

RECEIPT IS ACKNOWLEDGED OF ADDENDUM NO. 1
DATED OCTOBER 7, 2011

FOR

RFP NO. 11-12 / P-15

FOR

CENTRAL MAUI LANDFILL
DEVELOPMENT OF A LANDFILL GAS UTILIZATION PROJECT

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
COUNTY OF MAUI

Please fax this form to 808-249-0839.

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FOR
CENTRAL MAUI LANDFILL
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October 7, 2011

Central Maui Landfill has compiled responses to Bidders' questions (Items Numbered 1 through 50). Central Maui Landfill has also prepared a list of clarifications (Items Lettered A and B.)

Answers to Bidders' Questions:

1. Can we have a list of all attendees at the pre-bid meeting?

Pre-bid meetings were held on September 13 and September 15, 2011. Sign-In Sheets for both meetings are included as Attachment 1 (Pre-Bid Meeting Sign-In Sheet – September 13 and 15, 2011).

2. Is an annual waste composition available for the landfill?

The County's best estimate of historic waste placement is included in the LFG model which is included as Attachment 2 (LFG Model). Future waste placement shown in this LFG model is only an estimate and not a guarantee by Maui County.

3. Is a detailed landfill gas sample analysis available (all constituents, sulfur, siloxanes, etc.)?

Source tests for the flare, which includes some inlet sampling and analysis, are included as Attachment 3 (Source Tests). Maui County does not warrant this source test as the gas quality the energy developer will encounter.

4. Should all bidders use equal costs for the electrical interconnection study since the study has not been completed and costs are not finalized?

All bidders intending to use the MECO electrical grid should include a cost of \$150,000 for an electrical interconnection study in their financial offering to the County.

5. Does the County have LFG laboratory test results (e.g., hydrogen sulfide, VOCs, siloxanes, etc.)?

See Question 3.

6. **How are developers to estimate curtailment of the LFGTE plant by MECO during off peak hours?**

All bidders intending to sell electrical power to MECO should assume curtailment by MECO limiting production to no more than 90 percent per year.

7. **Please confirm the Notice of Award triggers for Item Nos. 1 & 3 contained in Section 3.2 (Performance Schedule) of the RFP are after agreements with the County and the chosen developer have been executed.**

The notice of award which triggers Items 1 and 3 in Section 3.2 of the RFP is the notice of award of final contract execution between the selected Developer and the County.

8. **How were the flow of 600 scfm and 45% methane contained in the RFP established?**

This flow and methane percent were based on the historical GCCS operational data with emphasis on the historical GCCS operational data post the August 2011 completion of the GCCS upgrades. A year's worth of GCCS data is included in Attachment 4 (GCCS Data). Actual LFG flow and methane content are not guaranteed by Maui County.

9. **How were the \$0.14 & \$0.18/kW electrical sale rates contained in the RFP established?**

These prices were obtained from preliminary discussions with MECO.

10. **Will the County entertain a term other than the 20 years contemplated in the RFP? If so, what are the minimum and maximum?**

All proposals should use the 20-year timeframe within the financial offering as outlined in the RFP to allow comparison of proposals.

11. **Please clarify that the low flow and low Btu content obligation of the Developer contained in the second paragraph of Page No. 18 of the RFP only applies to LFG that cannot be utilized by the developer energy plant.**

LFG that is not utilized by the Developer's project, but that must be collected to maintain compliance or other reasons, will be sent to the existing LFG flare. If the existing LFG flare cannot operate, because the Developer's project is taking sufficient LFG that there is then insufficient LFG flow to the existing flare such that the existing flare cannot operate in accordance with its design or permit conditions, it will be the responsibility of the Developer, at Developer's cost, to modify the flare, to ensure such combustion with concurrence from the County, to

provide supplemental fuel (e.g. propane) for the flare, or provide and install a new flare that will meet permit requirements.

12. Is there an odor ordinance that the County can provide?

The County is not aware of any odor ordinances. However, please review the solid waste permit (Section D, Item 20) provided with the RFP. The County shall have authority to determine whether an odor is considered a nuisance.

13. How much condensate is currently being generated (in gpm)?

Currently condensate generation rate is approximately on average 500 gallons per day or 0.35 gallons per minute. However, this generation rate is influenced by daily and seasonal changes in ambient temperature and other factors influencing the GCCS. Actual LFG condensate generation is not guaranteed by Maui County.

14. What is the injection rate (in gpm) of condensate into the flare?

Currently the flare injects condensate at an approximate rate of approximately 1.1 to 1.3 gallons per minute for approximately 7 hours per day. This condensate injection rate is adjustable. The condensate injection rate is determined by a variety of factors including available LFG flow to the flare. The flare drawings are included as Attachment 5 (Flare Drawings).

15. What is the minimum LFG flow rate (in scfm) that the flare can operate when condensate is being injected?

See Question 14. Developers may also contact the flare manufacturer to obtain this information.

