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DELTA REPORT

10-Q

OPAL FUELS INC.

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 5507

■ CHANGES 530

■ DELETIONS 2360

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

(Mark One)

☐ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2023** **September 30, 2023**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-40272

OPAL FUELS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

98-1578357

(I.R.S. Employer Identification No.)

One North Lexington Avenue, Suite 1450

White Plains, New York

(Address of principal executive offices)

10601

(Zip Code)

(914) 705-4000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	OPAL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

As of August 11, 2023 November 11, 2023, a total of 27,694,332 27,975,260 shares of Class A common stock, par value \$0.0001 per share, and 144,399,037 shares of Class D common stock, par value \$0.0001 per share were issued and outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Private Securities Litigation Reform Act of 1933, as amended (the "Securities Act") 1995, that involve risks and Section 21E of the Securities Exchange Act of 1934, as amended.uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "future," "goal," "intends," "may," "objective," "outlook," "plans," "projected," "expects," "estimated," "anticipates," "forecasts," "plans," "intends," "believes," "propose," "seeks," "may," "target," "will," "would," "future," "propose," "target," "goal," "objective," "outlook" "would" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside our control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include:

- our ability to grow and manage growth profitably, and maintain relationships with customers and suppliers and retain key employees;suppliers;
- our success in retaining or recruiting, our principal officers, key employees or directors;
- intense competition and competitive pressures from other companies in the industry in which we operate;
- increased costs of, or delays in obtaining, key components or labor for the construction and completion of LFG landfill gas ("LFG") and livestock waste projects that generate electricity and renewable natural gas ("RNG"), compressed natural gas ("CNG") and hydrogen dispensing stations;
- factors relating to our business, operations and financial performance, including market conditions and global and economic factors beyond our control;
- macroeconomic conditions related to the global COVID-19 pandemic;
- the reduction or elimination of government economic incentives to the renewable energy market;
- factors associated with companies such as us, that are engaged in the production and integration of RNG, including (i) anticipated trends, growth rates and challenges in those businesses and in the markets in which they operate, (ii) contractual arrangements with, and the cooperation of, owners and operators of the landfill and livestock biogas conversion project site owners and operators and operators, facilities, on which we operate our LFG and livestock waste projects that generate electricity and (iii) RNG prices for Environmental Attributes (as defined below), LCFS low carbon fuel standard ("LCFS") credits and other incentives;
- the ability to identify, acquire, develop and operate renewable projects and fueling stations ("Fueling Stations");
- our ability to issue equity or equity-linked securities or obtain or amend debt financing;
- the demand for renewable energy not being sustained;
- impacts of climate change, changing weather patterns and conditions and natural disasters; and
- the effect of legal, tax and regulatory changes.

The forward-looking statements contained in this Form 10-Q are based on current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading "Risk Factors" in this Form 10-Q and in our Annual Report on Form 10-K, which was filed with the SEC on March 29, 2023 (our "Annual Report"). Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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Part I - Financial Information

Item 1. Financial Statements

OPAL FUELS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except per share data)

	(Unaudited)			
	June 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	(Unaudited)			
Assets	Assets		Assets	
Current assets:	Current assets:		Current assets:	
Cash and cash equivalents (includes \$906 and \$12,506 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	\$ 21,595	\$ 40,394		
Accounts receivable, net (includes \$846 and \$966 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	26,821	31,083		

Cash and cash equivalents (includes \$1,302 and \$12,506 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)			Cash and cash equivalents (includes \$1,302 and \$12,506 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	\$ 15,000	\$ 40,394
Accounts receivable, net (includes \$79 and \$966 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)			Accounts receivable, net (includes \$79 and \$966 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	31,000	31,083
Accounts receivable, related party	Accounts receivable, related party	— 12,421	Accounts receivable, related party	—	12,421
Restricted cash - current (includes \$228 and \$6,971 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		228 32,402			
Restricted cash - current (includes \$1,232 and \$6,971 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)			Restricted cash - current (includes \$1,232 and \$6,971 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	1,232	32,402
Short term investments	Short term investments	16,955 64,976	Short term investments	18,028	64,976
Fuel tax credits receivable	Fuel tax credits receivable	3,213 4,144	Fuel tax credits receivable	4,386	4,144
Contract assets	Contract assets	12,513 9,771	Contract assets	14,404	9,771
Parts inventory	Parts inventory	10,631 7,311	Parts inventory	11,897	7,311
Environmental credits held for sale (includes \$29 and \$0 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		4,184 1,674			
Prepaid expense and other current assets (includes \$186 and \$415 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		4,485 7,625			
Environmental credits held for sale (includes \$29 and \$0 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)			Environmental credits held for sale (includes \$29 and \$0 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	4,339	1,674
Prepaid expense and other current assets (includes \$193 and \$415 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)			Prepaid expense and other current assets (includes \$193 and \$415 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	5,013	7,625

Derivative financial assets, current portion	Derivative financial assets, current portion	365	182	Derivative financial assets, current portion	486	182
Total current assets	Total current assets	100,990	211,983	Total current assets	105,785	211,983
Capital spares	Capital spares	3,056	3,443	Capital spares	3,079	3,443
Property, plant, and equipment, net (includes \$27,043 and \$73,140 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		288,427	297,323			
Property, plant, and equipment, net (includes \$26,684 and \$73,140 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				Property, plant, and equipment, net (includes \$26,684 and \$73,140 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	303,690	297,323
Operating right-of-use assets	Operating right-of-use assets	11,441	11,744	Operating right-of-use assets	12,368	11,744
Investment in other entities	Investment in other entities	202,409	51,765	Investment in other entities	199,466	51,765
Note receivable - variable fee component	Note receivable - variable fee component	2,101	1,942	Note receivable - variable fee component	2,178	1,942
Derivative financial assets, non-current portion	Derivative financial assets, non-current portion	267	954	Derivative financial assets, non-current portion	117	954
Deferred financing costs	Deferred financing costs	—	3,013	Deferred financing costs	—	3,013
Other long-term assets	Other long-term assets	1,489	1,489	Other long-term assets	2,108	1,489
Intangible assets, net	Intangible assets, net	1,854	2,167	Intangible assets, net	1,700	2,167
Restricted cash - non-current (includes \$2,790 and \$2,923 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		5,303	4,425			
Restricted cash - non-current (includes \$2,843 and \$2,923 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				Restricted cash - non-current (includes \$2,843 and \$2,923 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)	5,356	4,425
Goodwill	Goodwill	54,608	54,608	Goodwill	54,608	54,608
Total assets	Total assets	\$ 671,945	\$ 644,856	Total assets	\$ 690,455	\$ 644,856
Liabilities and Equity				Liabilities and Equity		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable (includes \$384 and \$4,896 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		13,494	22,679			
Accounts payable, related party (includes \$1,108 and \$433 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		3,707	1,346			

Accounts payable (includes \$603 and \$4,896 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				Accounts payable (includes \$603 and \$4,896 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		11,309	22,679
Accounts payable, related party (includes \$1,035 and \$433 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				Accounts payable, related party (includes \$1,035 and \$433 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		1,365	1,346
Fuel tax credits payable	Fuel tax credits payable	2,624	3,320	Fuel tax credits payable		3,720	3,320
Accrued payroll	Accrued payroll	7,107	8,979	Accrued payroll		8,313	8,979
Accrued capital expenses (includes \$0 and \$7,821 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		8,864	11,922				
Accrued expenses and other current liabilities (includes \$272 and \$646 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		12,698	9,573				
Accrued capital expenses (includes \$0 and \$7,821 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				Accrued capital expenses (includes \$0 and \$7,821 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		7,355	11,922

1

Accrued expenses and other current liabilities (includes \$602 and \$646 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				Accrued expenses and other current liabilities (includes \$602 and \$646 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		13,779	9,573
Contract liabilities	Contract liabilities	6,220	8,013	Contract liabilities		7,429	8,013
Senior Secured Credit Facility - term loan, current portion, net of debt issuance costs	Senior Secured Credit Facility - term loan, current portion, net of debt issuance costs	—	15,250	Senior Secured Credit Facility - term loan, current portion, net of debt issuance costs		—	15,250
Senior Secured Credit Facility - working capital facility, current portion	Senior Secured Credit Facility - working capital facility, current portion	—	7,500	Senior Secured Credit Facility - working capital facility, current portion		—	7,500
OPAL Term Loan, current portion	OPAL Term Loan, current portion	27,732	27,732	OPAL Term Loan, current portion		—	27,732

Sunoma Loan, current portion (includes \$1,169 and \$380 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		1,169	380		
Sunoma Loan, current portion (includes \$1,739 and \$380 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				1,739	380
Convertible Note Payable	Convertible Note Payable	29,671	28,528	—	28,528
Municipality Loan	Municipality Loan	—	76	—	76
Derivative financial liability, current portion	Derivative financial liability, current portion	—	4,596	—	4,596
Operating lease liabilities - current portion	Operating lease liabilities - current portion	681	630	625	630
Other current liabilities	Other current liabilities	—	1,085	—	1,085
Asset retirement obligation, current portion	Asset retirement obligation, current portion	1,296	1,296	1,296	1,296
Total current liabilities	Total current liabilities	115,263	152,905	56,930	152,905
Asset retirement obligation, non-current portion	Asset retirement obligation, non-current portion	5,165	4,960	5,267	4,960
OPAL Term Loan		63,210	66,600		
Sunoma Loan, net of debt issuance costs (includes \$20,948 and \$21,712 at June 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)		20,948	21,712		
OPAL Term Loan, net of debt issuance costs				153,626	66,600
Sunoma Loan, net of debt issuance costs (includes \$20,402 and \$21,712 at September 30, 2023 and December 31, 2022, respectively, related to consolidated VIEs)				20,402	21,712
Operating lease liabilities - non-current portion	Operating lease liabilities - non-current portion	10,924	11,245	11,899	11,245
Earn out liabilities	Earn out liabilities	4,153	8,790	4,291	8,790
Other long-term liabilities	Other long-term liabilities	856	825	1,163	825
Total liabilities	Total liabilities	220,519	267,037	253,578	267,037
Commitments and contingencies	Commitments and contingencies				
Redeemable preferred non-controlling interests	Redeemable preferred non-controlling interests	143,754	138,142	130,000	138,142
Redeemable non-controlling interests	Redeemable non-controlling interests	1,068,274	1,013,833	1,158,937	1,013,833
Stockholders' deficit	Stockholders' deficit				

