July 9, 2013

VIA EMAIL

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Ms. Erica Hamilton

Re: FortisBC Energy Inc. (“FEI”) - Biomethane Service Offering: Post Implementation Report and Application for Approval of the Continuation and Modification of the Biomethane Program on a Permanent Basis (2012 Biomethane Application) (the “Proceeding”)

Response to the British Columbia Utilities Commission’s Information Request No.1 (the “Information Request”)

In accordance with the British Columbia Utilities Commission Order G-1-13 amending the regulatory timetable for the Proceeding, the City of Vancouver (the “City”) respectfully submits the attached response to the Information Request.

If further information is required, please contact the undersigned.

Yours truly,

CITY OF VANCOUVER

By: [Signature]

Shawn S. Doyle

cc: Registered Parties
1. Reference: External Investors
Exhibit C7-3, Intervener Evidence, p. 2

City of Vancouver states: “Similar regional LFG utilization projects with the Columbia Regional District, City of Kelowna, and King County in Washington state are all relying on external investors to design, build, own and operate their LFG upgrader plants.”

1.1. For the three LFG projects identified above please provide the full legal name of the external investors. Also, identify if the external investors are regulated public utilities or not.

Response

The projects are as follows:

- Columbia Shuswap Regional District -- Salmon Arm Landfill. The external investor is FEI, which is responsible for the upgrading plant and injection. FEI is a regulated utility.

- City of Kelowna -- Glenmore Landfill. The external investor is FEI, which is responsible for the upgrading plant and injection. FEI is a regulated utility.

- King County Solid Waste Division -- Cedar Hills Landfill. The external investor is Bio Energy Washington (“BEW”) LLC (a wholly owned subsidiary of INGENCO), which is responsible for the upgrading plant and injection. BEW is not a regulated utility.

2. Reference: Expressions of interest
Exhibit C7-3, Intervener Evidence, pp. 2-3

City of Vancouver states: “The City solicited expressions of interest in the spring of 2012 from companies with the means to build LFG upgraders. FEI’s proposal to build, own and operate a highly efficient LFG upgrader at the Landfill was the most favourable approach identified through the solicitation process and we believe that it provides the City with the best option for system development.”

2.1. Please file the expressions of interest document that was solicited by the City of Vancouver.

2.2. Describe the criteria and weighting of each of the criteria that the City of Vancouver used to evaluate the expressions of interest and to determine that FEI was the “most favourable approach.”

2.2.1. To what extent was FEI’s estimated cost of the upgrader facilities a determining factor in selecting FEI?

2.3. Hypothetically, if the FEI proposal was not made by FEI (the regulated natural monopoly gas distribution utility) but instead the proposal was from an affiliate sister company of FEI, would this materially change the City’s evaluation of the FortisBC affiliate (non-FEI) proposal? If so, please elaborate on how the evaluation would change.
Response

2.1 The City’s Request for Expressions of Interest No. PS20120223 (the “RFEOI”) is attached. Some of the information therein may have been superseded or corrected as of the date hereof.

2.2 Information concerning the City’s evaluation criteria is included in the RFEOI. In order to facilitate the evaluation, the City grouped the criteria into categories and assigned a weight to each category. The following are descriptions of the categories and their weights: corporate experience and capabilities (15%); the experience of key personnel and contractors (15%); references and similar evidences of capability (15%); proposal scope (generally addressing issues of product approach and methodology and financial issues) (10%); technical details (e.g. maturity of technology, commercial readiness, and the incorporation of innovative ideas) (15%); system operations (e.g. track record as related to ability to maintain safety and minimize downtime) (10%); issues related to LFG end-use (10%); plans for use of carbon credits (5%); and sustainability (5%).

Notwithstanding the foregoing, it should be noted that the RFEOI was an informal solicitation and the City did not commit to the above weightings or to enter into any relationship with any party on the basis of the outcome of the foregoing quantitative evaluation.

On the basis of the overall City evaluation, the City concluded that FEI’s submission was the most promising of the seven submissions received. As a result, the City has pursued discussions with FEI. The City has not yet committed to FEI; nor has it ruled out alternatives.

2.2.1 FEI’s proposal to the City did not mention the cost of building an upgrader; nor was that cost a specific factor in the evaluation of submissions.

2.3 The City would need to evaluate any proposal to enter into a contract with an affiliate of FEI in light of all of the relevant circumstances. The City would be interested to know the history of, and confirm the capitalization and experience of, the affiliate, among other factors. However, the City would not be concerned with the regulatory status of the entity, except to the extent it affected the ability of the City to structure the transaction in a manner acceptable to the City.

3. Reference: Expressions of interest
Exhibit C7-3, Intervener Evidence, p. 3

City of Vancouver states: “It is understood that FEI, as a well-established local utility, is able to leverage its assets and expertise to undertake the City’s new LFG utilization project.”