16. When determining the potential electricity sale price to MECO, does the County want a financial scenario for each price range defined on page two of Exhibit E of the RFP or only the 2 scenarios as defined in section 4.4?

Proposals shall include, at a minimum, two (2) financial offerings with assumed electrical sales prices of 14 and 18 cents per kilowatt hour, per Section 4.4.

17. Can the Developer include information in its response in relation to potential future projects such as but not limited to incorporating a High Solids Anaerobic Digester system that would produce technologically compatible methane to use with the LFG powerblock? Would the inclusion of such a proposed system be beneficial to the Developer's Score?

There is no limit on the type of project that the Developer proposes. Developers should follow Section 4.2 of the RFP related to providing information on Demonstrated Technologies. Developers should also follow the RFP Section 3.11

on future benefits. Developer's should obtain and provide all information that will allow the County to assess both the technical and economic feasibility as well as the likelihood of the development of any project.

18. Will the County reserve the right to develop a waste to energy project in addition the LFG project?

The County reserves the right to develop a waste to energy project in addition to the LFG project.

19. Will the Developer be required to do an Environmental Assessment?

A copy of the March 1986 Environmental Impact Statement is included as Attachment 6 (March 1986 Environmental Impact Statement). Developers will be required to address any environmental assessment and or environmental impact statement issues of their projects. The County cannot make any assessment as the County is unaware of the type of project the Developer's are proposing.

20. Is more land available from the County should it be required?

If the Developer requires more land than that specified in the RFP, the proposal should clearly state this fact. The County reserves the right to add the cost of providing this additional land to the Developer's proposal during evaluation of the Developer's proposal. Any improvements needed for the additional land will be completed by the Developer.

21. If the County is maintaining operation and control of the GCCS system, will the County accept liability for delivery of the gas from the system?

The County is maintaining operations and control of the GCCS. The County will accept no liability in delivery of the LFG to the Developer.

22. If the Developer expands the GCCS system ahead of schedule of the County, would the cost of the permits borne by the Developer be a recoverable expense from the County?

Per Section 3.9.A, permitting would be considered engineering and those costs cannot be recovered from the County. Permit fees can be recovered from the County if the County agrees to reimburse the Developer for the reasonable costs. The Developer will need to obtain County's written terms of any compensation agreement prior to commencing any work.

- 23. Under what scenarios will the county allow the Developer to sell the LFGU to another party?**

Per Section 3.3, the contract between the County and the Developer will prohibit the Developer from assigning the contract to another entity without approval from the County, with the exception of a collateral assignment in connection with financing the LFGU.

- 24. What does the County intend to do with excess LFG produced in the Landfill not used by the LFGU project?**

Excess LFG will be flared. See response to Question 11.

- 25. Is there any fall back in case MECO does not come to the table?**

Developers may provide a fall back project in the proposal submitted (See response to Question 17). If the project is awarded to a Developer with the intent of establishing a project through MECO, and at some point it appears a project with MECO will not occur, the agreement with the Developer will likely be cancelled since this will mean that the financial offering which was the basis of the County's proposal review and selection is not valid any longer. These terms will likely be established within the contract between Developer and the County.

- 26. What is the distance to the nearest MECO electrical substation?**

0 to 3 miles. Developer is responsible to confirm.

- 27. What is the line rating (kva) for the transmission line closest to the Landfill Property?**

23KV. Developer is responsible to confirm.

- 28. How far is that line from the land designated for the LFG project?**

The 23KV line is across the road in front of the landfill. Developer is responsible to confirm.

- 29. Will the Developer be required by MECO to pay for the interconnection?**

See the response to Question 4.

- 30. Please define the current utilities available at the site:**

(a) Fire Protection

- (b) Water, if available, what is the quality and available pressure.**
- (c) Waste water disposal system. Are there permit limits for discharge, flow and or constituents?**

See Section 3.12 of the RFP, where the County requests that the Developer provide a plan for how the Developer's project will be provided with utilities.

- 31. Does a Geotechnical Investigation report exist? If so, can it be provided the proposal effort?**

No, it does not exist.

- 32. Can a drawing be provided that defines the existing underground utilities?**

No.

- 33. Please provide the following drawing in Exhibit A in native CAD format, "Overall Site plan by Cornerstone."**

Those wishing to be provided a copy of the "Overall Site plan by Cornerstone" in AutoCAD format should send an email to the contact for the County listed in the RFP requesting the drawing.

- 34. Has any of the existing equipment been installed or rated for Class I, Division II electrical classification?**

The flare drawings are included as Attachment 5 (Flare Drawings). Developers may also contact the flare manufacturer to obtain this information.

- 35. Please clarify the 50 db(a) noise requirement, reference page 19 of the RFP. Is there some current base line data at the existing facility for reference to show the current site noise levels?**

There is no baseline noise data available.

