REGIONAL PROJECT PRIORITIZATION

PROJECT INFORMATION FORM

1.0 PROJECT NAME: Middlebury Resource Recovery Center ("MRRC")

2.0 TYPE OF PROJECT: (Place "X" in front of type and highlight Subtype)

X Infrastructure: Water, Wastewater, Broadband, Transportation, Public Facility, Other

__General Development: Industrial, Commercial, Residential, Mixed

__Site/Facility Development for Specific Business

__Workforce Development

__Business Development

__Other: _____

3.0 PROJECT SPONSOR:

Middlebury Resource Recovery Center, LLC ("MRRC")
183 Industrial Avenue
Middlebury, VT 05753
(developed and managed by PurposeEnergy, Inc.)

4.0 PROJECT PRINCIPALS:

Eric Fitch
Manager of MRRC and CEO of PurposeEnergy, Inc.
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PurposeEnergy, Inc.
P.O. Box 4345
Windham, NH 03087
Phone: (844) DIGESTER.

5.0 PROJECT DESCRIPTION:

MRRC is an industrial organic waste treatment center that will convert food and beverage waste into renewable energy and treated water. The facility, which will be located at 183 Industrial Avenue, Middlebury, VT, will consist of: an anaerobic digester; a generator to produce renewable electricity from digester biogas; and related improvements including a building and piping. Companies including Agri-Mark (Cabot), Otter Creek Brewery, Vermont Cider Company, WhistlePig Distillery, Casella, Ben & Jerry's, and others, will rely on this critical infrastructure under long-term contracts to manage and treat organic waste from

their operations. The project is fully permitted and shovel ready. Secured permits and approvals include:

- Section 248 Certificate of Public Good
- Act 250 Land Use Permit
- ANR Wastewater Pretreatment Discharge Permit
- ANR Air Quality Permit
- Middlebury Industrial Discharge Permit
- Executed Interconnect Agreement with Green Mountain Power
- Standard Offer Power Purchase Agreement (20-year term)

6.0 PROJECT PURPOSE AND BENEFITS:

As envisioned in Vermont's Standard Offer program for renewable energy, MRRC will convert local organic food and beverage waste to over 1 MW of renewable electricity for Vermont homes and businesses.

- The facility will manage up to 55 million gallons of organic waste annually. The majority of MRRC's feedstocks will arrive via an underground forcemain pipe connecting the Agri-Mark, Otter Creek, and Vermont Cider production facilities directly to MRRC. NativeEnergy of Burlington, VT estimates that this project will reduce greenhouse gas emissions by over 2,000 tons CO_2^e per year, primarily through the elimination of hundreds of truck trips from local roads as much of this waste is currently hauled off-site.
- The project will reduce disposal costs for factories and employers in Addison County, encouraging their retention and growth. In addition, this project will allow local manufacturers to grow production within the constraints of the municipal wastewater treatment infrastructure.
- In the future, a district heating loop will replace fossil fuels (natural gas) used within the industrial park with renewable thermal energy produced by the generator.
- The project provides an ANR permitted phosphorus control point to protect Lake Champlain. Over 60 tons per year of Phosphorus will be sequestered at MRRC in a non-soluble form that can be land applied without the risk of run-off to Otter Creek and ultimately Lake Champlain.
- MRRC will reduce the organic load to Middlebury's municipal wastewater treatment plant by >1,000 equivalent residential units, deferring future state and municipal investment.
- This project will provide significant economic activity within the county. The construction project will infuse roughly $16M into the regional economy. Construction will be managed by PC Construction, who will employ local subcontractors, including Casella, JP Carrara & Sons, Scott + Partners, Dubois & King,

HB Flemming, Summit GeoEngineering, Camp Precast, Engineer's Construction, Whitecap, Jeffords Steel, Nicom, Kamco, Champlain Door, Accurate Dorwin, Glass Connecetion, New England Paritition, Instrumart, R.E. Prescott, Douglas Bros., QWP, A. Cooper Mechanical, NorthLynx Controls, and Pratt & Smith.

- PC Construction has estimated that this project will create an average of twenty-five (25) temporary jobs throughout the one-year construction period. When in operation, the facility will employ one full-time licensed wastewater operator, four part-time employees, and provide ancillary jobs for symbiotic local companies (e.g., Vermont Natural Ag Products).

