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May 3, 2024

Mr. Robert Garza  
City of Laredo Transit "El Metro"  
1301 Farragut Street  
Laredo, Texas 78040

Re.: RNG Supply Offer – May 2024 – El Metro, Laredo, TX

Dear Mr. Garza:

Clean Energy is appreciative of our strong partnership with El Metro. We want to support your quest towards lower operational emissions. CNG buses already realize a 90% reduction in NOx compared to their diesel counterparts. 90% is good, but the climate dictates more must be done. For this reason, Clean Energy has invested heavily in renewable natural gas "RNG." RNG is derived from the naturally occurring breakdown of organic material. The methane that is produced as a result is captured, cleaned, and inserted into the natural gas pipeline infrastructure. RNG reduces carbon both at the production source where it is made and, on the road, making it the only fuel that can be carbon negative.

RNG is an excellent complement to El Metro's strong CNG program. RNG offers lower lifecycle emissions for your fleet operations while providing an additional revenue source, all while requiring no infrastructure or operational changes to your business. We can offer the following for RNG supply:

- We will pay **5% D3 RIN** credit on total natural gas vehicle volume, but RNG delivery will remain flexible.
- 5% of the average D3 RIN credit (over the past two years) translates to approximately **\$4,500/month** based on annual fuel volume of 250,000 GGE.
- The RIN share is distributed via ACH payment or check to El Metro on a quarterly basis.
- Clean Energy is responsible for all compliance and reporting associated with the sale and sharing of RIN credits.

Our preferred term is 3 to 5 years, that could run parallel to our existing O&M contract.

I am available for any future questions or discussion; I can be reached at [emelia.torlai@cleanenergyfuels.com](mailto:emelia.torlai@cleanenergyfuels.com) or 713.725.8869.

Sincerely,

Eme Torlai  
Director, Business Development

Appendix 1: Historical D3 RIN Pricing Chart