- 36. Is the 65 mmbtu/hr of LFG continuous 24 hr a day?**

The LFG flow does fluctuate over a range on a daily basis and over a range on an annual basis. GCCS data is included in Attachment 4 (GCCS Data). See also Question 8. Maui County does not warrant LFG flow or quality.

37. Is the 600 scfm flow rate constant or does it fluctuate?

The LFG flow does fluctuate over a range on a daily basis and over a range on an annual basis. GCCS data is included in Attachment 4 (GCCS Data). See also Question 8. Maui County does not warrant LFG flow or quality.

38. How much condensate from the GCCS is produced daily from the LFG?

See question 13 and 14.

39. What kind of benefits from this project is the County looking for?

See Sections 3.11 and 5.2 of the RFP at a minimum.

40. Does the County expect the LFG project to supply the infrastructure needs of the CML and its expansion and providing the excess to MECO? If so, what is the forecasted needs of the CML?

Providing power to CML is an option that the Developer's may include in their proposals. CML electrical utility bill for September, 2011 for the main office (Pulehu Road), flare station (Flare Station), and leachate pumps for Phase IVA and IVB (Pumping Station) are included as Attachment 7 (CML Electrical Utility Bills).

41. Will the LFG be supplied at no cost? If there is a cost involved what will this charge be?

Various financial arrangements are acceptable to the County to convey the economic benefits of the Developers project to the County (examples being payments to the County for LFG delivered to the Developer, or sharing in gross sales of electricity of LFG delivered to the end user, etc.). The Developer should propose the financial arrangement or arrangements. The County will review the financial arrangements as part of the review of the proposals.

42. Does the CML have LFG analyses that they are willing to share with the DEVELOPERS? A monthly sampling of a year's worth of analyses will help determine the quality of LFG to be expected.

See questions 3 and 8.

43. Can a more detailed design of the flare system be provided? On page 104 of the RFP a sketch of the gas skid and flare system from the gas side is shown. There is no sketch of the condensate piping.

Drawings of the Flare System are included as Attachment 5 (Flare Drawings).

- 44. Does the existing NPDES Construction Permit for the Central Maui Landfill include the project location and scope or will a permit modification be required?**

The NPDES permit does not include the LFGU project location or scope. Therefore, the Developer will need to resolve this permit issue if needed to develop their project.

- 45. Are there any existing Phase I or II environmental site assessment reports available for the project location?**

See Question 19.

- 46. Do you know what this portion of the site has been used for in the past?**

As discussed during the site walks, the proposed location is believed to have been excavated previously and later filled in. Details on either the excavation or fill are not available.

- 47. Section 3.9D of the RFP states that "Operation and maintenance of the GCCS shall include responsibility for operation and maintenance of the LFG condensate management systems to ensure proper operation of the GCCS, except that during periods when the County's flare is not operating due to LFG utilization by the DEVELOPER, the DEVELOPER will be responsible for management and disposal of condensate for the GCCS." For condensate that cannot be assimilated during combustion/refining of landfill gas, will Maui County be considered the generator of the waste condensate on waste manifests if off-site treatment/disposal of the condensate is required?**

The County will be considered the generator for condensate for which the County is responsible. The Developer will be considered the generator for condensate for which the Developer is responsible.

- 48. Did any existing Environmental Assessments (EAs) or Environmental Impact Statements (EISs) for this site include this Landfill Gas Utilization project? If not, do you anticipate that an EA/EIS will be required?**

See question 19.

- 49. Is the site located within a Special Management Area (SMA), and if so, will an SMA permit be required?**

The site is not located within a SMA.

- 50. It seems that the current RFP (section 4.2c) is only open to firms that have developed (built, owned and operated) three LFG projects in the US. It is hereby requested that the section as written be modified to include only biogas experience and the requirement be limited only to experience in building such projects and showing a good track record.**

The requirement for three LFG projects applies to each team that responds to the RFP. Note: different members of the team may meet different parts of this qualification requirement. The requirement is not borne by each member of the team individually. For example, a team could consist of a financier, a designer, a contractor, and an operator. As long as the designer had three LFGTE designs, the contractor had three LFGTE projects constructed, and the operator had three LFGTE projects operated, the team that may submit under the name of the financier, who had no experience, would meet the three LFG project requirement. The experience must be on projects utilizing LFG.

Bid Clarifications:

A. Zoning

Zoning issues for the Developers project will be the responsibility of the Developer.

B. MECO timing impacts

All Developers are to assume that the timing to get through the MECO process and reach an agreement will be three years. It is anticipated that other efforts can occur during this three year window at the discretion of the Developer. Developers will be expected to pursue the agreement with MECO expeditiously.

Attachments:

- 1 – Pre-Bid Meeting Sign-In Sheet – September 13 and 15, 2011
- 2 – LFG Model
- 3 – Source Tests
- 4 – GCCS Data
- 5 – Flare Drawings
- 6 – March 1986 Environmental Impact Statement
- 7 – CML Electrical Utility Bills

Tracy Takamine, Chief
Solid Waste Division