3.1. Please explain what is meant by “is able to leverage its assets and expertise.”

Response

The City means that, because FEI is well resourced company, with staff experienced in the development of biomethane projects, the City views FEI as a strong potential commercial partner to develop the City’s project. Certainly FEI has greater resources and much greater expertise than the City itself in the relevant technical areas.
4. Reference: Use of RNG in City Operations
Exhibit C7-3, Intervener Evidence, p. 3

City of Vancouver states: “Vancouver City Hall heating and hot water needs are currently met with RNG purchased from FEI, and the City is pursuing the opportunity to purchase CNG refuse trucks as part of FEI’s Vehicles for Change incentive program. The Landfill is too far from the City’s operations to use Landfill RNG in the fleet but when CNG vehicles are introduced, the City will have the opportunity to tag the CNG as RNG to further drive down the City’s carbon footprint.”

4.1. Please confirm that the RNG currently purchased from FEI for use in Vancouver City Hall heating and hot water needs is purchased under Rate Schedule 11B. If not confirmed, please describe the rate schedule under which the City of Vancouver purchases RNG from FEI.

4.1.1. Please confirm that this RNG is transported to the City of Vancouver under FEI transportation rate schedule Rate Schedule 25 and that the City of Vancouver has engaged the services of a marketer as Shipper Agent who performs the role of balancing supply to the City of Vancouver’s load requirements. If not confirmed, please describe the rate schedule under which RNG is transported to the City of Vancouver.

4.2. Please confirm that the City of Vancouver can purchase RNG from FEI to supply CNG fueled refuse trucks and thereby “further drive down the City’s carbon footprint” regardless whether City of Vancouver sells biogas or biomethane to FEI from the Vancouver Landfill or not. If not confirmed, please explain.

4.2.1. Does City of Vancouver intend to continue to purchase RNG from FEI to meet the needs of Vancouver City Hall heating and hot water needs regardless whether City of Vancouver sells biogas or biomethane to FEI from the Vancouver Landfill or not? If not, please explain.

4.2.2. Does City of Vancouver intend to purchase RNG from FEI to supply CNG fueled refuse trucks regardless whether City of Vancouver sells biogas or biomethane to FEI from the Vancouver Landfill or not? If not, please explain.

4.3. What does it mean to “tag” the RNG used in City of Vancouver operations as RNG sourced from the Vancouver Landfill and what are the implications of being able to “tag” the RNG?

4.3.1. Describe the importance to the City of Vancouver of being able to match the supply of Vancouver Landfill sourced RNG into the FEI system with the purchase of RNG by the City of Vancouver for city operations.

4.4. If, rather than selling the biogas or biomethane from the Vancouver Landfill to FEI and purchasing biomethane from FEI under the FEI Biomethane Program, the City of Vancouver had the opportunity to transport its own RNG on the FEI system through a rate schedule with essentially the same rate structure and charges as the FEI Transportation Rate Schedule current used by the City of
Vancouver, would this be a preferable alternative to the City of Vancouver? Please explain the response.

4.5. Does City of Vancouver agree that in the event the average per gigajoule cost of biomethane supply purchased by FEI under its Biomethane Program exceeds the per gigajoule cost of the City of Vancouver’s own landfill gas from the Vancouver Landfill as purchased and upgraded by FEI, the City of Vancouver will be subsidizing other biomethane customers?

Response

4.1 The City has been purchasing RNG from FEI since Sept 2012 for 100% of the consumption at Vancouver City Hall through Rate Schedule 11B.

4.1.1 The City currently purchases its natural gas through a gas marketer, Direct Energy, under transportation Rate Schedule 25.

4.2 The City can confirm that, should it deploy a fleet of CNG refuse trucks, it will consider the purchase of RNG from FEI to fuel its fleet. Any decision whether to proceed with purchases of RNG from FEI will be based on an assessment of the business case at the time and will take into account both the City’s fiscal and environmental responsibilities, regardless of whether it sells biogas or biomethane to FEI from the Vancouver Landfill (the “Landfill”).

4.2.1 Yes, the City will continue to show leadership and buy RNG from FEI to meet the needs of Vancouver City Hall for heating and hot water regardless of whether the City sells biogas or biomethane to FEI from the Landfill.

4.4.2 The decision to purchase RNG from FEI to fuel a potential fleet of CNG refuse trucks will be made based on the business case at the time, regardless of whether the City sells biogas or biomethane to FEI from the Landfill. The business case would take into account both the City’s fiscal and environmental responsibilities.

4.3 By “tag,” the City means that, although the same molecules of RNG that leave the Landfill might not flow to City facilities for use, because the Landfill would supply some RNG to the FEI system to be used at an unspecified location, Vancouver facilities would be “in principle” using the RNG supplied to the FEI system by the Landfill. The implication of this would be that the City would have access to RNG supplies from its own Landfill without requiring the specific infrastructure to transport the RNG from the Landfill to City facilities.

