

**PART B: BUSINESS PROPOSAL FOR THE DEVELOPMENT OF A LFG
TO RNG PROJECT**

Prepared for



The County of Monmouth

Prepared by



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ECONOMIC BENEFITS SUMMARY FORM

Vendor SHALL COMPLETE AND RETURN WITH PART B OF PROPOSAL

Vendor must complete this form without making any alterations to its format. Fill in values where appropriate and circle appropriate answers as indicated. Attach more information as necessary to fully explain the economic benefits of your proposal.

Vendor COMPANY NAME:

LFG To RNG facility capacity proposed at initial installation:

(in units of raw inlet LFG flow (scfm). Need not equal LFG available at installation)

Proposal Option #1

Description: Vendor 100% owns, permits, designs, builds, operates, maintains, negotiates with end users and RIN purchasers, etc. for the LFG to RNG facility, for 20 years utilizing excess LFG from the MCRC and operating on a leased portion of County land. Vendor acknowledges that Vendor will assume all costs, labor, and equipment to design, permit, construct, and operate Vendor's facility. In return, the Vendor shares a royalty with the County as follows:

Select one or multiple bullets:

- Vendor will pay County _____ percent of all gross revenue,
- Vendor will pay County _____ percent of all environmental attribute gross revenue, and/or
- Vendor will pay County _____ percent of _____ or a flat rate of \$ _____ per month (optional).

If royalty is based on all gross revenue:

Vendor's estimated total gross revenue in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated total gross revenue for the 20 year operating term is \$ _____ (provide back up for this estimate).

If royalty is based only on RIN gross revenue:

Vendor's estimated gross revenue from RIN's only in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated gross revenue from RIN's only for the 20 year operating term is \$ _____ (provide back up for this estimate).

If royalty is based on other things besides gross revenue or RIN gross revenue:

Vendor's estimated _____ from _____ in the first full year of operation is estimated to be \$ _____ (Vendor shall attach basis for estimate). Vendor estimates their facility operation will begin on _____ (date). Vendor's estimated _____ from _____ for the 20 year operating term is \$ _____ (provide back up for this estimate).

Proposal Option #2

Vendor and County partner on all aspects of the project (i.e.: ownership, capital costs, permitting, design, construction, operation, maintenance, finding vehicle fleets to purchase the RNG, RIN sales/revenue, etc.) for 20 years. If this proposal option is selected by Vendor, provide the following with your proposal:

- Vendor's split of this partnership is: ____% for County and ____% for Vendor.
- Vendor estimates their facility operation will begin on _____ (date).
- Vendor's estimated Capital Cost (that both parties will split) is \$ _____ (provide back up for this estimate).
- Vendor's estimated 1st year O&M cost (that both parties will split) is \$ _____ (provide back up for this estimate).
- Vendor's estimated 1st year gross revenue (that both parties will split) is \$ _____ (provide back up for this estimate).
- Vendor's 20-year operating term gross revenue (that both parties will split) is \$ _____ (provide back up for this estimate).

Vendor shall attach draft terms and conditions for this partnership.

Proposal Option #3

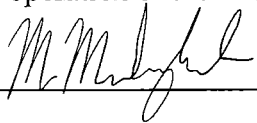
Other Alternative. Vendors may provide alternate payment provisions modifying the metrics in Option #2 above. Attach details on the alternative and describe if payments will escalate annually or quarterly and the basis for the escalation.

All Proposal Options

Explanation of other service or benefits the Vendor offers the County: (attach additional pages if necessary):

Value of other services or benefits the Vendor offers the County: \$

Vendor acknowledges that production from Vendor's facility is secondary to the operation of the MCRC, including without limitation regulatory compliance. Collecting LFG to meet environmental regulations and/or otherwise in connection with the operation of the MCRC will take precedence over collecting LFG for commercial use if the two conflict.

Vendor's Signature _____  Date _____

2.2. Project Financing

Archaea Energy is a publicly traded company on the New York Stock Exchange and has unique access to capital markets and lines of credit to finance our pipeline of projects. Archaea Energy will fund the proposed RNG facility through our available free cash flow or through our available line of credit.

