

**REQUEST FOR STATEMENTS OF INTEREST (RSOI)
FOR THE DEVELOPMENT OF
DAIRY ANAEROBIC DIGESTION SYSTEMS
IN SACRAMENTO COUNTY**

Release: May 8, 2013

The Sacramento Municipal Utility District (SMUD) is seeking your interest in providing information for active involvement in the development of dairy anaerobic digestion (AD) project(s) in Sacramento County.

The objective of this RSOI is to select a qualified project developer(s) to implement the project(s) in partnership with SMUD and local dairy farmer(s). The selected developer(s) will finance, design, build, own and operate the entire digester system in agreement with the dairy farmer and under SMUD's fund disbursement requirements. In addition, the selected developer(s) may be required to solicit additional grant funding for the project and/or loan guarantees, depending on funding availability.

Background:

Currently, SMUD has \$920,000 grant funding available for one project. This funding comes from sales of California Air Resources Board's (CARB) AB-32 Cap-and-Trade program allowances. These allowances are being funneled into projects that will help SMUD's customers reduce greenhouse gas emissions and thereby minimize the cost of AB-32 compliance to customers.

Presently, there is at least one farmer interested in hosting a project at his dairy farm. The dairy has roughly 750 milking cows. The farmer may commit to develop the project after negotiations with the developer on the lease agreement for the site and manure supply and other potential ownership arrangements and benefits.

Besides the grant money, SMUD will provide a long-term power purchase agreement (10,15 or 20 years), competitive rates for the purchase of the electricity, possible purchase of carbon offsets, and assistance with permitting and grid interconnection.

SMUD plans to help other dairy customers with over 400 milking cows to install AD projects in Sacramento County, depending on grant funding availability and economic feasibility.

Technology Requirements:

The project(s) must be a turn-key, full-scale commercial anaerobic digester system, with possibility of co-digesting other organic wastes for future expansion and in compliance with all siting and permitting requirements. The project must not interfere with normal operations of the dairy and must not require the farmer to manage any aspects of the project operation.

Project Schedule:

Project should be operational in Q4 2014 or earlier.

Contents of Response Submittal:

At a minimum, responses should include the following:

1. Letter of Transmittal (1 page), includes contact information of developer/applicant;
2. Statement of qualifications of the team (developer, manufacturer/vendor, or subcontractors) including experience with AD technologies, contact information for proposed or currently operating AD systems, staff resumes, and available operating AD histories and references.
3. Financial standing of the company proposing to build the project as well as financial standing of the technology vendor, if applicable. Show proof of company's ability to secure financing.

Evaluation Process:

Responses will be evaluated based on the following criteria:

1. Submission of sufficient clarity and completeness of information;
2. Team Qualifications: organizational and administrative structure, clear roles and responsibilities, team lead skills, proven track record with previous experience working with grants, extensive experience with implementing dairy digester projects. Success with other types of AD projects is desirable; and
3. Proof of track record and company financial standing is essential for the evaluation process and proper selection of the best candidate. Respondent financial capability to carry out the project and a reasonable likelihood to obtain all the financing necessary to implement the project in a timely manner; strength of the company in terms of net worth and assets, ratio of assets and liabilities, number of years in business (US and abroad).

Deadline for Responses:

May 20, 2013 at 5 PM (PST).

Only electronic replies via email will be accepted in MS Word, MS Excel and/or PDF formats. Please submit responses to Marco Lemes at mlemes@smud.org. Please limit your responses to no more than 10 pages.

Please write: **"RSOI – Dairy Digester - (your company name)"** in the subject field of your email and in the footer on all pages of your proposal.

Contact:

All communications should be directed to Marco Lemes, 916-732-5871, or Valentino Tiangco, 916-732-6795.