Class A common stock, \$0.0001 par value, 340,000,000 shares authorized as of June 30, 2023; 29,330,115 and 29,477,766 shares, issued and outstanding at June 30, 2023 and December 31, 2022, respectively		3	3
Class B common stock, \$0.0001 par value, 160,000,000 shares authorized as of June 30, 2023; None issued and outstanding as of June 30, 2023 and December 31, 2022		—	—
Class C common stock, \$0.0001 par value, 160,000,000 shares authorized as of June 30, 2023; None issued and outstanding as of June 30, 2023 and December 31, 2022		—	—
Class D common stock, \$0.0001 par value, 160,000,000 shares authorized as of June 30, 2023; 144,399,037 and 144,399,037 shares issued and outstanding at June 30, 2023 and December 31, 2022		14	14
Class A common stock, \$0.0001 par value, 340,000,000 shares authorized as of September 30, 2023; 29,332,333 and 29,477,766 shares, issued and outstanding at September 30, 2023 and December 31, 2022, respectively			
		3	3
Class B common stock, \$0.0001 par value, 160,000,000 shares authorized as of September 30, 2023; None issued and outstanding as of September 30, 2023 and December 31, 2022		—	—
Class C common stock, \$0.0001 par value, 160,000,000 shares authorized as of September 30, 2023; None issued and outstanding as of September 30, 2023 and December 31, 2022		—	—
Class D common stock, \$0.0001 par value, 160,000,000 shares authorized as of September 30, 2023; 144,399,037 and 144,399,037 shares issued and outstanding at September 30, 2023 and December 31, 2022		14	14
Additional paid-in capital	Additional paid-in capital	—	—
Accumulated deficit	Accumulated deficit	(749,912)	(800,813)
Accumulated other comprehensive income	Accumulated other comprehensive income	4	195
Class A common stock in treasury, at cost; 1,635,783 and 0 shares at June 30, 2023 and December 31, 2022, respectively		(11,614)	—

Class A common stock in treasury, at cost; 1,635,783 and 0 shares at September 30, 2023 and December 31, 2022, respectively				Class A common stock in treasury, at cost; 1,635,783 and 0 shares at September 30, 2023 and December 31, 2022, respectively			
Total Stockholders' deficit attributable to the Company	Total Stockholders' deficit attributable to the Company	(761,505)	(800,601)	Total Stockholders' deficit attributable to the Company	(852,944)	(800,601)	
Non-redeemable non-controlling interests	Non-redeemable non-controlling interests	903	26,445	Non-redeemable non-controlling interests	884	26,445	
Total Stockholders' deficit	Total Stockholders' deficit	(760,602)	(774,156)	Total Stockholders' deficit	(852,060)	(774,156)	
Total liabilities, Redeemable preferred non-controlling interests, Redeemable non-controlling interests and Stockholders' deficit	Total liabilities, Redeemable preferred non-controlling interests, Redeemable non-controlling interests and Stockholders' deficit	\$ 671,945	\$ 644,856	Total liabilities, Redeemable preferred non-controlling interests, Redeemable non-controlling interests and Stockholders' deficit	\$ 690,455	\$ 644,856	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OPAL FUELS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except per unit data)
(Unaudited)

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Revenues:	Revenues:					Revenues:				
RNG fuel (includes revenues from related party of \$9,412 and \$12,765 for the three months ended June 30, 2023 and 2022, respectively; \$14,127 and \$20,845 for the six months ended June 30, 2023 and 2022, respectively)		\$ 16,431	\$ 16,459	\$ 28,625	\$ 31,508					
Fuel station services (includes revenues from related party of \$2,440 and \$4,027 for the three months ended June 30, 2023 and 2022, respectively; \$3,933 and \$8,843 for the six months ended June 30, 2023 and 2022, respectively)		29,956	26,730	50,784	51,604					
Renewable Power (includes revenues from related party of \$1,747 and \$1,243 for the three months ended June 30, 2023 and 2022, respectively; \$3,274 and \$2,269, for the six months ended June 30, 2023 and 2022, respectively)		8,655	10,028	18,590	19,152					

RNG fuel (includes revenues from related party of \$18,782 and \$15,481 for the three months ended September 30, 2023 and 2022, respectively; \$32,909 and \$36,326 for the nine months ended September 30, 2023 and 2022, respectively)						RNG fuel (includes revenues from related party of \$18,782 and \$15,481 for the three months ended September 30, 2023 and 2022, respectively; \$32,909 and \$36,326 for the nine months ended September 30, 2023 and 2022, respectively)	\$	20,088	\$	18,293	\$	37,468	\$	48,815
Fuel station services (includes revenues from related party of \$6,942 and \$3,855 for the three months ended September 30, 2023 and 2022, respectively; \$10,875 and \$12,698 for the nine months ended September 30, 2023 and 2022, respectively)						Fuel station services (includes revenues from related party of \$6,942 and \$3,855 for the three months ended September 30, 2023 and 2022, respectively; \$10,875 and \$12,698 for the nine months ended September 30, 2023 and 2022, respectively)		37,305		35,771		88,089		87,376
Renewable Power (includes revenues from related party of \$1,732 and \$927 for the three months ended September 30, 2023 and 2022, respectively; \$5,006 and \$3,196, for the nine months ended September 30, 2023 and 2022, respectively)						Renewable Power (includes revenues from related party of \$1,732 and \$927 for the three months ended September 30, 2023 and 2022, respectively; \$5,006 and \$3,196, for the nine months ended September 30, 2023 and 2022, respectively)		13,708		12,486		43,543		32,623
Total revenues	Total revenues	55,042	53,217	97,999	102,264	Total revenues		71,101		66,550		169,100		168,814
Operating expenses:	Operating expenses:					Operating expenses:								
Cost of sales - RNG fuel	Cost of sales - RNG fuel	7,884	8,457	15,407	16,171	Cost of sales - RNG fuel		8,896		10,872		24,303		27,043
Cost of sales - Fuel station services	Cost of sales - Fuel station services	27,476	23,630	47,768	43,293	Cost of sales - Fuel station services		31,887		30,837		79,655		74,130
Cost of sales - Renewable Power	Cost of sales - Renewable Power	8,761	7,540	17,139	15,948	Cost of sales - Renewable Power		11,112		7,645		28,251		23,593
Selling, general, and administrative	Selling, general, and administrative	13,663	7,955	28,135	18,810	Selling, general, and administrative		13,594		15,751		41,729		34,561
Depreciation, amortization, and accretion	Depreciation, amortization, and accretion	3,628	3,325	7,195	6,721	Depreciation, amortization, and accretion		3,739		3,380		10,934		10,101

Total expenses	Total expenses	61,412	50,907	115,644	100,943	Total expenses	69,228	68,485	184,872	169,428
Operating (loss) income		(6,370)	2,310	(17,645)	1,321					
Operating income (loss)						Operating income (loss)	1,873	(1,935)	(15,772)	(614)
Other (expense) income:	Other (expense) income:					Other (expense) income:				
Interest and financing expense, net	Interest and financing expense, net	(956)	(3,365)	(1,597)	(6,422)	Interest and financing expense, net	(2,885)	(790)	(4,482)	(7,212)
Loss on debt extinguishment	Loss on debt extinguishment	(1,895)	—	(1,895)	—	Loss on debt extinguishment	(953)	—	(2,848)	—
Change in fair value of derivative instruments, net	Change in fair value of derivative instruments, net	1,160	92	5,093	328	Change in fair value of derivative instruments, net	(138)	(1,908)	4,955	(1,580)
Other income	Other income	123,109	—	123,041	—	Other income	604	6,308	123,645	6,308
(Loss) income from equity method investments		(998)	621	(293)	(36)					
Income (loss) before provision for income taxes		114,050	(342)	106,704	(4,809)					
Income from equity method investments						Income from equity method investments	1,726	3,694	1,433	3,658
Income before provision for income taxes						Income before provision for income taxes	227	5,369	106,931	560
Provision for income taxes	Provision for income taxes	—	—	—	—	Provision for income taxes	—	—	—	—
Net income (loss)		114,050	(342)	106,704	(4,809)					
Net income (loss) attributable to redeemable non-controlling interests		93,460	(1,803)	85,227	(6,745)					
Net income						Net income	227	5,369	106,931	560
Net (loss) income attributable to redeemable non-controlling interests						Net (loss) income attributable to redeemable non-controlling interests	(2,104)	4,161	83,123	(2,584)
Net loss attributable to non-redeemable non-controlling interests	Net loss attributable to non-redeemable non-controlling interests	(183)	(257)	(480)	(499)	Net loss attributable to non-redeemable non-controlling interests	(51)	(325)	(531)	(824)
Paid-in-kind preferred dividends ⁽¹⁾		2,849	1,718	5,612	2,435					
Net income attributable to Class A common stockholders		\$ 17,924	\$ —	\$ 16,345	\$ —					
Dividends on Redeemable preferred non-controlling interests ⁽¹⁾						Dividends on Redeemable preferred non-controlling interests ⁽¹⁾	2,782	2,658	8,394	5,093
Net (loss) income attributable to Class A common stockholders						Net (loss) income attributable to Class A common stockholders	\$ (400)	\$ (1,125)	\$ 15,945	\$ (1,125)

Weighted average shares outstanding of Class A common stock:	Weighted average shares outstanding of Class A common stock:					Weighted average shares outstanding of Class A common stock:					
Basic	Basic	26,977,682	—	27,179,488	—	Basic	26,978,969	25,671,390	27,110,953	25,671,390	
Diluted	Diluted	27,248,639	—	27,556,700	—	Diluted	26,978,969	25,823,772	27,683,855	25,823,772	
Per share amounts:	Per share amounts:					Per share amounts:					
Basic ⁽²⁾	Basic ⁽²⁾	\$ 0.66	\$ —	\$ 0.60	\$ —	Basic ⁽²⁾	\$ (0.01)	\$ (0.04)	\$ 0.59	\$ (0.04)	
Diluted ⁽²⁾	Diluted ⁽²⁾	\$ 0.66	\$ —	\$ 0.59	\$ —	Diluted ⁽²⁾	\$ (0.01)	\$ (0.06)	\$ 0.58	\$ (0.06)	

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⁽¹⁾ Paid-in-kind preferred dividend is allocated between redeemable non-controlling interests and Class A common stockholders based on their weighted average percentage of ownership. Please see Note.13 *Redeemable non-controlling interests, redeemable preferred non-controlling interests and Stockholders' deficit* for additional information.