2.2.1. Tax Credits

Archaea Energy does not require or rely on tax credits or federal, state or local subsidies in order to finance and operate our projects.

2.2.2. Environmental Attributes

Archaea Energy generates LCFS Credits as well as RINs at our LFG to RNG facilities and sells them through our long-term off-take contracts. Please refer to section 2.3.2. for a breakdown of how these environmental attributes are marketed and sold and the assumed costs

2.3. Archaea's Assumptions

2.3.1. Electricity Costs

Archaea Energy will establish the necessary power interconnections in order to power our facility at the Monmouth County Reclamation Center. Our assumptions on Electricity Costs for this project are based upon our experience in other states as well as current projections for New Jersey. Archaea projects a \$92.00/MWh cost and estimates we will use approximately 20,000 MWh at the plant based on the projected size and necessary components. Our Electricity Costs for the year based on these assumptions comes out to about \$1,840,000.

2.3.2. RNG Sale Price

Archaea Energy would negotiate any RNG sale prices on our own behalf. Archaea's off-take strategy is unique due to our long-term approach that guarantees fixed revenues over 20 years across our portfolio. Archaea aims to sell 2/3s of the produced RNG into these long-term contracts for secure revenue streams for both Archaea and our partners, while marketing additional flows and environmental attributes into a competitive transportation market for additional upside. This approach has allowed us to underwrite our projects with financial security that mitigates any risks based on market fluctuations. Archaea's assumptions within this proposal is based on our current average long-term contract price of \$16.50/MMBtu for bundled "Green Gas". Archaea

has a number of high-profile investment grade counterparties ready to purchase additional flows produced from future projects now and in the future.

While we are currently projecting a conservative metric of \$16.50/MMBtu for the RNG produced at the Monmouth County Reclamation Center, we have seen upward market movement on our off-take agreements signed today based on regulatory strains and decarbonization desires. Should Archaea reach a deal for a higher \$ per MMBtu value for the gas produced at the Monmouth County Reclamation Center, Monmouth County would be a direct beneficiary of this change based on the proposed royalty structure. Archaea Energy is also proposing to flex our royalty rate owed to Monmouth County from 15% to 20% upon the successful achievement of \$20.00/MMBtu. Our assumptions predict reaching this \$20.00/MMBtu metric by Year 10 of the project based on the initial \$16.50/MMBtu metric paired with projected yearly increased on the CPI. Please note the table below shows the (1) projected flows to the project, (2) Royalty owed to Monmouth County, and (2) Revenue breakdown based on gas sales, RINs, and other environmental attributes. The assumptions used in these calculations are conservative and broken down as follows.

80% of the RNG sold as \$16.50/MMBtu (+2.3% CPI estimate yearly)

20% of the RNG split out and sold for

- \$2.00/MMBtu "Brown Gas"
- \$4.99/MMBtu LCFS Credits
- \$1.50/RIN (11.727 RINs per MMBtu)

Based on the projected 80% to 20% split, Archaea is projecting a net average RNG sale price of \$18.73/MMBtu (Year 1). Archaea Energy is open to discussing our proposed sale strategy splits on gas sold from the Monmouth County Reclamation Center in partnership with the County in order to take more aggressive approaches on revenue goals.