4.3.1. The importance of being able to match the gas supplied to FEI with the gas purchased by the City would be that the environmental benefits, most prominently the reduction of CO2 emissions, could be tracked and attributed directly to the City’s overall emissions profile. There is also an important narrative about environmentally responsible resource use and how organizations view and use their resources and assets. It would be easy to see the Landfill as a liability but, through projects such as FEI’s, the Landfill would become an important environmental asset not just for the City government, but potentially the entire local community. Thus, the City wishes to both be accountable for its waste and allow its citizens to make use of the energy that it represents.
4.4 No offer for gas transportation has been made and the decision as to whether to favour any such proposal would have to be made in light of the details and merits of all of the options available at the time of any such proposal. However, it can be noted that any such gas transportation arrangement would require the City to work to balance supply and demand. At this time, the City believes that FEI is better equipped to manage gas supply. Further, by selling gas to FEI rather than simply entering into a transportation agreement, the City can indirectly provide its own citizens the option of purchasing RNG.

4.5 The City and FEI have not determined a full pricing model for the gas supply from the Landfill. The City intends to negotiate a pricing model that will ensure the City receives fair market value for its supply.
REQUEST FOR EXPRESSIONS OF INTEREST ("RFEOI") No. PS20120223
FOR LANDFILL GAS UTILIZATION

Expressions of Interest ("Applications") are to be addressed and delivered to the Purchasing Services Office, 453 West 12th Avenue, Vancouver, British Columbia, Canada, V5Y 1V4 (Courier Drop off is at the Security Services Office, Main floor of the same address) prior to the Closing Time: 3:00:00 P.M. Vancouver Time (as defined in Note 2 below), May 22, 2012.

Applications will not be opened publicly.

NOTES:

1. Applications shall be in sealed envelopes or packages marked with the Applicant’s Name, the Request for Expressions of Interest ("RFEOI") Title and Number.

2. Closing Time and Vancouver Time will be conclusively deemed to be the time shown on the clock used by the City’s Purchasing Services Office for this purpose.

3. The City’s Purchasing Services office is open on Business Days 8:30 am to 4:30 pm Vancouver time and closed Saturdays, Sundays and holidays.

4. DO NOT SUBMIT BY FAX.

All queries related to this RFEOI shall be submitted in writing to the attention of:

Alison Hall
Contracting Specialist

Fax: 604-873-7057 E-mail: purchasing@vancouver.ca
INSTRUCTIONS TO APPLICANTS

SECTION 1  GENERAL INFORMATION

1.1. Introduction

The City of Vancouver ("City") requires the services of a company with expertise in the bio-energy industry and demonstrated specific and significant experience with the design, build, operation and maintenance of Landfill Gas Utilization Facilities.

1.2. Background

The City has operated an active landfill gas ("LFG") collection and flare system since 1991 (see figure 2). The system was initially installed to control odour and also had the added benefit of reducing greenhouse gas emissions. The system now includes 249 vertical wells and 17 horizontal wells.

In 2002 the City entered into a 20 year agreement with Maxim Power Corp. ("Maxim") to beneficially use the LFG. The following year Maxim commissioned a gas conditioning facility at the Landfill to provide LFG to their cogeneration plant at the end of a 2.9km pipeline. The City has committed to provide up to 3,000 scfm of LFG to Maxim. The City also uses a small amount of LFG to provide heat for landfill operations buildings.

In 2011 City of Vancouver Council approved plans to increase LFG collection significantly which will allow the City to move beyond the 3,000 scfm of LFG committed to Maxim ("New LFG") (ref Council Report RTS 09154). This work is being undertaken mainly to reduce greenhouse gas emissions in order to meet the City's climate protection targets well in advance of the Province's 2016 mandatory 75% collection efficiency requirement. The City is issuing this RFEOI in order to solicit Applications to design, build, own and operate a new Landfill Gas utilization system to purchase and utilize the New LFG. The system can be located on or near the Vancouver Landfill property. The preferred primary and secondary locations on Vancouver Landfill property are shown in Figure 1. The primary location is located adjacent to the existing Flare Station.
Figure 1 - Primary and Secondary Locations for LFG Utilization System at Vancouver landfill Property
1.3. **Scope of Work**

The City's main priority is to capture and eliminate the New LFG to control odor and reduce greenhouse gas emissions. LFG utilization is a secondary priority but does allow the City to explore new greener business options, and provides additional revenue to offset the costs of operating the LFG collection system. As such the City will make best efforts to facilitate the start-up and operation of a New LFG utilization facility either on or near the City landfill site. The specific details of the requirements are in Schedule 1 - Description of the Requirements of the RFEI.

1.4. **Sustainability**

The City's Procurement Policy and related Supplier Code of Conduct found at [http://vancouver.ca/fs/bld/epp/index.htm](http://vancouver.ca/fs/bld/epp/index.htm) align the City's overall approach to procurement with its corporate social, environmental and economic sustainability values and goals. It establishes a commitment to maximize benefits to the environment through product and service selection, to ensure safe and healthy workplaces, where human and civil rights are respected, and to support an environmentally sustainable local economy, whenever possible. In doing so, the Policy ensures incorporation of sustainability and ethical considerations as integral evaluation components in best-value supply selection.