⁽²⁾ Income per share information has not been presented for the three and six months ended June 30, 2022 as it would not be meaningful to the users of these condensed consolidated financial statements.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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OPAL FUELS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands of U.S. dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss)	\$ 114,050	\$ (342)	\$ 106,704	\$ (4,809)
Other comprehensive income (loss):				
Effective portion of the cash flow hedge attributable to equity method investments	109	—	109	—
Reclassification adjustments included in earnings ⁽¹⁾	(1,147)	—	(1,147)	—
Net unrealized gain (loss) on cash flow hedges	215	—	(141)	—
Total comprehensive income (loss)	113,227	(342)	105,525	(4,809)
Net income (loss) attributable to Redeemable non-controlling interests	95,851	(1,803)	89,936	(6,745)
Other comprehensive loss attributable to Redeemable non-controlling interests	(690)	—	(989)	—
Comprehensive loss attributable to non-redeemable non-controlling interests	(183)	(257)	(480)	(499)
Paid-in-kind preferred dividends	458	1,718	903	2,435
Comprehensive income attributable to Class A common stockholders	\$ 17,791	\$ —	\$ 16,155	\$ —

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income	\$ 227	\$ 5,369	\$ 106,931	\$ 560
Other comprehensive income:				
Effective portion of the cash flow hedge attributable to equity method investments	406	—	515	—
Reclassification adjustments included in earnings ⁽¹⁾	—	—	(1,147)	—
Net unrealized gain (loss) on cash flow hedges	—	1,189	(141)	1,189
Total comprehensive income	633	6,558	106,158	1,749
Net income attributable to Redeemable non-controlling interests	230	6,509	90,166	2,199
Other comprehensive income (loss) attributable to Redeemable non-controlling interests	340	1,011	(649)	1,011
Comprehensive loss attributable to non-redeemable non-controlling interests	(51)	(325)	(531)	(824)
Dividends on Redeemable preferred non-controlling interests	448	310	1,351	310
Comprehensive (loss) income attributable to Class A common stockholders	\$ (334)	\$ (947)	\$ 15,821	\$ (947)

(1) Represents the reclassification of the gain on termination of interest rate swaps on May 30, 2023. See Note 9 *Derivative Financial Instruments* for additional information. Additionally, there is \$334 reclassification into earnings from our equity method investments.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OPAL FUELS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE NON-CONTROLLING INTEREST, REDEEMABLE PREFERRED NON-CONTROLLING INTEREST AND STOCKHOLDERS' (DEFICIT) EQUITY
(In thousands of U.S. dollars, except per unit data)
(Unaudited)

		Class A common stock		Class D common stock		Class A common stock in treasury								Mezzanine Equity	
										Non-redeemable non-controlling interests		Total Stockholders' Equity		Redeemable Preferred non-controlling interests	Redeemable non-controlling interests
		Shares	Amount	Shares	Amount	Additional paid-in capital	Accumulated deficit	Other comprehensive income			Shares	Amount			
December 31, 2022	December 31, 2022	29,477,766	\$ 3	144,399,037	\$ 14	\$ —	\$ (800,813)	\$ 195	\$ 26,445	—	\$ —	\$ (774,156)	\$ 138,142	\$ 1,011	
Net loss	Net loss	—	—	—	—	—	(1,134)	—	(297)	—	—	(1,431)	—	(5,000)	
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	—	(58)	—	—	—	(58)	—	—	
Proceeds from non-redeemable non-controlling interest	Proceeds from non-redeemable non-controlling interest	—	—	—	—	1,722	—	—	1,821	—	—	3,543	—	—	
Issuance of Class A common stock on warrant exchange	Issuance of Class A common stock on warrant exchange	49,633	—	—	—	338	—	—	—	—	—	338	—	—	

Cancellation of fractional shares on warrant exchange	Cancellation of fractional shares on warrant exchange	(26)	—	—	—	—	—	—	—	—	—	—	—	—
Exercise of put option forward purchase contract - Meteora	Exercise of put option forward purchase contract - Meteora	—	—	—	—	—	—	—	—	(1,635,783)	(11,614)	(11,614)	—	—
Forfeiture of Class A common stock	Forfeiture of Class A common stock	(197,258)	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation	Stock-based compensation	—	—	—	—	157	—	—	—	—	—	—	157	—
Change in redemption value of Redeemable non-controlling interests	Change in redemption value of Redeemable non-controlling interests	—	—	—	—	(2,217)	(5,503)	—	—	—	—	—	(7,720)	—
Paid-in-kind preferred dividend	Paid-in-kind preferred dividend	—	—	—	—	—	(445)	—	—	—	—	—	(445)	2,763
March 31, 2023	March 31, 2023	29,330,115	3	144,399,037	14	—	(807,895)	137	27,969	(1,635,783)	(11,614)	(791,386)	140,905	1,010
Net income (loss)	Net income (loss)	—	—	—	—	—	18,382	—	(183)	—	—	18,199	—	9
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	—	(133)	—	—	—	(133)	—	—
Proceeds from non-redeemable non-controlling interest	Proceeds from non-redeemable non-controlling interest	—	—	—	—	1,234	—	—	8,001	—	—	9,235	—	—
Deconsolidation of entities ⁽¹⁾	Deconsolidation of entities ⁽¹⁾	—	—	—	—	(1,383)	—	—	(34,662)	—	—	(36,045)	—	—
Distributions to non-redeemable non-controlling interests	Distributions to non-redeemable non-controlling interests	—	—	—	—	—	—	—	(222)	—	—	(222)	—	—
Stock-based compensation	Stock-based compensation	—	—	—	—	301	—	—	—	—	—	301	—	—
Change in redemption value of Redeemable non-controlling interests	Change in redemption value of Redeemable non-controlling interests	—	—	—	—	(152)	40,059	—	—	—	—	39,907	—	(39)
Paid-in-kind preferred dividend	Paid-in-kind preferred dividend	—	—	—	—	—	(458)	—	—	—	—	(458)	2,849	(2)
June 30, 2023	June 30, 2023	29,330,115	\$ 3	144,399,037	\$ 14	—	\$ (749,912)	\$ 4	\$ 903	(1,635,783)	\$(11,614)	\$ (760,602)	\$ 143,754	\$ 1,060
Net income	Net income													

Other
comprehensive
income

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Distribution of non-redeemable non-controlling interest	—	—	—	—	(57)	—	—	32	—	—	(25)	—	—
Issuance of Class A common shares for vesting of equity awards	2,218	—	—	—	(20)	—	—	—	—	—	(20)	—	—
Contribution to equity method investments	—	—	—	—	(500)	—	—	—	—	—	(500)	—	—
Change in redemption value of Redeemable non-controlling interests	—	—	—	—	271	(91,105)	—	—	—	—	(90,834)	—	90,834
Payment of paid-in-kind preferred dividends	—	—	—	—	—	—	—	—	—	—	—	(16,536)	—
Stock-based compensation	—	—	—	—	306	—	—	—	—	—	306	—	1,593
Dividends on Redeemable preferred non-controlling interests	—	—	—	—	—	(448)	—	—	—	—	(448)	2,782	(2,334)
September 30, 2023	29,332,333	\$ 3	144,399,037	\$ 14	—	\$ (841,417)	\$ 70	\$ 884	(1,635,783)	\$(11,614)	\$(852,060)	\$ 130,000	\$ 1,158,937

(1) As of May 30, 2023, two of our RNG facilities, Emerald and Sapphire (defined below) were deconsolidated and accounted for under equity method as per ASC 323. Please see Note 4 Investment in Other entities and Note 12 Variable Interest Entities for additional information.

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		Class A common stock		Class D common stock						Mezzanine Equity			Class A common stock	
						Additional paid-in capital	Retained earnings	Non- redeemable non- controlling interests	Total Stockholders' Equity	Redeemable preferred non- controlling interests	Redeemable non- controlling interests			
		Shares	Amount	Shares	Amount								Shares	Amount
December 31, 2021	December 31, 2021	—	\$ —	144,399,037	\$ 14	\$ —	\$ —	\$ 1,188	\$ 1,202	\$ 30,210	\$ 63,545	December 31, 2021	—	\$ —
Net loss	Net loss	—	—	—	—	—	—	(242)	(242)	—	(4,225)	Net loss	—	—
Contributions from non-redeemable non-controlling interest	Contributions from non-redeemable non-controlling interest			—	—	—	—	5,738	5,738	—	(95)	Contributions from non-redeemable non-controlling interest		

Amortization on payment to acquire non-redeemable noncontrolling interest	Amortization on payment to acquire non-redeemable noncontrolling interest	—	—	—	—	—	—	—	—	—	—	Amortization on payment to acquire non-redeemable noncontrolling interest	(91)	—	—
Contributions from redeemable preferred non-controlling interests	Contributions from redeemable preferred non-controlling interests	—	—	—	—	—	—	—	—	—	25,000	Contributions from redeemable preferred non-controlling interests	(267)	—	—
Paid-in-kind preferred dividend	Paid-in-kind preferred dividend			—	—		—	—	—	—	717	Paid-in-kind preferred dividend	(717)	—	—
Stock-based compensation	Stock-based compensation			—	—		—	—	—	—		Stock-based compensation	160	—	—
March 31, 2022	March 31, 2022	—	—	144,399,037	14	—	—	6,684	6,698	55,927	58,310	March 31, 2022		—	—
Net loss	Net loss	—	—	—	—	—	—	(257)	(257)	—	(85)	Net loss		—	—
Contributions from non-redeemable non-controlling interest	Contributions from non-redeemable non-controlling interest	—	—	—	—	—	—	11,211	11,211	—	47	Contributions from non-redeemable non-controlling interest		—	—
Amortization on payment to acquire non-redeemable noncontrolling interest	Amortization on payment to acquire non-redeemable noncontrolling interest	—	—	—	—	—	—	—	—	—	(92)	Amortization on payment to acquire non-redeemable noncontrolling interest		—	—
Contributions from redeemable preferred non-controlling interests	Contributions from redeemable preferred non-controlling interests	—	—	—	—	—	—	—	—	75,000	—	Contributions from redeemable preferred non-controlling interests		—	—
Paid-in-kind preferred dividend	Paid-in-kind preferred dividend	—	—	—	—	—	—	—	—	1,718	(1,718)	Paid-in-kind preferred dividend		—	—
Stock-based compensation	Stock-based compensation	—	—	—	—	—	—	—	—	—	160	Stock-based compensation		—	—
June 30, 2022	June 30, 2022	—	\$ —	144,399,037	\$ 14	\$ —	\$ —	\$ 17,638	\$ 17,652	\$ 132,645	\$ 56,622	June 30, 2022		—	—
Net loss												Net loss		—	—
Unrealized gain cash flow hedges												Unrealized gain cash flow hedges		—	—

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The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Net income				Net income			
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Income from equity method investments	Income from equity method investments	293	36	Income from equity method investments	(1,433)		(3,658)
Provision for bad debts	Provision for bad debts	492	—	Provision for bad debts	492		—
Amortization of operating right-of-use assets	Amortization of operating right-of-use assets	303	382	Amortization of operating right-of-use assets	460		518
Depreciation and amortization	Depreciation and amortization	6,990	6,566	Depreciation and amortization	10,627		9,866
Amortization of deferred financing costs	Amortization of deferred financing costs	795	898	Amortization of deferred financing costs	1,447		1,514
Loss on debt extinguishment	Loss on debt extinguishment	1,895	—	Loss on debt extinguishment	2,848		—
Loss on warrant exchange	Loss on warrant exchange	338	—	Loss on warrant exchange	338		—
Gain on deconsolidation of VIEs	Gain on deconsolidation of VIEs	(122,873)	—	Gain on deconsolidation of VIEs	(122,873)		—
Gain on extinguishment of contingent liability				Gain on extinguishment of contingent liability			
Gain on repayment of Note receivable				Gain on repayment of Note receivable			
Accretion expense related to asset retirement obligation	Accretion expense related to asset retirement obligation	205	155	Accretion expense related to asset retirement obligation	307		235
Stock-based compensation	Stock-based compensation	2,848	320	Stock-based compensation	4,747		479
Paid-in-kind interest income	Paid-in-kind interest income	(159)	(454)	Paid-in-kind interest income	(236)		(209)
Change in fair value of Convertible Note Payable	Change in fair value of Convertible Note Payable	1,143	2,110	Change in fair value of Convertible Note Payable	1,579		(151)
Unrealized gain on derivative financial instruments	Unrealized gain on derivative financial instruments	(4,906)	(18)	Unrealized gain on derivative financial instruments	(4,739)		1,677
Changes in operating assets and liabilities, net of effects of businesses acquired:				Changes in operating assets and liabilities, net of effects of businesses acquired:			
Accounts receivable	Accounts receivable	3,770	610	Accounts receivable	(409)		(11,269)
Accounts receivable, related party	Accounts receivable, related party	12,421	—	Accounts receivable, related party	12,421		—
Proceeds received on previously recorded paid-in-kind interest income				Proceeds received on previously recorded paid-in-kind interest income			
Fuel tax credits receivable	Fuel tax credits receivable	931	1,257	Fuel tax credits receivable	(242)		(1,049)
Capital spares	Capital spares	387	(41)	Capital spares	364		(308)
Parts inventory	Parts inventory	(3,320)	(3,255)	Parts inventory	(4,586)		(3,520)