Project Revenues						
Project Year	Calendar Year	Projected LFG Recovered (scfm)	Projected Annual Total (\$)	Annual Total from Gas Sales (\$)	Annual Total from LCFS Credits (\$)	Annual Total from RIN Sales (\$)
1	2025	3,607	\$2,248,965	\$1,648,587	\$132,644	\$467,733
2	2026	3,619	\$2,294,198	\$1,681,745	\$135,312	\$477,141
3	2027	3,630	\$2,340,004	\$1,715,323	\$138,014	\$486,668
4	2028	3,641	\$2,386,385	\$1,749,322	\$140,750	\$496,314
5	2029	3,651	\$2,433,907	\$1,784,158	\$143,552	\$506,197
6	2030	3,660	\$2,482,023	\$1,819,428	\$146,390	\$516,204
7	2031	3,669	\$2,531,318	\$1,855,564	\$149,298	\$526,456
8	2032	3,679	\$2,581,823	\$1,892,586	\$152,277	\$536,960
9	2033	3,687	\$2,632,960	\$1,930,072	\$155,293	\$547,596
10	2034	3,695	\$3,579,640	\$2,624,028	\$211,128	\$744,483
11	2035	3,703	\$3,651,183	\$2,676,472	\$215,348	\$759,363
12	2036	3,710	\$3,722,770	\$2,728,949	\$219,570	\$774,251
13	2037	3,718	\$3,796,958	\$2,783,332	\$223,945	\$789,681
14	2038	3,725	\$3,872,069	\$2,838,391	\$228,376	\$805,302
15	2039	3,732	\$3,948,999	\$2,894,785	\$232,913	\$821,302
16	2040	3,738	\$4,027,794	\$2,952,545	\$237,560	\$837,689
17	2041	3,744	\$4,107,567	\$3,011,021	\$242,265	\$854,280
18	2042	3,750	\$4,189,263	\$3,070,908	\$247,084	\$871,271
19	2043	3,756	\$4,272,929	\$3,132,239	\$252,018	\$888,672
20	2044	3,761	\$4,357,628	\$3,194,327	\$257,014	\$906,287
Total Royalty			\$65,458,382	\$47,983,781	\$3,860,752	\$13,613,850
<p>Archaea Energy's proposal includes a royalty percentage escalator from 15% to 20% upon the gas sales revenue exceeding \$20.00/MMBtu. This is expected to be reached in Year 10 of the project based on our current average price of \$16.50/MMBtu from our long-term offtake contracts with an expected yearly CPI escalator of 2.3% per year.</p>						

2.3.3. RIN Revenue

As discussed previously Archaea Energy aims to sell 2/3s of our volumes into long-term agreements that includes the RINs, LCFS Credits, and any additional environmental attributes that may be created in the future. Currently the highest value for RINs comes from the transportation market, however as seen throughout the last couple of years these prices fluctuate and are not reliable for long-term projects. Our approach allows us to secure a stable stream of revenue and float the remaining portion of environmental credits into the market for additional value on the upside. Archaea aims to monetize all RNG and environmental attributes produced at our facilities and will be included in the gross revenue in which royalty will be calculated.

2.4. Additional Benefits

Archaea Energy recognizes that uptime is the largest revenue driver for our projects and our portfolio boasts a greater than 95% uptime. In order to guarantee our commitment to this project Archaea is proposing to pre-pay the first year of projected royalties to Monmouth County 24-months from the signing of any Gas Rights Agreement should the proposed facility fail to meet the deadline. While Archaea has the capability and projects our timeline to reach this 24-month mark, we recognize there are permitting, and pipeline holdups that are outside of our control. Archaea Energy is guaranteeing our timeline through this in order to show our commitment and mitigate any risk to the County.

In addition to this, Archaea Energy is proposing to pay Monmouth County an upfront payment of \$5,000,000 upon the completion and signing of a future Gas Rights Agreement. This upfront payment is to be used in whatever way the county sees fit and shows our commitment to working forward to an operational project and robust partnership with the Monmouth County Reclamation Center.

In association with this upfront payment, Archaea Energy is proposing to invest \$500,000 into the wellfield at the Monmouth County Reclamation Center for expansions and improvements over the initial 20-Years of the contract. Archaea will work in partnership with the Monmouth County Reclamation Center to plan any GCCS expansions and improvements in order to provide mutually beneficial value on this investment. The thought process behind this investment is to increase the collection efficiency in the wellfield in order to expand revenues and future royalties paid out to Monmouth County. Archaea Energy's wellfield team believes we can expand the collection efficiency from 75% to 85% through this investment.

Not only does this \$500,000 wellfield investment come with topline value but based on the expansion efforts provided we are aiming to expand royalties by 10%. The projected increase in royalties based on this investment is shown in the table below to be \$7,700,986 over the initial 20-years of the contract.