Applicants are to provide environmentally sensitive products or services wherever possible. Where there is a requirement that the Applicant supplies materials, and where such materials may cause adverse effects, the Applicant is to indicate the nature of the hazard in its Application. The Applicant is to advise the City of any known alternatives or substitutes for such materials that would mitigate the effects of any adverse conditions on the environment.

1.5. **Evaluation and Award Process**

This RFEI contains all of the information Applicants will need to submit an Application, including a description services the City of Vancouver intends to acquire, a list of evaluation criteria, and the format to be used for submissions.

Applicants are required to respond to this RFEI in accordance with these Instructions to Applicants. The evaluation process will consist of the four stages outlined below:

**Stage One**

Stage One of the evaluation process will be the review and evaluation of the Applications by the evaluation team. If required, Applicants may be requested to clarify information provided in their Applications. Stage One will be used to identify qualified Applicants whose Applications have a high likelihood of meeting the requirements outlined in Schedule 1 - Description of the Requirements within the project budget.

Those Applicants scoring highest in Phase One will then be short-listed for Stage Two.

**Stage Two**

Stage Two will include presentations, questions and answers. Those Applicants who have been short-listed will be invited to make a presentation to the evaluation team reviewing their proposed solution, highlighting its unique advantages. A question and answer period will follow. The Applicant may be asked to provide further information as a result of this meeting. In addition, questions regarding the Application may be provided in advance of this meeting. Written responses to these questions should be available at the meeting.
Where the number of Stage Two Applicants permits, the City may elect to expedite the process outlined in Stage Three and begin to seek clarification on how the Applicants’ Application would be documented in the Form of Agreement (as defined below).

The form of agreement will follow the general terms and conditions of the 2002 agreement between the City and Maxim (“Form of Agreement”). Terms and conditions will be reviewed with the successful Short-Listed Applicants (the “Short-Listed Applicants”) in Stage Four.

Those Applicants scoring highest in Phase Two will then be short-listed for Stage Three.

Stage Three

Prior to recommending any Short-Listed Applicant to City Council, the evaluation team will enter into preliminary discussions and negotiations with one or more Short-Listed Applicants to reach basic agreement on the final terms of the Form of Agreement.

Such discussions and negotiations will be based on the Application submitted by that Short-Listed Applicant, including proposed amendments to the Form of Agreement, if any, specified by that Short-Listed Applicant in its Application or agreed to by the City on the basis of that Application.

The Short-Listed Applicants will be entitled to offer counter-proposals with respect to the issues raised by the City in these discussions and negotiations, but the Short-Listed Applicant will not be entitled to re-negotiate previously settled issues with respect to its Application or the Form of Agreement.

The City will be at liberty to negotiate in parallel with one or more Short-Listed Applicants, or in sequence, or in any combination, and may at any time terminate all or any one set of negotiations with the Short-Listed Applicants and to then:

- invite one or more of the other Short-Listed Applicants to enter into negotiations; or

- pursue such other alternatives as the City may decide.

The City will treat each set of negotiations as separate and confidential and will not disclose the contents of the negotiations with one Short-Listed Applicant to any other Short-Listed Applicant.

Stage Four

Once the City is satisfied with the outcome of its Application evaluation process and the preliminary discussions and negotiations on the Form of Agreement and is prepared to recommend one of the Short-Listed Applicants to Vancouver City Council, and once a Report to Council making such a recommendation has been received and considered by Vancouver City Council, and it has approved the recommended Short-Listed Applicant and authorized City staff to finalize and execute the Form of Agreement, City staff will finalize and execute the Form of Agreement with the successful Short-Listed Applicant.

1.6. RFEOI Documents

This RFEOI consists of:

1.6.1. Instructions to Applicants (“ITA”); and

1.6.2. Schedules as follows:

(a) Schedule 1 – Description of Requirements;
(b) Schedule 2 – Letter of Application;
(c) Schedule 3 – Format for Applications; and
(d) Schedule 4 – Certification of Existing Insurance
If the City of Vancouver issues any amendment to the RFEOI Documents, such amendment will form part of the RFEOI Documents. It is the sole responsibility of all Applicants to check the City’s website at:

http://www.vancouver.ca/fs/bid/bidopp/openbid.htm

regularly for amendments and questions and answers to this RFEOI.

SECTION 2  QUALIFICATION CRITERIA

2.1. General

The City of Vancouver will base its decisions on the successful Short-Listed Applicant on whether the statement of qualifications submitted by an Applicant ("Statement of Qualifications") meets the format requirements set out in the RFEOI Documents and the evaluation criteria established by the City of Vancouver in its sole discretion, as set out in Schedule 1 - Description of Requirements.

2.2. Key Personnel and Subcontractors

2.2.1. The Applicant, if selected, shall only be entitled to use approved key personnel and subcontractors or other approved firms or individuals in the performance of work, provided that the Applicant will at all times remain the contractor of record and will remain responsible and liable for the acts, defaults, and neglects of key personnel or subcontractors and all other firms or individuals performing work on the Applicant's behalf.