Environmental credits held for sale	Environmental credits held for sale	(2,510)	(260)	Environmental credits held for sale	(2,665)	(838)
Prepaid expense and other current assets	Prepaid expense and other current assets	3,121	(328)	Prepaid expense and other current assets	2,229	(996)
Contract assets	Contract assets	(2,742)	(7,111)	Contract assets	(4,633)	(6,189)
Accounts payable	Accounts payable	1,257	(4,217)	Accounts payable	(931)	(6,734)
Accounts payable, related party	Accounts payable, related party	2,941	780	Accounts payable, related party	599	323
Fuel tax credits payable	Fuel tax credits payable	(696)	(1,295)	Fuel tax credits payable	400	690
Accrued payroll	Accrued payroll	(1,850)	(3,242)	Accrued payroll	(644)	(2,386)
Accrued expenses	Accrued expenses	3,125	5,398	Accrued expenses	4,195	8,561
Operating lease liabilities - current and non-current	Operating lease liabilities - current and non-current	(270)	(382)	Operating lease liabilities - current and non-current	(435)	(518)
Other current and non-current liabilities	Other current and non-current liabilities	(1,054)	251	Other current and non-current liabilities	(747)	453
Contract liabilities	Contract liabilities	(1,793)	(2,626)	Contract liabilities	(584)	(3,035)
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities	7,786	(9,275)	Net cash provided by (used in) operating activities	4,827	(22,004)
Cash flows from investing activities:	Cash flows from investing activities:			Cash flows from investing activities:		
Purchase of property, plant, and equipment	Purchase of property, plant, and equipment	(72,009)	(54,461)	Purchase of property, plant, and equipment	(92,250)	(85,234)
Proceeds from sale of short term investments		48,021	—			
Proceeds (purchase) of short term investments				Proceeds (purchase) of short term investments	46,948	(146,936)
Cash paid for Investment in other entities				Cash paid for Investment in other entities	(1,000)	—
Proceeds received from repayment Note Receivable				Proceeds received from repayment Note Receivable	—	10,855
Deconsolidation of VIEs, net of cash	Deconsolidation of VIEs, net of cash	(11,948)	—	Deconsolidation of VIEs, net of cash	(11,947)	—
Distributions received from equity method investment	Distributions received from equity method investment	7,756	—	Distributions received from equity method investment	13,331	2,100
Net cash used in investing activities	Net cash used in investing activities	(28,180)	(54,461)	Net cash used in investing activities	(44,918)	(219,215)
Cash flows from financing activities:	Cash flows from financing activities:			Cash flows from financing activities:		
Proceeds from Sunoma loan	Proceeds from Sunoma loan	—	1,046	Proceeds from Sunoma loan	—	4,593
Proceeds from OPAL Term Loan		10,000	15,000			
Cash paid for purchase of shares upon exercise of put option		(16,391)	—			
Financing costs paid to other third parties		—	(3,216)			
Repayment of Senior Secured Credit Facility		(22,750)	(1,221)			
Repayment of OPAL Term Loan		(13,866)	(6,444)			
Repayment of Municipality loan		(76)	(105)			

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Proceeds from OPAL Term Loan				Proceeds from OPAL Term Loan			
				174,117	27,500		
Proceeds received from Business Combination				Proceeds received from Business Combination			
				—	138,850		
Cash paid for purchase of shares upon exercise of put option				Cash paid for purchase of shares upon exercise of put option			
				(16,391)	—		
Financing costs paid to other third parties				Financing costs paid to other third parties			
				(11,062)	(8,462)		
Repayment of Senior Secured Credit Facility				Repayment of Senior Secured Credit Facility			
				(22,750)	(3,674)		
Repayment of OPAL Term Loan				Repayment of OPAL Term Loan			
				(106,090)	(11,277)		
Repayment of Municipality loan				Repayment of Municipality loan			
				(76)	(157)		
Repayment of Convertible Note Payable				Repayment of Convertible Note Payable			
				(30,107)	—		
Proceeds from sale of non-redeemable non-controlling interest	Proceeds from sale of non-redeemable non-controlling interest			Proceeds from sale of non-redeemable non-controlling interest			
	12,778	16,901		12,753	23,152		
Cash paid for taxes related to net share settlement of equity awards				Cash paid for taxes related to net share settlement of equity awards			
				(20)	—		
Reimbursement of financing costs by joint venture partner	Reimbursement of financing costs by joint venture partner			Reimbursement of financing costs by joint venture partner			
	826	—		842	—		
Payment of paid-in-kind preferred dividends				Payment of paid-in-kind preferred dividends			
				(16,536)	—		
Distribution to non-redeemable non-controlling interest	Distribution to non-redeemable non-controlling interest			Distribution to non-redeemable non-controlling interest			
	(222)	—		(222)	—		
Proceeds from sale of non-controlling interest, related party	Proceeds from sale of non-controlling interest, related party			Proceeds from sale of non-controlling interest, related party			
	—	100,000		—	100,000		
Net cash (used in) provided by financing activities	Net cash (used in) provided by financing activities			Net cash (used in) provided by financing activities			
	(29,701)	121,961		(15,542)	270,525		
Net (decrease) increase in cash, restricted cash, and cash equivalents	Net (decrease) increase in cash, restricted cash, and cash equivalents			Net (decrease) increase in cash, restricted cash, and cash equivalents			
	(50,095)	58,225		(55,633)	29,306		
Cash, restricted cash, and cash equivalents, beginning of period	Cash, restricted cash, and cash equivalents, beginning of period			Cash, restricted cash, and cash equivalents, beginning of period			
	77,221	42,054		77,221	42,054		
Cash, restricted cash, and cash equivalents, end of period	Cash, restricted cash, and cash equivalents, end of period			Cash, restricted cash, and cash equivalents, end of period			
	\$ 27,126	\$ 100,279		\$ 21,588	\$ 71,360		

Supplemental disclosure of cash flow information	Supplemental disclosure of cash flow information	Supplemental disclosure of cash flow information	Supplemental disclosure of cash flow information
Interest paid, net of \$3,785 and \$0 capitalized, respectively	\$ 1,507	\$ 2,860	
Interest paid, net of \$4,627 and \$0 capitalized, respectively			\$ 3,952 \$ 7,013
Noncash investing and financing activities:	Noncash investing and financing activities:	Noncash investing and financing activities:	Noncash investing and financing activities:
Paid-in-kind dividend on redeemable preferred non-controlling interests	Paid-in-kind dividend on redeemable preferred non-controlling interests \$ 5,612	Paid-in-kind dividend on redeemable preferred non-controlling interests \$ 2,435	Paid-in-kind dividend on redeemable preferred non-controlling interests \$ — \$ 5,093
Accrual for purchase of Property, plant and equipment included in Accounts payable and Accrued capital expenses	Accrual for purchase of Property, plant and equipment included in Accounts payable and Accrued capital expenses \$ 8,864	Accrual for purchase of Property, plant and equipment included in Accounts payable and Accrued capital expenses \$ 20,096	Accrual for purchase of Property, plant and equipment included in Accounts payable and Accrued capital expenses \$ 7,355 \$ 9,284
Fair value of Class A common stock issued for redemption of Convertible Note Payable			Fair value of Class A common stock issued for redemption of Convertible Note Payable \$ — \$ 30,595
Fair value of Derivative warrant liabilities assumed related to Business Combination			Fair value of Derivative warrant liabilities assumed related to Business Combination \$ — \$ 13,524
Fair value of Earnout liabilities related to Business Combination			Fair value of Earnout liabilities related to Business Combination \$ — \$ 45,900
Fair value of put option to a forward purchase contract related to Business Combination			Fair value of put option to a forward purchase contract related to Business Combination \$ — \$ 4,600
Right-of-use assets for finance leases as of January 1, 2022 included in Property, plant and equipment, net	Right-of-use assets for finance leases as of January 1, 2022 included in Property, plant and equipment, net \$ —	Right-of-use assets for finance leases as of January 1, 2022 included in Property, plant and equipment, net \$ 801	Right-of-use assets for finance leases as of January 1, 2022 included in Property, plant and equipment, net \$ — \$ 801
Lease liabilities for finance leases as of January 1, 2022 included in Accrued expenses and other current liabilities	Lease liabilities for finance leases as of January 1, 2022 included in Accrued expenses and other current liabilities \$ —	Lease liabilities for finance leases as of January 1, 2022 included in Accrued expenses and other current liabilities \$ 316	Lease liabilities for finance leases as of January 1, 2022 included in Accrued expenses and other current liabilities \$ — \$ 316
Lease liabilities for finance leases as of January 1, 2022 included in Other long-term liabilities	Lease liabilities for finance leases as of January 1, 2022 included in Other long-term liabilities \$ —	Lease liabilities for finance leases as of January 1, 2022 included in Other long-term liabilities \$ 485	Lease liabilities for finance leases as of January 1, 2022 included in Other long-term liabilities \$ — \$ 485
Fair value of contingent consideration to redeem the non-controlling interest included in Other long-term liabilities	Fair value of contingent consideration to redeem the non-controlling interest included in Other long-term liabilities \$ —	Fair value of contingent consideration to redeem the non-controlling interest included in Other long-term liabilities \$ 183	Fair value of contingent consideration to redeem the non-controlling interest included in Other long-term liabilities \$ — \$ 183

Accrual for deferred financing costs included in Accrued expenses and other current liabilities	Accrual for deferred financing costs included in Accrued expenses and other current liabilities	\$	—	\$	1,750	Accrual for deferred financing costs included in Accrued expenses and other current liabilities	\$	—	\$	282
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The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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OPAL FUELS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Description of Business

OPAL Fuels Inc. (including its subsidiaries, the "Company", "OPAL," "we," "us" or "our") is a renewable energy company specializing in the capture and conversion of biogas for the (i) production of RNG for use as a vehicle fuel for heavy and medium-duty trucking fleets, (ii) generation of Renewable Power for sale to utilities, (iii) generation and sale of Environmental Attributes associated with RNG and Renewable Power, and (iv) sales of RNG as pipeline quality natural gas. OPAL also designs, develops, constructs, operates and services Fueling Stations for trucking fleets across the country that use natural gas to displace diesel as their transportation fuel. The biogas conversion projects ("Biogas Conversion Projects") currently use landfill gas and dairy manure as the source of the biogas. In addition, we have OPAL has recently begun implementing design, development, and construction services for hydrogen Fueling Stations, and we are pursuing opportunities to diversify our sources of biogas to other waste streams.

The Company is organized into four operating segments based on the characteristics and the nature of products and services. The four operating segments are - RNG Fuel, Fuel Station Services, Renewable Power and Corporate. During the first quarter of 2023, the Company changed its internal reporting to its executive leadership team ("Chief Operating Decision Makers") to change the composition of revenues included in our reportable segments. Please see Note 11 *Reportable Segments and Geographic Information* for additional information.