75% Collection Efficiency		Project Year	85% Collection Efficiency	
Projected SCFM	Projected Royalty		Projected SCFM	Projected Royalty
3183	\$1,984,381	1	3607	\$2,248,965
3194	\$2,024,292	2	3619	\$2,294,198
3203	\$2,064,710	3	3630	\$2,340,004
3212	\$2,105,634	4	3641	\$2,386,385
3221	\$2,147,565	5	3651	\$2,433,907
3230	\$2,190,020	6	3660	\$2,482,023
3238	\$2,233,516	7	3669	\$2,531,318
3246	\$2,278,079	8	3679	\$2,581,823
3254	\$2,323,200	9	3687	\$2,632,960
3260	\$3,158,506	10	3695	\$3,579,640
3268	\$3,221,632	11	3703	\$3,651,183
3274	\$3,284,797	12	3710	\$3,722,770
3281	\$3,350,257	13	3718	\$3,796,958
3287	\$3,416,531	14	3725	\$3,872,069
3293	\$3,484,411	15	3732	\$3,948,999
3299	\$3,553,936	16	3738	\$4,027,794
3304	\$3,624,324	17	3744	\$4,107,567
3309	\$3,696,408	18	3750	\$4,189,263
3314	\$3,770,231	19	3756	\$4,272,929
3319	\$3,844,966	20	3761	\$4,357,628
3259	\$57,757,396		3694	\$65,458,382

3.0. Conclusion

Archaea Energy (NYSE: LFG), believes that all of our projects should include a true partnership with the Landfill and the surrounding community, because of this Archaea sees the necessity to make any project implemented mutually beneficial. In the case of the Monmouth County Reclamation Center, Archaea will make a direct investment of **\$500,000** into wellfield expansions and upgrades. With the additional GCCS expansion, Archaea plans on raising the collection efficiency of the current 75% to 85%, maximizing the value generation at the landfill. This expansion not only will contribute to the easing of future regulatory strains on the landfill but also expand the royalties to be received by increasing the flows and RNG generated by our proposed facility.

Archaea Energy proposes an initial **20-Year Gas Rights Agreement (GRA)**, with (2) additional 10-year extensions based on the meeting of to be agreed upon key performance indicators, in exchange for the financing, construction, and operation of a mutually beneficial Landfill Gas to Renewable Natural Gas project at Monmouth County Reclamation Center. All investment costs, operational expenses, and replacement expenses will fall on Archaea Energy. In association with the GRA, Archaea will provide Monmouth County with a **15% royalty** on all revenues generated from the proposed facility at the RNG Facility located at the Landfill. In order to show Archaea's interest in a true partnership with Monmouth County, Archaea is also proposing to flex the royalty rate to **20% of total gross revenue** upon the value of the produced RNG reaching \$20.00/MMBtu. Upon the signing of our future development agreement, Archaea Energy will also pay out **\$5,000,000** of upfront cash to Monmouth County to be used in whatever way seems fit.

In order to show Archaea Energy's commitment to our future partnership and the successful execution of this project, we are offering to begin paying projected royalties **24 months** from the formalized development agreement regardless of if our plant is fully operational or not. While Archaea does not anticipate any delays in the development and execution of this project, we understand and are conscious of delays outside of our control such as permitting, zoning, pipeline qualifications, etc. Archaea has addressed preventable delays such as the supply chain problems our competitors are seeing by pre-ordering and manufacturing the necessary components for future operations, while others will order equipment for each project, Archaea has currently sourced equipment for over 20 projects over the next coming years, our commitment to Monmouth County is to carve out a slot in our development schedule for this project.

Please note that the royalties listed below are under the assumption of an 85% collection efficiency from the generated flows provided in the RFP. Should Archaea capture a different collection efficiency the numbers will adjust accordingly. Archaea would also like to extend a formal invitation to our SWACO RNG facility in Columbus, Ohio in order to show the true potential of our facilities as well as how our public/private relationship works at that site. The approximate value of the presented agreement for the proposed RNG project to the Monmouth County Reclamation Center is as follows:

- GCCS expansions and improvements: **\$500,000**
- Upfront cash payment upon agreement: **\$5,000,000**
- Royalty payments flexing from 15% to 20% on Archaea Energy's projected revenue at the proposed RNG facility for 20: **\$65,458,382**

Total projected value to the county: **\$70,958,382**

Projected average yearly value (20 Years): **\$3,547,919**

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