2.2.2. As part of its Statement of Qualifications, Applicants shall submit the names of proposed key personnel and subcontractors and any other person or firm that the Applicant would include on its project team.

2.2.3. The Applicant shall not change key personnel or subcontractors or other pre-qualified person or firm without the prior written consent of the City of Vancouver.

2.2.4. Applicants acknowledge that if selected to participate they may be asked to use subcontractors selected by the City of Vancouver.

SECTION 3  COMMUNICATIONS

3.1. Inquiries by Applicants

Applicants may not communicate with the City except in writing by fax or email to the contact person listed on the cover page of this RFEOI.

SECTION 4  SUBMISSION OF APPLICATIONS

4.1. Delivery

Applicants must submit an original of their Application and the number of copies of their Application specified in Schedule 1 - Description of Requirements, in sealed envelopes, delivered either by hand or by courier to the address stated in Schedule 1 - Description of Requirements and not later than the Closing Time. The Applicant shall set out its name and mailing address on the envelope and the envelope shall be clearly marked as indicated in Schedule 1 - Description of Requirements. It is the Applicant's sole responsibility to ensure delivery of the Application by the Closing Time. All Applications shall be prepared and submitted at the Applicant's sole cost and expense.

4.2. Late Applications
The City of Vancouver may reject and may return un-opened any Application received after the Closing Time.

4.3. Form of Application

Each Application shall consist of a Letter of Application in the form set out in Schedule 2 together with the Statement of Qualifications in the format set out in Schedule 3. All Applications shall be submitted in English.

4.4. Lack of Information

Applicants acknowledge that following receipt of an Application, the City may, in its sole discretion and without having any duty or obligation to do so, request that the Applicant provide the City with additional information to clarify or substantiate the information provided by the Applicant. If an Applicant fails to provide comprehensive and accurate information that is essential for the City’s evaluation of the Applicant’s qualifications, or fails to provide timely clarification or substantiation of the information supplied, that failure may result in no further consideration being given to the Application.

4.5. Material Changes

Applicants shall inform the City of Vancouver of any material change in information that might affect the evaluation of their Application at any time during the evaluation and award process. Prior to the award of any contract, the successful Short-Listed Applicant in the RFEOI process will be required to confirm its continued status.

4.6. Corporate Changes

Applicants will notify the City immediately of any material change ("Material Corporate Change") in the corporate or legal name, ownership, jurisdiction of incorporation, or structure of the Applicant. The Material Corporate Change may result in no further consideration of the Application if in the City’s sole opinion such Material Corporate Change, the change in the structure or formation would have affected whether or not the Applicant would have qualified for evaluations at any stage in the RFEOI process.

SECTION 5 REVIEW OF APPLICATIONS

5.1. Evaluation by the City of Vancouver

The City will review the Applications submitted to determine whether, in the City’s opinion, the Applicant has demonstrated that it has the required experience and qualifications to fulfill the obligations of a supplier of the products and/or services identified in Schedule 1 - Description of Requirements.

The City of Vancouver reserves the right to limit the number of Applicants designated as Short Listed Applicants.

5.2. Inquiries

The City of Vancouver, in its sole discretion and without having any duty or obligation to do so, may conduct any inquiries or investigations, including but not limited to contacting references, to verify the statements, documents, and information submitted in connection with the Application and may seek clarification from the Applicant’s bankers and clients regarding any financial and experience issues.

5.3. Non-Conforming Applications

Applications which fail to conform to the format requirements set out in Schedule 3 or which fail to conform to any other requirement of these RFEOI Documents may be rejected by the City of Vancouver. Despite this or any other provision of these RFEOI Documents, the City of Vancouver may at its sole discretion elect to retain for consideration Applications which deviate either materially or non-materially
from the requirements set out in Schedule 3 or which otherwise fail to conform to any other requirement of these RFEOI Documents except the requirement of delivery of Applications prior to the Closing Time.

SECTION 6  NOTIFICATION PROCESS

6.1. Notification

Following the Closing Time, the City of Vancouver will only notify those Applicants who are selected for Stage Two of the RFEOI process. The City of Vancouver now thanks all other Applicants for their interest.

6.2. City’s Rights

6.2.1. The City of Vancouver may unilaterally take the following actions, and shall not be liable for any such actions:

(a) amend the scope and description of the products and services under the RFEOI process as described in Schedule 1 - Description of Requirements, and the qualifications that may be required to meet those requirements.

(b) reject or accept any or all Applications;

(c) cancel the RFEOI process and reject all Applications;

(d) cancel the RFEOI process and recommence in respect of the same RFEOI with the same or an amended set of documents, information and requirements;

(e) request any Applicant to provide additional information or clarification or equipment samples or demonstrations without requesting such information from all Applicants; or

(f) terminate the RFEOI process and enter into direct negotiations with any party whether or not an Applicant.