All amounts in these footnotes notes are presented in thousands of dollars except per share data.

COVID-19 Impact

In March 2020, the World Health Organization categorized the coronavirus disease 2019 ("COVID-19") as a pandemic and the President of the United States declared the COVID-19 outbreak as a national emergency. Management considered the impact of COVID-19 on the assumptions and estimates used and determined that, because the Company was deemed to be an essential business by the U.S. government and incurred neither did not perform layoffs of personnel nor or experience a decline in its customer base or business operations. There operations, there was no material adverse impact on the Company's statement of position and result of operations as of September 30, 2023, and for the three and six nine months ended June 30, 2023 September 30, 2023.

The future impact of the COVID-19 pandemic on the Company's business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and its impact on our customers, all of which are uncertain and cannot be predicted.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

These unaudited condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and includes include the accounts of the Company and all other entities in which the Company has a controlling financial interest: OPAL Renewable Power LLC (formerly Fortistar Methane 3 LLC ("FM3"), and Fortistar Methane 4 LLC, LLC), Beacon RNG LLC ("Beacon") Sunoma Holdings, LLC ("Sunoma"), New River LLC ("New River"), Reynolds NRG RNG LLC ("Reynolds"), Central Valley LLC ("Central Valley"), Prince William RNG LLC ("Prince William"), Cottonwood RNG LLC, Polk County RNG LLC ("Polk County"), OPAL Contracting LLC (formerly Fortistar Contracting LLC), OPAL RNG LLC (formerly Fortistar RNG LLC, LLC), and OPAL Fuel station services LLC ("Fuel station services" Station Services). The Company's unaudited condensed consolidated financial statements include the assets and liabilities of these subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. The non-controlling interest attributable to the Company's variable interest entities ("VIE") are is presented as a separate component from the Stockholders' deficit in the condensed consolidated balance sheets and sheets. It is presented as a non-redeemable non-controlling interests interest in the condensed consolidated statements of changes in redeemable non-controlling interests, redeemable preferred non-controlling interests and the Stockholders' deficit.

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The accompanying unaudited condensed consolidated financial statements reflect the activities of the Company, its subsidiaries, and its equity method investments for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022. Investments in unconsolidated entities in which the Company can has influence over the operating or financial decisions are accounted for under the equity method. On May 30, 2023, the Company together with a third-party environmental solutions company formed Paragon LLC ("Paragon"), a new joint venture holding company Paragon LLC ("Paragon"), company. The Company owns 50% of the ownership interest in Paragon. Concurrent to the formation of Paragon, the Company contributed its 50% ownership interests in Emerald and Sapphire to Paragon. Upon the execution of the above transaction, the Company reassessed its equity interests in Emerald RNG LLC ("Emerald") and Sapphire RNG LLC ("Sapphire") under ASC 810, Consolidation and determined that the Company did not have a controlling financial interest in Paragon under ASC 810 because the governance of Paragon is driven by a board jointly controlled equally by the joint venture partner and the Company and there are substantive participating rights held by the joint venture partner in the significant activities of Paragon. As a result of the reassessment, the Company deconsolidated these two entities effective May 30, 2023. Prior to May 30, 2023, the Company consolidated these two entities in accordance with the variable interest entity model guidance under ASC 810, Consolidation.

On September 14, 2023, OPAL Land2Gas LLC ("OPAL L2G"), a wholly-owned indirect subsidiary of OPAL Fuels Inc. (the "Company"), entered into a Limited Liability Company Agreement (for purposes of this paragraph, the "Agreement") with SJI Landfill RNG LLC ("SJI LRNG"), a wholly-owned indirect subsidiary of South Jersey Industries ("SJI"), establishing the terms and conditions of governance and operation of Land2Gas LLC (the "SJI Joint Venture"). The purpose of the Joint Venture, which is owned 50/50 by OPAL L2G and SJI LRNG, is to develop, construct, own and operate facilities ("Facilities") to produce RNG using biogas generated by certain landfills. The Agreement governs the terms and conditions of capital contributions to be made by the SJI Joint Venture members to fund the development, construction and operations of the Facilities. The Agreement requires members of the SJI Joint Venture to contribute their respective share (50% each) of such capital requirements. The Agreement initially contemplates two RNG projects (RNG Atlantic and RNG Burlington) in New Jersey with each RNG project represented as a separate series of membership interests, also owned 50-50 by the members. Further, the Agreement provides for the SJI Joint Venture to enter into a Management Services Agreement ("MSA"), Operations and Maintenance Agreement ("O&M Agreement"), and dispensing agreement with certain wholly-owned, indirect subsidiaries of the Company. The MSA establishes the terms and conditions for the day-to-day administration of the projects, including responsibility for managing the development and overseeing the construction of the Facilities. The O&M Agreement establishes the terms and conditions for operating and maintaining the Facilities once construction is completed. The Dispensing Agreement provides for the acquisition, marketing and sale of the Environmental Attributes associated with RNG produced by the Facilities.

Upon the execution of the above transaction, the Company reassessed its equity interests in the SJI Joint Venture under ASC 810, Consolidation and determined that the Company does not have a controlling financial interest in Paragon

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SJI Joint Venture under ASC 810 because the governance of the joint venture is driven by a board jointly controlled by the joint venture partner and OPAL equally and there are substantive participating rights held by the joint venture partner in the significant activities of Paragon. Prior to May 30, 2023 SJI Joint Venture. As of September 30, 2023, there have been no material contributions made by the Company consolidated these two entities in accordance with the variable interest entity model guidance under ASC 810, Consolidation. SJI Joint Venture.

As of June 30, 2023 September 30, 2023, the Company accounted for its ownership interests in Pine Bend RNG LLC ("Pine Bend"), Noble Road RNG LLC ("Noble Road"), Emerald, Sapphire, Paragon, SJI Joint Venture (RNG Atlantic and RNG LLC ("Emerald"), Sapphire RNG LLC ("Sapphire"), Paragon RNG LLC ("Paragon") Burlington) and GREP BTB Holdings LLC ("GREP") under the equity method.

As of December 31, 2022, the Company accounted for its ownership interests in Pine Bend, RNG LLC ("Pine Bend"), Noble Road RNG LLC ("Noble Road") and GREP BTB Holdings LLC ("GREP") under the equity method. Please see Note 3. *Investment in Other Entities*, for additional information.

The accompanying unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Certain information or footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, it does not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. The information herein should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's 2022 Annual Report on Form 10-K, which was filed with SEC on March 30, 2023. Report. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair statement of the financial position, operating results, and cash flows for the periods presented.

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Use of estimates Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The significant estimates and assumptions of the Company include the residual value of the useful lives of our property, plant and equipment, the fair value of stock-based compensation, asset retirement obligations, the estimated losses on our trade receivables, percentage completion for revenue recognition, incremental borrowing rate for calculating the right-of-use assets and lease liabilities, the fair value of the Convertible Note Payable (as defined below), the impairment assessment of goodwill, the fair value of deconsolidated VIEs and the fair value of derivative instruments. Actual results could differ from those estimates.

The results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the entire year.

Accounting Pronouncements adopted Adopted

In June 2016, the FASB Financial Standards Accounting Board ("FASB") issued ASU 2016-13, Financial Instruments — Credit Losses ("ASC 326"), with the objective of providing financial statement users information about the credit risk inherent in an entity's financial statements as well as to explain management's estimate of expected credit losses and the changes in the allowance for such losses. The accounting standard amends the current financial instrument impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. Under the new guidance, an entity recognizes as an allowance, its estimate of lifetime expected credit losses, which will result in more timely recognition of such losses. The Company adopted the accounting standard using the prospective transition approach as of January 1, 2023. The cumulative effect upon adoption was not material to our condensed consolidated financial statements.

The adoption of ASC 326 primarily impacted our trade receivables and the Note receivable - variable fee component recorded on our condensed consolidated balance sheet as of June 30, 2023 September 30, 2023. Upon adoption of ASC 326, the Company assessed collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when we identify specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considered historical collectability based on past due status and made judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also

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considered customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. The carrying value of the Note receivable - variable fee component on the condensed consolidated balance sheet as of June 30, 2023 September 30, 2023 is based on a discounted expected cash flows model which are is adjusted on a quarterly basis. Therefore, the Company determined that the credit risk component is included in the carrying value at each reporting period. The adoption of ASC 326 did not have any material impact on our condensed consolidated financial statements.

The Company adopted ASC 842 "Leases" as of January 1, 2022 and evaluated all of its contracts and recorded right-of-use assets and corresponding lease liabilities on its consolidated balance sheet as of January 1, 2022. The Company adopted ASC 842 using the modified retrospective transition method of adoption. Under this method, the cumulative effect of applying the new lease standard is recorded with no restatement of any comparative prior periods presented. As provided by ASC 842, the Company elected to record the required cumulative effect adjustments to the opening balance sheet in the period of adoption rather than in the earliest comparative period presented. The Company retrospectively adjusted the financial statements as of and for the three and six months ended June 30, 2022 to reflect the adoption of ASC 842.

Accounting Pronouncements not yet adopted Not Yet Adopted

In March 2023, the FASB issued Accounting Standards Update No. 2023-01, Leases (Topic 842) (the "Update"). The Update requires the entities to classify and account for a leasing arrangement between entities under common control on the same basis as an arrangement with an unrelated party. The Update also requires that leasehold improvements associated with common control leases be amortized by the lessee over the useful life of the leasehold improvements to the common control group (regardless of the lease term) as long as the lessee controls the use of the underlying asset and account accounts for the underlying asset as a transfer between entities under common control through an adjustment to equity if and when the lessee no longer controls the use of the underlying asset. The amendments in this Update are effective for fiscal years beginning after December 15, 2023 including interim fiscal periods within those fiscal years. The Company is currently evaluating the impact of the adoption of this Update on its condensed consolidated financial statements.

In August 2023, the FASB issued Accounting Standards Update No. 2023-05, Business Combinations- Joint Venture Formations (Subtopic 805-60) ("ASU 2023-05"). The update requires all joint ventures formed after January 1, 2025, upon formation, to apply a new basis of accounting and initially measure its assets and liabilities at fair value. The Company is currently evaluating the impact of the adoption of ASU 2023-05 on its condensed consolidated financial statements.

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Emerging Growth Company Status

We are The Company is an emerging growth company as defined in the JOBS Act. The JOBS Act provides emerging growth companies with certain exemptions from public company reporting requirements for up to five fiscal years while a company remains an emerging growth company. As part of these exemptions, we need the Company is only required to provide two fiscal years of audited financial statements instead of three, we have is subject to reduced disclosure obligations such as for executive compensation, and we are is not required to comply with auditor attestation requirements from Section 404(b) of the Sarbanes-Oxley Act regarding our internal control over financial reporting. Additionally, the JOBS Act has allowed us allows the option Company to delay adoption of new or revised financial accounting standards until private companies are required to comply with new or revised financial accounting standards.

