in a depersonalized manner.

Énergir makes a confidentiality agreement available to respondents (Appendix 5). Énergir leaves it to the respondent's discretion to sign this confidentiality agreement. If the respondent wishes to enter into this agreement before submitting their proposal, they must return the signed document to aognr@energir.com within at least a week of the targeted submission date.

APPENDIX 1
RESPONDENT FORM

See the attached Excel file

APPENDIX 2
PRESSURE, COMPOSITION AND CALORIFIC VALUE CRITERIA OF THE RENEWABLE NATURAL
GAS DELIVERED BY THE PRODUCER TO ÉNERGIR'S NETWORK

Continuously monitored parameters

Parameter	Unit	Requirements
Temperature	°C	Depending on the injection point
Pressure	kPa	Depending on the injection point
Gross heating value	MJ/m ³	≥ 36
Relative density		≤ 0.583
Wobbe Index	MJ/m ³	≥ 47.23
Yellowness Index		≥ 0.86
Weaver Index		≤ 0.05
Hydrocarbon dew point	°C	≤ -10
Carbon dioxide (CO ₂)	% vol	≤ 2
Oxygen (O ₂)	% vol	≤ 0.4
Hydrogen sulfide (H ₂ S)	mg/m ³	≤ 7
Total sulfur (S)	mg/m ³	≤ 115
Water (H ₂ O)	mg/m ³	≤ 35
Diluent gases (CO ₂ + N ₂ + O ₂)	% vol	≤ 4
Hydrogen (H ₂)	% vol	≤ 0.1

Reference: 15°C and 101.325 kPa

Parameters monitored by periodic sampling

Parameter	Unit	
Volatile organic compounds (VOC)	ppm vol	≤ 3.7
Siloxanes (L2, D3, D4, D5, D6)	ppm vol	≤ 1
Mercury, Hg	µg/m ³	≤ 0.05
Copper, Cu	µg/m ³	≤ 30
Arsenic, As	µg/m ³	≤ 30
Chlorine, Cl (TO-15)	mg/m ³	≤ 10
Fluorine, F (TO-15)	mg/m ³	≤ 1
Ammonia, NH ₃	mg/m ³	≤ 3
Bacteria (free of...)	#/m ³	≤ 200,000

Reference: 15°C and 101.325 kPa

APPENDIX 3

ESSENTIAL COMMERCIAL CLAUSES

Énergir, L.P. (“**Énergir**”) is an entity regulated under the *Act respecting the Régie de l’énergie* and subject to the *Regulation respecting the quantity of renewable natural gas to be delivered by a distributor*. As such, Énergir must (i) ensure that the renewable natural gas (“**RNG**”) it purchases respects the obligations imposed by the above regulations, (ii) receive the expected economic benefits associated with the RNG and its associated Environmental Attributes (as they are defined in the table below), and (iii) be able to anticipate the volumes of RNG that it will receive from the Sellers with which it decides to enter into long-term contractual relationships for the purchase of RNG and its associated Environmental Attributes.

In order to respect its legal obligations and commercial expectations, Énergir has determined that its contracts for the purchase of RNG and its associated Environmental Attributes must include contractual clauses that reflect the following obligations:

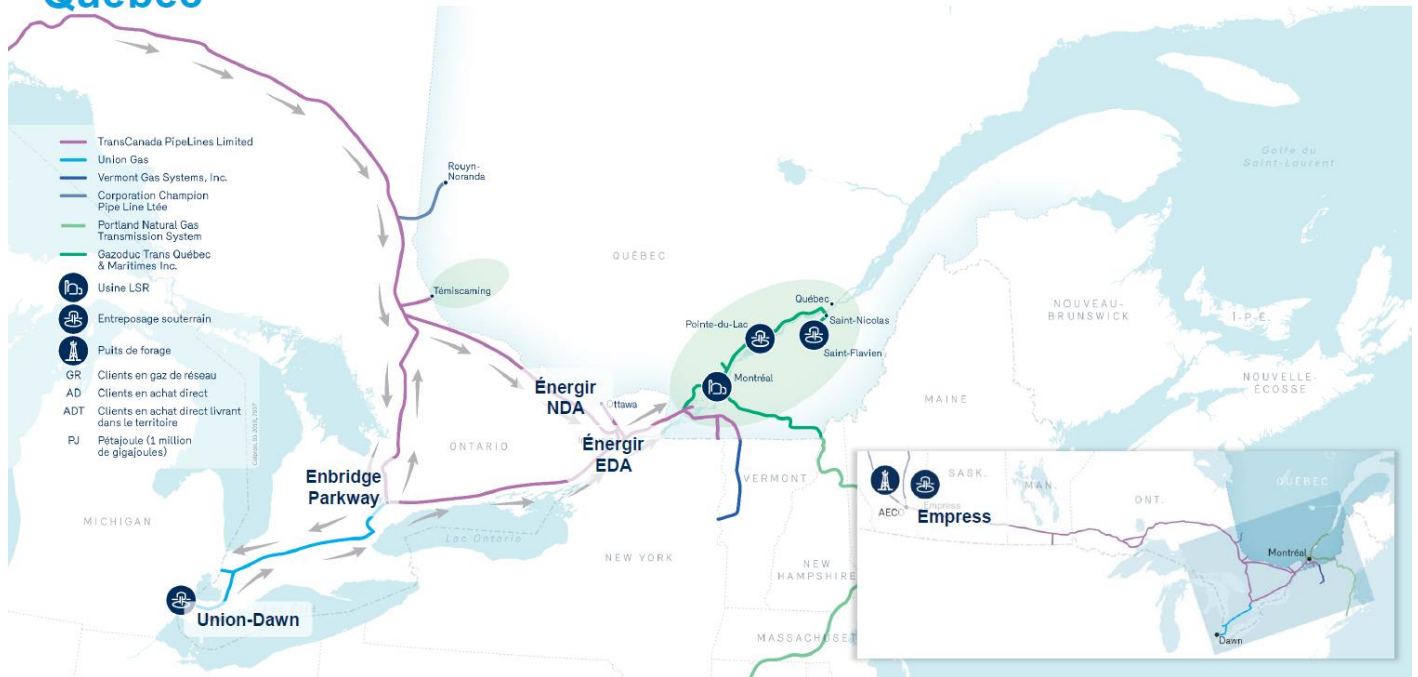
Clause subject	Obligations
Annual Contractual Quantity or ACQ	<p>The Seller shall commit to an ACQ of RNG, measured in GJ, that is to be sold to Buyer during any given contract year.</p> <p>Énergir’s contract year begins on October 1st and ends on September 30th of the following year.</p> <p>The Seller will represent and warrant that this ACQ will be sold exclusively to the Buyer and that in no case shall any of the ACQ be sold to a third party.</p>
Non-delivery penalty	<p>Seller shall have a firm obligation to produce and deliver a minimum of eighty five percent (85%) of the ACQ per Contract Year to Buyer (the “Minimum ACQ”).</p> <p>If Seller fails to produce and deliver at least the Minimum ACQ to Buyer by the end a Contract Year, Seller shall be liable to account to Buyer for the undelivered volume. In such event, Seller may cure such failure by either:</p> <ul style="list-style-type: none"> (i) replacing all or a portion of the Shortfall Volumes with RNG volumes from a source that is secured by Seller and that is approved by Buyer; and/or (ii) compensating Buyer for the undelivered RNG that is not replaced by Seller, with such compensation to be the payment of an amount equivalent to the value of the undelivered volumes.
First delivery date and first contract year	<p>Énergir wants to have projects with first delivery date no later than on October 1st, 2025.</p> <p>However, Énergir could reduce the QCA for the first year by offering the equivalent of a grace period of up to a maximum of 3 months. Beyond this period, non-delivery penalty of the QCA will be applied.</p>
Environmental Attributes	<p>“Environmental Attributes” shall mean all existing or future right, title, interest, and benefits to the environment that are associated with RNG purchased by Buyer, such as but not limited to certificates, compliance certificates related to clean fuel standard regulations, permits, credits,</p>

	<p>units, reduction rights, allocated pollution rights, Offsets, greenhouse gas attributes, emission reduction allowances, any avoided emissions of pollutants to the air, soil or water, or any other benefit or title may have been created, obtained, recognized or associated with:</p> <p>a decreased environmental impact from the production, distribution, combustion, and use of the RNG including emission reductions or avoided emissions in greenhouse gases or other pollutants arising from the actual or presumed alternative; and</p> <p>attributes or characteristics of RNG supply for purpose of sale, exchange, labelling, certification, advertising or other.</p> <p>“Offsets” shall mean any credits, emission offsets or other tradable or recognized instruments issued or granted by a government or program authority or recognized under a regulation, in recognition of emission reductions or sequestration that may be applied to achieving compliance with any emissions related obligations or commitments whether voluntary or mandatory.</p> <p>Title to all Environmental Attributes shall pass from Seller to Buyer at the agreed upon delivery Point. Seller shall use best efforts in its collaboration with Buyer, including, without limitation, providing Buyer with information and preparing and signing any documents reasonably required for Buyer to be able to receive certificates related to Canadian clean fuel standard regulations.</p>
Condition precedent	Under the current regulatory framework, Buyer shall receive the approval of the Quebec <i>Régie de l'énergie</i> for the main terms and conditions of the Contract.
Inspection and audit rights	Buyer will be authorized to audit or inspect, either itself or through the services of a third-party contractor, the operations, books and files of Seller and Producer (if the Seller is not the Producer of the RNG) or require access to Seller's or Producer's installation(s).
Contract Price	The price paid by the Buyer for the RNG including its Environmental Attributes, delivered to the Delivery Point, will be indicated in \$CAD/GJ or in \$US/GJ.

APPENDIX 4
MAP OF RNG INJECTION SITES OUTSIDE QUÉBEC

Lieux d'injection du GNR pour les projets hors Québec

energir



APPENDIX 5
CONFIDENTIALITY AGREEMENT

See attached document