6.2.2. The Applicant acknowledges and agrees that these RFEOI Documents are, in no way whatsoever, an offer to enter into an agreement and submission of an Application by any Applicant does not in any way whatsoever create a binding agreement. The Applicant acknowledges that the City of Vancouver has no contractual obligations whatsoever arising out of this RFEOI process.

6.3. Information Disclaimer

6.3.1. The City and its officials, officers, employees, agents, consultants and advisors are not liable or responsible for any verbal or written information, or any advice, or any errors or omissions which may be contained in the RFEOI Documents or the schedules, data materials, or documents disclosed or otherwise provided to the Applicant pursuant to these RFEOI Documents.

6.3.2. The Applicant shall conduct its own independent investigations and interpretations and shall not rely on the City with respect to information, advice or documentation provided by the City.

6.3.3. The City makes no representation, warranty, or undertaking with respect to these RFEOI Documents and the City and its officials, officers, employees, agents, consultants and advisors, shall not be liable or responsible for the accuracy or completeness of the information in these RFEOI Documents or of any other written or oral information made available to any interested person or its advisors, and any liability however arising, is expressly disclaimed by the City.

6.4. Security Requirements

The City of Vancouver reserves the right to require, as a condition of the contract entered into with any successful Short-Listed Applicant to this RFEOI, the Applicant and each of its directors and officers
consent to the City and its security partners conducting at the City's discretion, a security clearance, including without limitation a criminal records search and such other security searches as the City may deem advisable, together with ongoing monitoring of same. For further certainty only the successful Short-Listed Applicant will be required to undergo the above noted security clearance requirements.
**SCHEDULE 1 - DESCRIPTION OF REQUIREMENTS**

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<th>ITA Section Reference</th>
<th>Description</th>
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<tr>
<td>1.1 - 1.8</td>
<td><strong>Recipient of Services</strong></td>
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<td>The City of Vancouver</td>
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<td><strong>General Description of Products and Services:</strong></td>
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<td>1.1 The City is seeking proposals for the beneficial use of Vancouver Landfill Gas (LFG) that is periodically not utilized by the current Vancouver LFG Utilization operator, Maxim Power Corp (&quot;Maxim&quot;), as well as new LFG beyond Maxim's contractual limit.</td>
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<td>1.2 <strong>Equipment and Interface</strong></td>
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<td>The preferred primary and secondary alternative spaces available for the LFG Utilization System are identified in the earlier Figure 1 (primary location -1,100m²; secondary -3,000m²).</td>
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<td>• Identify if these spaces are sufficient for the proposed LFG Utilization System, or if not, what space is needed.</td>
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<td>• Indicate if there is an interest to locate the LFG Utilization System off the landfill property, and if so at what possible location(s).</td>
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<td>• Identify the farthest distance the LFG Utilization System can be located from the existing LFG Flare Station.</td>
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<td>• Identify possible other innovations which could be co-located near the proposed LFG Utilization System.</td>
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<td>• Define the input pipe size required for LFG Utilization System.</td>
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<td>• The City will provide the Proponent with an appropriate agreement for the access and use of the land.</td>
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<td>• Confirm requirement in writing to be Prime Contractor for any facilities located on the Landfill site.</td>
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<td>• Indicate any special needs related to proposed site.</td>
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<td><strong>1.3 Operations</strong></td>
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<td>• Identify manufacturing and installation standards that will be met.</td>
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<td>• Confirm compliance with the local environmental regulations (air emissions, odor control, liquid and solid disposals, noise pollution).</td>
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• Confirm willingness to collaborate with City representative to coordinate site preparation, equipment delivery and installation, plant performance monitoring and reconciliation with the utility data.

• Confirm willingness to provide City access to live and historic production data, including flow and composition of both biogas and bio methane.

• Identify hours of the day when the Prime Contractor will need access to the new LFG Utilization site if located on the City landfill.

• Identify if remote plant startup and shutdown is an option for safety reasons.

• Indicate plans for disposal of any materials/waste water associated with operation of the LFG Utilization system.

1.4 LFG Use and Composition

• Identify proposed end user of 'cleaned' LFG. If not the Proponent then provide a written agreement indicating the end-users' support for the project.

• Identify LFG Utilization Plant performance parameters (i.e. output pressure (kPa), outlet temperature (°C), recovery (%), Uptime (%), etc.)

• The following Table 1 provides the typical LFG composition. The LFG will be supplied as-is/where-is with no specific guarantee of quantity or quality. The proponent is responsible for verification and testing and the City will establish data sharing agreement to ensure access to this information.

• Identify any other gas flow information required and/or any challenges with working with current gas make-up.