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash consisted of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	\$ 21,595	\$ 40,394	Cash and cash equivalents	\$ 15,000	\$ 40,394
Restricted cash - current ⁽¹⁾	Restricted cash - current ⁽¹⁾	228	32,402	Restricted cash - current ⁽¹⁾	1,232	32,402
Long-term assets:	Long-term assets:			Long-term assets:		
Restricted cash held as collateral ⁽²⁾	Restricted cash held as collateral ⁽²⁾	5,303	4,425	Restricted cash held as collateral ⁽²⁾	5,356	4,425
Total cash, cash equivalents, and restricted cash	Total cash, cash equivalents, and restricted cash	\$ 27,126	\$ 77,221	Total cash, cash equivalents, and restricted cash	\$ 21,588	\$ 77,221

⁽¹⁾ Restricted cash - current as of June 30, 2023 September 30, 2023 primarily relates to interest reserve on the Sunoma Loan. Restricted cash - current as of December 31, 2022 primarily consists of (i) \$16,849 held in escrow to secure the Company's purchase obligations under the forward purchase agreement with Meteora Capital Partners ("Meteora"); (ii) \$5,845 equity contribution to a joint venture in connection with the closing of OPAL Term Loan II (iii) \$1,127 relates related to interest reserve on the Sunoma Loan and (iv)

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\$8,581 \$8,581 held in a restricted account for funding one of our RNG projects. The decrease in the Restricted cash - current relates to termination the completed performance of the forward purchase agreement with Meteora and funds spent on construction of our RNG facilities.

⁽²⁾ Restricted cash held as collateral represents the collateral requirements on our debt facilities.

Short term investments

The Company considers highly liquid investments such as time deposits and certificates of deposit with an original maturity greater than three months at the time of purchase to be short term investments. The short term investments of \$16,955 \$18,028 and \$64,976 as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively, consists consist of cash commercial paper invested in money market accounts with maturities ranging between 1 and 12 months as of the reporting date. The amounts in these money market accounts are liquid and available for general use.

Our short term investments are generally invested in commercial paper issued by highly credit worthy counter parties and government backed government-backed treasury bills. Investments are generally not FDIC insured and we take counter party counterparty risk on these investments.

Earnout Liabilities liabilities

In connection with the business combination ("Business Combination") completed in July 2022 and pursuant to a sponsor letter agreement, ArcLight CTC Holdings II, L.P. (the "Sponsor") agreed to subject 10% of its Class A common stock (received as a result of the conversion of its ArcLight Class B ordinary shares immediately prior to the closing) to vesting and forfeiture conditions relating to VWAP targets for the Company's Class A common stock sustained over a period of 60 months following the closing. OPAL Fuels equity holders are eligible to receive an aggregate of 10,000,000 shares of Class B and Class D common stock upon the Company achieving each earn-out event during the earn-out period. The earnout awards (the "Earnout Awards") were recognized at fair value on the closing date and classified as a liability

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which is remeasured at each balance sheet date and any change in fair value is recognized in the Company's condensed consolidated statement of operations as part of change in fair value of derivative instruments, net. For the three and six nine months ended June 30, 2023 September 30, 2023, the Company recorded a loss of \$(138) and a gain of \$4,499, respectively, in its condensed consolidated statement of operations. For the three and nine months ended September 30, 2022, the Company recorded a gain of \$327 and \$4,638 \$6,400 in its condensed consolidated statement of operations. As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company recorded \$4,153 \$4,291 and \$8,790, respectively, on its condensed consolidated balance sheets.

Put option on forward purchase agreement Option On Forward Purchase Agreement

Prior to the closing of the Business Combination, the Company entered into a forward purchase agreement Forward Purchase Agreement with Meteora Capital Partners ("Meteora") pursuant to which Meteora agreed to purchase 2,000,000 shares of Class A common stock from shareholders who had previously tendered such shares for redemption but agreed to reverse their redemption and sell such shares to Meteora at the redemption price. The Company placed \$20,040 in escrow at the closing of the Business Combination to secure its purchase obligation to repurchase these 2,000,000 shares at Meteora's option for a price of \$10.02 per share on the date that is six months after closing of the Business Combination. The put option written to Meteora on 2,000,000 shares of Class A common stock is recorded as a liability under Topic 480 *Distinguishing Liabilities from Equity* with the change in the fair market value recognized in the statement of operations as part of change in fair value of derivative instruments, net.

On January 23, 2023, pursuant to the terms of the forward purchase agreement, Forward Purchase Agreement, Meteora exercised its option to sell back 1,635,783 shares to the Company. \$16,391 of the funds held in escrow which were previously recorded as part of Restricted Cash - current on its the Company's consolidated balance sheet as of December 31, 2022 were released to Meteora excluding interest accrued. (excluding accrued interest). In connection with the above, the Sponsor forfeited 197,258 shares of Class A common stock on January 26, 2023 pursuant to the terms of that certain letter agreement Letter Agreement dated July 21, 2022. The Company treated the repurchased shares as treasury shares and recorded \$11,614 representing the fair value of those shares at the closing share price of \$7.01 as an adjustment to Stockholders' deficit. Additionally, the Company recorded \$4,777 as an offset to the Derivative financial liability - current in its condensed consolidated balance sheet as of June 30, 2023 September 30, 2023.

Redeemable non-controlling interests

Redeemable non-controlling interests represent the portion of OPAL Fuels that the Company controls and consolidates but does not own. The Redeemable non-controlling interest was created as a result of the Business Combination and represents 144,399,037 Class D Units issued by OPAL Fuels to the prior investors. The Company

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allocates net income or loss attributable to Redeemable non-controlling interest based on weighted average ownership interest during the period. The net income or loss attributable to Redeemable non-controlling interests is reflected in the condensed consolidated statement of operations.

At each balance sheet date, the mezzanine equity classified as Redeemable non-controlling interests is adjusted up to their its maximum redemption value if necessary, with an offset in Stockholders' equity. As of June 30, 2023 September 30, 2023, the maximum redemption value is \$1,068,274. \$1,158,937.

Net income per share Income Per Share

The Company's basic earnings per share of Class A common stock is computed based on the average number of outstanding shares of Class A common stock for the period.

The Company's diluted earnings per share includes effects of the Company's outstanding equity awards under the 2022 Plan (as defined elsewhere in these financial statements), Redeemable non-controlling interests (OPAL Fuels Class B units), redeemable preferred non-controlling interests, Sponsor Earnout Awards and OPAL Earnout Awards.

Accounts Receivable, Net

The Company's allowance for doubtful accounts was \$0 and \$0 at June 30, 2023 September 30, 2023 and December 31, 2022, respectively.

Asset Retirement Obligation

The Company accounts for asset retirement obligations in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations*, which requires entities to record the fair value of a liability for an asset retirement obligation in

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the period in which it is incurred and when a reasonable estimate of fair value can be made. The fair value of the estimated asset retirement obligations is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The discounted asset retirement costs capitalized amounts are accreted over the life of the sublease or site lease agreement. Asset retirement obligations are deemed Level 3 fair value measurements as the inputs used to measure the fair value are unobservable. The Company estimates the fair value of asset retirement obligations by calculating the estimated present value of the cost to retire the asset. This estimate requires assumptions and judgments regarding the existence of liabilities, the amount and timing of cash outflows required to settle the liability, inflation factors, credit adjusted discount rates, and consideration of changes in legal, regulatory, environmental, and political environments. In addition, the Company determines the Level 3 fair value measurements based on historical information and current market conditions.

As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the Company estimated the value of its total asset retirement obligations to be **\$6,461** **\$6,563** and \$6,256, respectively.

The changes in the asset retirement obligations were as follows as of **June 30, 2023** **September 30, 2023**:

		June September 30, 2023
Balance, December 31, 2022 - Current and non-current	\$	6,256
Accretion expense		205 307
Total asset retirement obligation		6,461 6,563
Less: current portion		(1,296)
Total asset retirement obligation, net of current portion	\$	5,165 5,267

Revenue Recognition

The Company's revenue arrangements generally consist of a single performance obligation to transfer goods or services. Revenue from the sale of RNG, CNG and electricity is recognized by applying the "right to invoice" practical expedient within the accounting guidance for *Revenue from Contracts with Customers* that allows for the recognition of revenue from performance obligations in the amount of consideration to which there is a right to invoice the customer and when the amount for which there is a right to invoice corresponds directly to the value transferred to the customer. For

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some public CNG Fueling Stations where there is no contract with the customer, the Company recognizes revenue at the point in time that the customer takes control of the fuel.

The Company also performs maintenance services throughout the country. Maintenance consists of monitoring equipment and replacing parts as necessary to ensure optimum performance. Revenue from service agreements is recognized over time as services are provided. Capacity payments fluctuate based on peak times of the year and revenues from capacity payments are recognized monthly as earned.

The Company has agreements with two natural gas producers ("Producers") to transport Producers' natural gas using the Company's RNG gathering system. The performance obligation is the delivery of Producers' natural gas to an agreed delivery point on an interstate gas pipeline. The quantity of natural gas transported for the Producers is measured at a certain specified meter. The price is fixed at contracted rates and the Producers pay approximately 30 days after month-end. As such, transportation sales are recognized over time, using the output method to measure progress.

The Company provides credit monetization services to customers that own renewable gas generation facilities. The Company recognizes revenue from these services as the credits are minted on behalf of the customer. The Company receives non-cash consideration in the form of **RINs** **Renewable Identification Numbers ("RINs")** or LCFs for providing these services and recognizes the RINs or LCFs received as a current asset based on their estimated fair value at contract inception. When the Company receives RINs or LCFs as payment for providing credit monetization services, it records the non-cash consideration in environmental credits held for sale within the **unaudited** condensed consolidated balance sheet based on the fair value of RINs or LCFs at contract commencement.

On November 29, 2021, the Company entered into a purchase and sale agreement with NextEra, **a related party** for the Environmental Attributes generated by the RNG Fuels business. Under this agreement, the Company plans to sell a minimum of 90% of the Environmental Attributes generated and will receive net proceeds based on the agreed upon price

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less a specified discount. A specified volume of Environmental Attributes sold per quarter will incur a fee per Environmental Attribute in addition to the specified discount. The agreement was effective beginning January 1, 2022. For the three months ended June 30, 2023, September 30, 2023 and 2022, the Company earned net revenues after discount and fees of \$11,852, \$25,724 and \$16,792, respectively under this contract which was \$19,336, respectively. These amounts were recorded as part of Revenues - RNG fuel and Fuel Station Services. For the six nine months ended June 30, 2023, September 30, 2023 and 2022, the Company earned net revenues after discount and fees of \$18,060, \$43,784 and \$29,688, \$49,024, respectively.

During third and fourth quarter of 2022, two of the wholly-owned subsidiaries from our Renewable Power portfolio entered into a purchase and sale agreement with an environmental attribute marketing firm to sell environmental attributes associated with renewable bio methane ("ISCC Carbon Credits") and purchase brown gas back at contracted fixed prices per million British thermal units ("MMBtu"). One of these contracts has a term of 3 years from the date of certification of the facility with an auto-renewal option. The other contract was terminated in August 2023. During the third quarter of 2023, two additional Renewable Power facilities entered into purchase and sale agreements with 3 year terms and similar terms and conditions as the previous contracts. These two facilities are expected to receive certification in the fourth quarter of 2023. These two facilities are expected to receive certification in the fourth quarter of 2023. For the three and nine months ended September 30, 2023, the Company earned net revenues of \$3,732 and \$13,425, respectively under this contract which were recorded as part of Revenues - Renewable Power in the unaudited condensed consolidated statement of operations. For the three and nine months ended September 30, 2022, the Company earned net revenues of \$842 and recorded as part of Revenues - Renewable Power in the condensed consolidated statement of operations.