7.0 PROJECT TIMELINE, MILESTONES, AND STATUS:

MRRC has been under development for over 3 years and is shovel-ready, subject to financing. Milestones include:

- Site control: secured via long-term lease with Anthony J Neri Property Rentals
- Standard Offer power purchase agreement: executed by Vermont PUC
- Interconnect Agreement: executed by Green Mountain Power
- Feedstock Supply Agreements: executed with Agri-Mark (Cabot), Otter Creek, Vermont Cider, WhistlePig, Casella
- Permitting: complete (see Section 5.0 above)
- Architectural and Engineering: ready-for-construction plans and drawings
- Operating & Maintenance Agreement: executed
- Construction Management Contract: executed
    - Guaranteed Maximum Price Addendum: ready to execute upon financing
- Financing: see Section 10.0 below
- Construction schedule is 12 months
- Operating agreements have 20 year terms

8.0 PROJECT PRINCIPAL EXPERIENCE:

PurposeEnergy Inc. (www.PurposeEnergy.com) has designed, built, and commissioned six (6) industrial anaerobic digestion projects utilizing the patented Tribrid-Bioreactor™ process. These projects include Magic Hat/Zero Gravity Brewery in South Burlington, Vermont; Fiddlehead Brewery in Shelburne, Vermont; Dogfish Head Brewery in Milton, Delaware; Gaia Herbs in Brevard, North Carolina; FinestKind Brewery in Hampton, New Hampshire; and Kona Brewery in Kailua-Kona, (big island) Hawaii. Similar projects are under development in St. Albans, VT; Enosburg Falls, VT; and Neipu Township, Taiwan. PurposeEnergy, Inc. is a recognized leader of industrial waste-to-energy projects and has managed and operated the South Burlington, VT facility since it was commissioned in 2010.

9.0 PROJECT SUPPORT AND REGIONAL NEED:

MRRC has executed contracts with Agri-Mark (Cabot), Otter Creek, Vermont Cider, PC Construction, WhistlePig Distillery, All Cycle Waste (Casella), Green Mountain Power, Vermont Public Utilities Commission, Anthony J Neri Property Rentals, Dubois & King, Scott + Partners, Delineation Corporation (Middlebury College), Short Surveying, and the Town of Middlebury. Letters of support were provided to Vermont Public Utilities Commission from the Middlebury Planning Board, Addison County Economic Development Commission, Agri-Mark, and Otter Creek Brewery. The project has been approved by the PUC and received a Certificate of Public Good under 30 V.S.A. Section 248. It adds to Addison County's sustainable waste management infrastructure, the State of Vermont's renewable power infrastructure, and will reduce the carbon footprint of the region by over 2,000 tons CO_2^e per year. It will control the phosphorus that otherwise may runoff into the Lake Champlain watershed. Finally, it will make the Middlebury Industrial Park a more attractive site for new economic development by offering a cost-effective organic waste disposal option and a source for renewable thermal energy.

10.0 PROJECT COST, IDENTIFIED AND COMMITED FUNDS/FINANCING, AND FUNDING GAP:

The total project cost is $18.5M, which includes all development costs, construction costs, financing costs, and capital reserves required by permits and lenders.

Uses	Amount
Development and CAPEX	$14.6M
Construction Interest	$0.64M
OPEX & Capital Reserves	$0.37M
Debt Service Reserves	$1.1M
Site Restoration Reserve	$0.15M
Working Capital Reserve	$0.83M
Financing Fees	$0.84
Total	**$18.5M**

- The construction management contract has been awarded to PC Construction
- All equipment and subcontracts have gone through the bidding process
- All capital reserve requirements are pursuant to the commitment letter from Live Oak Bank, VEDA, and the Certificate of Public Good

Sources	Amount
Live Oak Bank	$10.5M
VEDA	$2.0M
ITC Tax Equity	$4.2M
Funding Gap	$1.8
Total	**$18.5M**

- A commitment letter has been executed with Live Oak Bank for the construction-to-permanent debt financing

- VEDA is finalizing underwriting
- A letter of intent received from the tax equity investor is in the process of conversion to a term sheet/commitment letter

The $1.8 million dollar funding gap is a result of the project being delayed due to COVID-19 and the resulting increase in construction costs; specifically, steel, other metals, wood, and other electronic and mechanical components.

PurposeEnergy is applying to the Addison County Economic Development Corporation for a $1,800,000 grant under the Utilizing American Rescue Plan Act (ARPA) program to allow PurposeEnergy to begin construction of the Middlebury facility.

11.0 JOB CREATION:

PC Construction has estimated that this project will create an average of twenty-five (25) temporary jobs throughout the one-year construction period. When in operation, the facility will employ one full-time licensed wastewater operator, four part-time employees, and provide ancillary jobs for symbiotic local companies (e.g., Vermont Natural Ag Products). The part-time employees include a full-time Industrial Mechanic, an Operations Manager, an Automation Engineer, and an Operator-in-Training. These team members will be allocated amongst PurposeEnergy's facilities throughout the State of Vermont. The annual salary for these five (5) new jobs ranges from $60,000/year to $140,000/year. All roles are eligible for PurposeEnergy, Inc.'s benefits package which includes health insurance and paid time off.