Table 1 Typical City of Vancouver LFG Composition

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Typical Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>CH₄ (% by Volume)</td>
<td>40-60 %</td>
</tr>
<tr>
<td>CO₂ (% by Volume)</td>
<td>35-40 %</td>
</tr>
<tr>
<td>O₂ (% by Volume)</td>
<td>0-2 %</td>
</tr>
<tr>
<td>N₂ (% by Volume)</td>
<td>0-20 %</td>
</tr>
<tr>
<td>H₂O (% by Volume)</td>
<td>saturated</td>
</tr>
<tr>
<td>H₂S (ppm)</td>
<td>40-70 ppm</td>
</tr>
</tbody>
</table>

1.5 Forecast - Waste Volumes & LFG Generation

The waste forecasts for the Vancouver Landfill depend on regional waste generation and diversion initiatives as well as the timing for implementation of Metro Vancouver’s Integrated Solid Waste and Resource Management Plan. The City is currently considering at least three possible scenarios as outlined in Table 2.
Table 2 Vancouver Landfill 2020 Waste Disposal Scenarios*

<table>
<thead>
<tr>
<th>Waste Scenario</th>
<th>2012 (annual tonnes)</th>
<th>2020 and beyond (annual tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>570,000</td>
<td>525,000</td>
</tr>
<tr>
<td>B</td>
<td>570,000</td>
<td>175,000</td>
</tr>
<tr>
<td>C</td>
<td>870,000</td>
<td>175,000</td>
</tr>
</tbody>
</table>

*includes MSW + demolition material and demo hog

In January 2011 Conestoga-Rovers & Associates (CRA) forecasted Vancouver LFG generation in order to meet the BC Landfill Gas Management Regulation (2012 forecast was 9,273 m³/hr). Those projections met industry reporting standards; however demolition material and demo hog were not included in the waste in place assumptions. The City is working on updating the forecast now for future reporting and planning purposes. The current forecast for LFG generation based on waste scenario A is listed in Table 3.

Table 3 Current LFG Generation Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Forecast (m³/hr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>11,160</td>
</tr>
<tr>
<td>2016</td>
<td>11,070</td>
</tr>
<tr>
<td>2020</td>
<td>10,950</td>
</tr>
</tbody>
</table>

In 2011 the City collected ~32 million m³ of LFG which corresponds to an average recovery rate of approximately ~2,800 m³/hr. Approximately 1/4 of LFG was flared by the City and most of the remainder was used by Maxim for their cogeneration facility. As stated in section 1.2, the City has a long term agreement with Maxim to regularly provide up to 1,767 m³/hr (3,000 scfm) of LFG at 50% methane content.

The City is completing new capital works in 2012/13 designed to significantly increase the LFG collection efficiency and will move as fast as possible towards the 75% collection efficiency mandated for 2016 in order to meet the City’s climate targets and to secure LFG destruction carbon credits.

1.6 Carbon Credits

- The City will retain all rights to Combustion carbon credits (regardless of whether LFG is flared or transferred for beneficial use).

- The City is interested to maximize rights to any additional incremental carbon credits (i.e. any carbon credits other than combustion carbon credits). Identify proposed plan for incremental carbon credits.
1.7 Proposal Scope

1. Provide Process Description including:
   - P&ID diagrams
   - Single-Line electrical diagram
   - Plant Layout
   - General Assembly drawing

2. Provide itemized description of major components
   - PSA, water removal, compressor, thermal oxidizer, etc., etc.

3. Provide plant operation and maintenance costs;

4. Indicate how variable flows and gas composition will be managed;

5. Legal surveys, operational permits, licenses, etc. are all to be the obligation and responsibility of the proponent;

6. Installation
   Telephone (no internet) and municipal water is available at the proposed locations.
   - Identify electrical requirements
   - Provide Plant space allocation and dimensions (including additional flare/thermal oxidizer, control room, and storage areas for spare parts and consumables)
   - Provide dimension estimates and loaded weights of every plant module
   - Provide required crane capacity for off-loading and installation
   - Identify tail gas (addressing venting, flaring, thermal oxidization options)

7. Identify Safety/risks/mitigation

8. Provide Project Delivery Timeline, indicating milestones.

1.8 References and/or performance

Indicate references and past performance
   • 3-5 references of projects of similar size and scope
   • Specific experience with Landfills
• Proof of performance
• Plant performance metrics expected (recoverability, up-time, etc)

2.1 & 5.1 Evaluation Criteria

(a) Qualifications and relevant corporate experience and capability of the Applicant;
(b) Environmental Sustainability and carbon credit plans;
(c) Financial capability;
(d) Proven track record substantiated by recent and relevant client references;
(e) Knowledge of marketplace;
(f) Product approach and methodology
(g) Maturity of technology and commercial readiness;
(h) Seamlessness of integration with the existing LFG collection, flaring and utilization Systems
(i) Nature and extent of current business and operations in British Columbia and Canada;
(j) Qualifications and relevant experience of the Applicant’s key personnel and subcontractors to be included in the project team;
(k) Experience with similar facilities or equipment;
(l) History of any litigation or claims made against the Applicant, or made by the Applicant against the City, during the three years previous to the Closing Time;
(m) Ability to meet insurance and bonding requirements; and
(n) Innovative ideas relating to execution and of the project services deliverables.