Sales of Environmental Attributes such as RINs, RECs, renewable energy credits ("RECs"), and LCFS are generally recorded as revenue when the certificates related to them are delivered to a buyer. However, the Company may recognize revenue from the sale of such Environmental Attributes at the time of the related RNG or renewable power sales when the contract provides that title to the Environmental Attributes transfers at the time of production, the Company's price to the buyer is fixed, and collection of the sales proceeds occurs within 60 days after generation of the renewable power. is certain.

Management operating fees are earned for the operation, maintenance, and repair of the gas collection system of a landfill site. Revenue is calculated on the volume of per million British thermal units MMBtu of LFG collected and the megawatt hours ("MWhs") produced at that site. This revenue is recognized when LFG is collected and renewable power is delivered.

The Company has various fixed price contracts for the construction of Fueling Stations for customers. Revenues from these contracts, including change orders, are recognized over time, with progress measured by the percentage of costs incurred to date compared to estimated total costs for each contract. This method is used as management considers costs incurred to be the best available measure of progress on these contracts. Costs capitalized to fulfill certain contracts were not material in any of the periods presented.

The Company owns Fueling Stations for use by customers under fuel sale agreements. The Company bills these customers at an agreed upon price for each gallon sold and recognizes revenue based on the amounts invoiced in accordance with the "right to invoice" practical expedient. For some public stations where there is no contract with the customer, the Company recognizes revenue at the point-in-time that the customer takes control of the fuel.

The Company from time-to-time enters into fuel purchase agreements with customers whereby the Company is contracted to design and build a Fueling Station on the customer's property in exchange for the Company providing CNG/RNG to the customer for a determined number of years. In accordance with the standards of ASC 840, Leases, the Company has concluded that these agreements meet the criteria for a lease and are classified as operating leases. Typically, these agreements do not require any minimum consumption amounts and, therefore, no minimum payments. Upon

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adoption of ASC 842, the Company adopted the practical expedient not to reassess the classification. For additional information on lease revenues earned, please see Note 8. Leases.

Disaggregation of Revenue

The following table shows the disaggregation of revenue according to product line:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Renewable power sales	\$ 8,392	\$ 10,057	\$ 17,996	\$ 17,539
Third party construction	15,093	12,946	22,247	22,816
Service	4,000	4,038	8,904	8,430
Brown gas sales	7,821	6,452	15,351	10,968
Environmental credits	17,691	18,217	30,368	38,795
Parts sales	1,149	491	Nine Months Ended September 30, 2023 977	
Operating agreements	Three Months Ended September 30, 2023 893		September 30, 2022 893	
Other	2023 —	2022 166	2023 —	2022 166

Electricity sales from contracts with customers		\$ 54,940	\$ 52,605	\$ 96,201	\$ 100,305
Lease revenue		15,890	18,542	37,409	41,686
Fuel Station Service		\$ 54,844	\$ 53,489	\$ 97,308	\$ 101,264
Total revenue					
Brown gas sales	18	1,917	12,430	17,268	23,398
Environmental attributes		38,480	19,648	68,848	58,444
Parts sales		629	1,355	1,965	2,332
Operating agreements		—	—	—	893
Other		—	70	—	236
Total revenue from contracts with customers		69,961	65,310	166,163	165,894
Lease revenue		1,140	1,240	2,937	2,920
Total revenue		\$ 71,101	\$ 66,550	\$ 169,100	\$ 168,814

For the three months ended June 30, 2023 September 30, 2023 and 2022, 27.4% 21.4% and 24.3% 28.0%, respectively of revenue was recognized over time, and the remainder was for products and services transferred at a point in time. For the six nine months ended June 30, 2023 September 30, 2023 and 2022, 22.7% 22.1% and 22.3% 24.6%, respectively of revenue was recognized over time, and the remainder was for products and services transferred at a point in time.

Other income

The following table shows the items consisting of items recorded as Other income:

		Three Months Ended June 30,				Three Months Ended September 30,				Nine Months Ended September 30,			
		2023		2022		2023		2022		2023		2022	
Loss on warrant exchange	Loss on warrant exchange	\$ —	\$ —	\$ (338)	\$ —	\$ —	\$ —	\$ (338)	\$ —	\$ (338)	\$ —	\$ —	\$ —
Gain on deconsolidation of VIEs ⁽¹⁾	Gain on deconsolidation of VIEs ⁽¹⁾	122,873	—	122,873	—	—	—	122,873	—	122,873	—	—	—
Gain on extinguishment of contingent liability	Gain on extinguishment of contingent liability	—	—	—	—	—	4,365	—	4,365	—	—	—	4,365
Gain on repayment of Note Receivable	Gain on repayment of Note Receivable	—	—	—	—	—	1,943	—	1,943	—	—	—	1,943
Gain on transfer of non-financial asset in exchange for services received ⁽²⁾	Gain on transfer of non-financial asset in exchange for services received ⁽²⁾	236	—	506	—	604	—	1,110	—	1,110	—	—	—
Other income	Other income	\$ 123,109	\$ —	\$ 123,041	\$ —	\$ 604	\$ 6,308	\$ 123,645	\$ 6,308	\$ 123,645	\$ 6,308	\$ —	\$ —

⁽¹⁾ Represents non-cash gain on deconsolidation of Emerald and Sapphire on May 30, 2023.

⁽²⁾ Represents the fair value of RINs transferred as consideration for services received.

Contract Balances

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers:

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		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Accounts receivable, net	Accounts receivable, net	\$ 26,821	\$ 31,083	Accounts receivable, net	\$ 31,000	\$ 31,083
Contract assets:	Contract assets:			Contract assets:		
Cost and estimated earnings in excess of billings	Cost and estimated earnings in excess of billings	\$ 9,449	\$ 7,027	Cost and estimated earnings in excess of billings	\$ 10,975	\$ 7,027
Accounts receivable retainage, net	Accounts receivable retainage, net	3,064	2,744	Accounts receivable retainage, net	3,429	2,744
Contract assets total	Contract assets total	\$ 12,513	\$ 9,771	Contract assets total	\$ 14,404	\$ 9,771
Contract liabilities:	Contract liabilities:			Contract liabilities:		
Billings in excess of costs and estimated earnings	Billings in excess of costs and estimated earnings	\$ 6,220	\$ 8,013	Billings in excess of costs and estimated earnings	\$ 7,429	\$ 8,013
Contract liabilities total	Contract liabilities total	\$ 6,220	\$ 8,013	Contract liabilities total	\$ 7,429	\$ 8,013

During the **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company recognized revenue of \$8,013 that was included in "Contract liabilities" at December 31, 2022. During the **six nine** months ended **June 30, 2022** **September 30, 2022**, the Company recognized revenue of \$9,785 that was included in "Contract liabilities" at December 31, 2021.

Backlog

The Company's remaining performance obligations ("backlog" **Backlog**) represent the unrecognized revenue value of its contract commitments. The Company's backlog may significantly vary each reporting period based on the timing of major new contract commitments. At **June 30, 2023** **September 30, 2023**, the Company had a **backlog** **Backlog** of **\$43,063** **\$46,549** which is anticipated to be recognized as revenue in the next 12 months.

Income Taxes

As a result of the Business Combination, the Company is the sole managing member of OPAL Fuels. OPAL Fuels is a limited liability company that is treated as a partnership for U.S. federal income tax purposes and for most applicable state and local income taxes. Any taxable income or loss generated by OPAL Fuels is passed through to and included in the taxable income or loss of its members, including the Company, on a pro-rata basis, subject to applicable tax regulations.

The Company accounts for income taxes in accordance with ASC Topic 740, Accounting for Income Taxes ("ASC Topic 740"), which requires the recognition of tax benefits or expenses on temporary differences between the financial reporting and tax bases of its assets and liabilities by applying the enacted tax rates in effect for the year in which the differences are expected to reverse. Such net tax effects on temporary differences are reflected on the Company's **unaudited** condensed consolidated balance sheets as deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when the Company believes that it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The Company calculates the interim tax provision in accordance with the provisions of ASC Subtopic 740-270, Income Taxes; Interim Reporting. For interim periods, the Company estimates the annual effective income tax rate and applies the estimated rate to the year-to-date income or loss before income taxes.

Significant Customers, Vendors and Concentration of Credit Risk

For the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, **three two** customers accounted for **47% 49%** and **46% 41%**, respectively of the Company's revenue. For the three and **six nine** months ended **June 30, 2022** **September 30, 2022**, two customers accounted for **48.4% 49%** and **45%**, respectively of the Company's revenue. At **June 30, 2023** **September 30, 2023**, **two one** customers accounted for **24% 22%** of accounts receivable. At December 31, 2022, two customers accounted for 44% of accounts receivable.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, and trade receivables. The Company places its cash **with in** high credit quality financial institutions located in the United States of America. The Company performs ongoing credit evaluations of its customers.

As of **June 30, 2023** **September 30, 2023**, **two** vendors accounted for **45% 39%** of the accounts payable. As of December 31, 2022, one vendor accounted for 19% of the accounts payable.

3. Investment in Other Entities

The Company uses the equity method to account for investments in affiliates that it does not control, but in which it has the ability to exercise significant influence over operating and financial policies. The Company's investments in these nonconsolidated affiliates are reflected in the Company's condensed consolidated balance sheets under the equity method, and the Company's proportionate net (loss) income, if any, is included in the Company's unaudited condensed consolidated statements of operations as (loss) income from equity method investments.

Formation Of A New Joint Venture

On September 14, 2023, OPAL L2G, a wholly-owned indirect subsidiary of the Company, entered into the Agreement with SJI LRNG, a wholly-owned indirect subsidiary of SJI, establishing the terms and conditions of governance and operation of the SJI Joint Venture. The purpose of the SJI Joint Venture, which is owned 50/50 by OPAL L2G and SJI LRNG, is to develop, construct, own and operate Facilities to produce RNG using biogas generated by certain landfills. The Agreement governs the terms and conditions of capital contributions to be made by the SJI Joint Venture members to fund the development, construction and operations of the Facilities. The Agreement requires members of the SJI Joint Venture to contribute their respective share (50% each) of such capital requirements. The Agreement initially contemplates two RNG projects (RNG Atlantic and RNG Burlington) in New Jersey with each RNG project represented as a separate series of membership interests, also owned 50-50 by the members. Further, the Agreement provides for the SJI Joint Venture to enter into a MSA, O&M Agreement, and dispensing agreement with certain wholly-owned, indirect subsidiaries of the Company. The MSA establishes the terms and conditions for the day-to-day administration of the projects, including responsibility for managing the development and overseeing the construction of the Facilities. The O&M Agreement establishes the terms and conditions for operating and maintaining the Facilities once construction is completed. The Dispensing Agreement provides for the acquisition, marketing and sale of the Environmental Attributes associated with RNG produced by the Facilities.