Note: The above evaluation criteria may not necessarily be listed in order of importance and will not necessarily be weighted equally.

4.1, 4.2 & 4.3 Submission of Applications

Address:

City of Vancouver Purchasing Services Office
3rd Floor, East Tower, Suite 310
555 West 12th Ave.
Vancouver, British Columbia
V5Z 3X7

Attention: Alison Hall
Closing Time:
As set out on the front page of this RFEOI.

Number of copies of Applications (in addition to the original) to be submitted:
Three (3)

Envelope marking:
Name of Applicant
Mailing Address of Applicant
“Private & Confidential”

Applications for: Request for Expressions of Interest PS20120223 for Landfill Gas Utilization
SCHEDULE 2 - LETTER OF APPLICATION

[Letterhead paper of the Applicant or participant responsible for a joint venture, including full postal address, telephone and facsimile.]

Date: ____________________________

To: The City of Vancouver

Re: Applications in respect of:

RFEOI No. PS20120223 Request for Expressions of Interest for Landfill Gas Utilization

Private & Confidential

Being duly authorized to represent and act on behalf of ___________________ [Applicants are to insert full corporate name and if they are the lead participant of a joint venture, then state "on behalf of..." and list the full corporate names of the companies forming the joint venture] (the "Applicant"), and having reviewed and fully understood all of the requirements and information provided, the undersigned hereby submits the attached Application and supporting materials for the products and services as described in Schedule 1 - Description of Requirements.

The City of Vancouver and its representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and experience issues.

The City of Vancouver and its representatives may contact the following persons for further information:

Alison Hall: purchasing@vancouver.ca

This Application is made with the full understanding that:

any information submitted may be subject to verification by the City of Vancouver during evaluation;

the City of Vancouver may:

amend the scope and description of the services under the RFEOI process as described in Schedule 1 - Description of Requirements and the qualifications that may be required to meet those requirements.;

reject or accept any or all Applications;

cancel the RFEOI process and reject all Applications;

cancel the RFEOI process and recommence RFEOI with the same or an amended set of documents, information and requirements; or

terminate the RFEOI process and enter into direct negotiations with any party whether or not an Applicant, and

the City of Vancouver shall not be liable in any way whatsoever for any actions described under 4(b) of this letter or for any matter whatsoever in relation to this RFEOI process.

We acknowledge receipt of the following amendments (if applicable):

Amendment No. __________________ Date: __________________________

#160378v1
Signed: 

Name: 

For and on behalf of: 

[name of Applicant and companies forming joint venture] 

Mailing Address: 

Cheque Payable/Remit to Address: 

Telephone No.: 

Fax No.: 

Key Contact Person: 

E-mail: 

GST Registration No.: 

Incorporation Date: 

City of Vancouver Business License Number: 
(If your office is located in Vancouver) 

WorksSafeBC Account Number: 

Dunn and Bradstreet Number: 

The undersigned declare that the statements made and the information provided in the duly completed Application are complete, true, and correct in every detail.
SCHEDULE 3 - FORMAT FOR APPLICATIONS

Applications submitted by Applicants shall consist of:

I. the Letter of Application specified in Schedule 2; and

II. the Statement of Qualifications, consisting of and arranged as follows:

Title Page (1 page)

The title page should identify the RFEOI number identified on the cover page of these RFEOI Documents, Closing Time (as specified in Schedule 1 - Description of Requirements), Applicant name, address, telephone number, fax number and contact person.

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Corporate Experience:

• Describe the legal structure of the Applicant (for example corporation, partnership, sole proprietor) and if a joint venture, clearly state this and state who the joint venture parties are and identify who is acting as the lead;
• Describe company/entity size, depth, and annual sales volume (in dollars);
• Provide client references, where possible; and
• Provide a history of litigation or claims made against the Applicant during the three years immediately prior to the Closing Time.

Corporate Capability:

• Describe capability (financial, experience and workload capacity) to undertake the role of supplier;
• Provide resumes of proposed key personnel; and
• Provide a letter from a bonding company confirming your bonding capability and provide a certificate of existing insurance in the form attached as Schedule 4.

Completed and Current Major Projects

• List three relevant projects, name of customer, value of the program, company personnel involved and client/owner references with contact names and telephone numbers; and
• Describe capacity to undertake this project and describe any other projects you have scheduled during the anticipated time frame.

Sustainability

• Describe the your approach in the following areas:

  • Offering of products/services that are non-toxic and non-hazardous;
  • Provision of solutions for the disposition of obsolete or expired products and equipment, as well as a solution for the environmental impact to the local landfills; and
  • Offering a solution to reducing carbon emissions resulting from the delivery of products.

Outline of Services to be Provided

• Provide a brief discussion of your proposed beneficial uses for LFG as it relates to Schedule 1 - Description of Requirements in section 1.1 - 1.8 of this RFEOI.
SCHEDULE 4 - CERTIFICATE OF EXISTING INSURANCE

(See attached)