Upon the execution of the above transaction, the Company reassessed its equity interests in the SJI Joint Venture under ASC 810, *Consolidation* and determined that the Company does not have a controlling financial interest in SJI Joint Venture under ASC 810 because the governance of the joint venture is driven by a board jointly controlled by the joint venture partner and OPAL equally and there are substantive participating rights held by the joint venture partner in the significant activities of SJI Joint Venture. As of September 30, 2023, there have been no material contribution made by the Company in the SJI Joint Venture.

Deconsolidation of Emerald and Sapphire

On May 30, 2023, the Company together with a third-party environmental solutions company formed a new joint venture holding company Paragon LLC ("Paragon"). Paragon, The Company owns 50% of the ownership interest in Paragon. Concurrent to the formation of Paragon, the Company contributed its 50% ownership interests in Emerald and Sapphire to Paragon.

On May 30, 2023, OPAL Fuels Intermediate Holdco 2 LLC ("OPAL Intermediate Holdco 2"), a wholly-owned indirect subsidiary of the Company, assigned to Paragon its rights and obligations under its existing senior secured credit facility, OPAL Term Loan II.

Upon the execution of the above two transactions, the Company reassessed its equity interests in Emerald and Sapphire under ASC 810, *Consolidation* and determined that the Company does not have a controlling financial interest in Paragon under ASC 810 because the governance of the joint venture Paragon is driven by a board jointly controlled by the joint venture partner and OPAL equally and there are substantive participating rights held by the joint venture partner in the significant activities of Paragon.

Based on the above analysis, the Company determined that it should account for its ownership interests in Paragon under the equity method of accounting pursuant to ASC 323, *Investments Equity Method and Joint Ventures*, prospectively, as the Company has the ability to exercise significant influence, but not control over the joint venture company.

Prior to May 30, 2023, the Company consolidated these two entities in accordance with the variable interest entity model guidance under ASC 810, *Consolidation*. Additionally, the Company deconsolidated \$2,765 capitalized interest on these two projects. Upon deconsolidation, the Company remeasured the fair value of the retained investment and recognized a gain of \$122,873 in the condensed consolidated statement of operations for the three and six nine months ended June 30, 2023 September 30, 2023 and a corresponding increase in its basis in Investment in Other Entities on its condensed consolidated balance sheet as of June 30, 2023 September 30, 2023. The Company determined that the gain on deconsolidation is attributable to the

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construction in progress and, therefore, will be amortized over the useful life of the asset beginning which begins on the date the asset is placed in service. The fair value of the retained investment was measured based on a discounted cash flows model in which the future net cash flows from the two RNG facilities were discounted to their present value using a discount factor of 14%.

The following table shows the change in Investment in Other Entities:

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		Pine Bend	Paragon	Noble Road	GREP	Total		Pine Bend	Paragon	Noble Road	GREP	Total
Percentage of ownership	Percentage of ownership	50 %	50 %	50 %	20 %		Percentage of ownership	50 %	50 %	50 %	20 %	
Balance at December 31, 2022	Balance at December 31, 2022	\$ 22,518	\$ —	\$ 25,165	\$ 4,082	\$ 51,765	Balance at December 31, 2022	\$ 22,518	\$ —	\$ 25,165	\$ 4,082	\$ 51,765
Deconsolidation of Emerald and Sapphire	Deconsolidation of Emerald and Sapphire	—	34,662	—	—	34,662	Deconsolidation of Emerald and Sapphire	—	34,662	—	—	34,662
Deconsolidation of deferred financing costs and capitalized interest	Deconsolidation of deferred financing costs and capitalized interest	—	1,383	—	—	1,383	Deconsolidation of deferred financing costs and capitalized interest	—	1,383	—	—	1,383
Net income from equity method investment ⁽¹⁾	Net income from equity method investment ⁽¹⁾	318	(197)	1,080	(436)	765	Net income from equity method investment ⁽¹⁾	1,884	(1,190)	3,190	(810)	3,074
Reclassification of adjustments into earnings	Reclassification of adjustments into earnings	—	—	—	(334)	(334)	Reclassification of adjustments into earnings	—	—	—	(334)	(334)
Contribution by the Company ⁽²⁾							Contribution by the Company ⁽²⁾	—	500	—	—	500
Distributions from return of investment in equity method investment	Distributions from return of investment in equity method investment	(1,000)	(3,585)	(2,650)	(521)	(7,756)	Distributions from return of investment in equity method investment	(3,525)	(3,585)	(5,700)	(521)	(13,331)
Accumulated other comprehensive income	Accumulated other comprehensive income	—	109	—	—	109	Accumulated other comprehensive income	—	515	—	—	515
Gain on deconsolidation of Emerald and Sapphire ⁽²⁾		—	122,873	—	—	122,873						
Gain on deconsolidation of Emerald and Sapphire ⁽³⁾							Gain on deconsolidation of Emerald and Sapphire ⁽³⁾	—	122,873	—	—	122,873
Amortization of basis difference ⁽¹⁾	Amortization of basis difference ⁽¹⁾	(171)	—	(887)	—	(1,058)	Amortization of basis difference ⁽¹⁾	(218)	(388)	(1,035)	—	(1,641)
Balance at June 30, 2023		<u>\$ 21,665</u>	<u>\$ 155,245</u>	<u>\$ 22,708</u>	<u>\$ 2,791</u>	<u>\$ 202,409</u>						
Balance at September 30, 2023							Balance at September 30, 2023	<u>\$ 20,659</u>	<u>\$ 154,770</u>	<u>\$ 21,620</u>	<u>\$ 2,417</u>	<u>\$ 199,466</u>

⁽¹⁾ Reflected in Income from equity method investments in the condensed consolidated statement of operations for the three and **six** nine months ended **June 30, 2023** September 30, 2023 and 2022.

⁽²⁾ Represents 50% of the \$1,000 contributed by the Company in the third quarter of 2023.

⁽³⁾ Recorded as part of Other income in our condensed consolidated statement of operations for the three and **six** nine months ended **June 30, 2023** September 30, 2023.

Note receivable

In August 2021, the Company acquired 100% ownership interest in Reynolds which held a **note** Note receivable of \$10,450 to Biotown. The Note receivable had a maturity date of July 15, 2027 and carried an interest rate of 12.5% of which 8% is payable in cash on a quarterly basis from the inception of the loan and 4.5% payment-in-kind interest adding to the outstanding debt balance until the facility becomes operational.

On July 15, 2022, Biotown repaid the total amount outstanding under the Note receivable including paid-in-kind interest and prepayment penalty.

The Note receivable also entitles Reynolds to receive 4.25% of any revenue-based distributions made up to a maximum of \$4,500 over the term of the debt. The Company recorded the fair value of the Note receivable — variable fee component of \$1,538 as an allocation of the initial investment balance of \$10,450 and recorded payment-in-kind interest income of \$81 and \$159 \$236 as a reduction to in the interest and financing expense, net in the condensed consolidated statement of operations for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The Company recorded \$524 \$73 and \$746 \$209 as a reduction to interest and financing expense, net in its condensed consolidated statement of operations for the three and six nine months ended June 30, 2022 September 30, 2022.

The Note receivable - variable fee component of \$2,101 \$2,178 and \$1,942 is recorded as a long-term asset on its condensed consolidated balance sheets as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively.

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The following table summarizes the net income from equity method investments:

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		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Revenue (1)	Revenue (1)	\$ 6,925	\$ 4,793	\$ 14,464	\$ 5,089	Revenue (1)	\$ 9,463	\$ 42,158	\$ 23,927	\$ 47,247
Gross profit	Gross profit	8,225	2,603	9,876	1,612	Gross profit	(11,268)	33,053	(1,392)	34,665
Net loss		(2,686)	(564)	(2,899)	(1,741)					
Net income						Net income	4,533	31,356	1,634	29,615
Net (loss) income from equity method investments		\$ (998)	\$ 621	\$ (293)	\$ (36)					
Net income from equity method investments (2)						Net income from equity method investments (2)	\$ 1,726	\$ 3,694	\$ 1,433	\$ 3,658

(1) Revenues include a realized gain of \$32,796 from commodity swap contracts on our equity method investment, GREP for the three and nine months ended September 30, 2022.

(2) Net income from equity method investments represents our portion of the net income from equity method investments including amortization of any basis differences.

4. Property, Plant, and Equipment, Net

Property, plant, and equipment, net, consisted of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

		June 30, 2023		December 31, 2022			September 30, 2023		December 31, 2022	
Plant and equipment	Plant and equipment	\$ 204,215		\$ 201,655		Plant and equipment	\$ 203,473		\$ 201,655	
CNG/RNG fueling stations	CNG/RNG fueling stations	44,057		34,567		CNG/RNG fueling stations	46,892		34,567	
Construction in progress (1)	Construction in progress (1)	134,719		152,105		Construction in progress (1)	150,649		152,105	
Buildings	Buildings	2,585		2,585		Buildings	2,585		2,585	
Land	Land	1,303		1,303		Land	1,303		1,303	
Service equipment	Service equipment	2,132		1,888		Service equipment	2,207		1,888	
Leasehold improvements	Leasehold improvements	815		815		Leasehold improvements	815		815	

Vehicles	Vehicles	255	313	Vehicles	231	313
Office furniture and equipment	Office furniture and equipment	307	307	Office furniture and equipment	307	307
Computer software	Computer software	277	277	Computer software	277	277
Vehicles - finance leases	Vehicles - finance leases	1,287	1,236	Vehicles - finance leases	1,708	1,236
Other	Other	524	487	Other	571	487
		392,476	397,538		411,018	397,538
Less: accumulated depreciation	Less: accumulated depreciation	(104,049)	(100,215)	Less: accumulated depreciation	(107,328)	(100,215)
Property, plant, and equipment, net	Property, plant, and equipment, net	\$ 288,427	\$ 297,323	Property, plant, and equipment, net	\$ 303,690	\$ 297,323

(1) Includes \$4,101 and \$3,081 of capitalized interest on our OPAL Term Loan facility as of June 30, 2023 September 30, 2023 and December 31, 2022.

As of June 30, 2023 September 30, 2023, the construction in progress balance consists of our investment in the construction of RNG generation facilities including, but not limited to Prince William, Central Valley RNG projects and RNG dispensing facilities. The majority of these facilities, for which costs are in construction in progress as of June 30, 2023 September 30, 2023, are expected to be operational during the fourth quarter of 2023 and early 2024. As of December 31, 2022, the construction in progress balance consists of our investment in the construction of RNG generation facilities such as Emerald, Sapphire, Prince William, Central Valley and other RNG dispensing facilities. The decrease in the balance represents deconsolidation of Emerald and Sapphire during the second quarter of 2023.

Depreciation expense on property, plant, and equipment for the three months ended June 30, 2023 September 30, 2023 and 2022 was \$3,372 \$3,485 and \$3,239, \$2,992, respectively. The depreciation expense for the six nine months ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022 was \$6,677 \$10,162 and \$6,279, \$9,271, respectively.

5. Intangible Assets, Net

Intangible assets, net, consisted of the following at June 30, 2023 September 30, 2023 and December 31, 2022:

June 30, 2023									
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CNG sales contract	807	(799)	8	10.0
Intellectual property	43	(24)	19	5.0
Total intangible assets	\$ 11,449	\$ (9,282)	\$ 2,167	

Amortization expense for the three and six nine months ended June 30, 2023 September 30, 2023 was \$153 \$154 and \$313, \$467, respectively. Amortization expense for the three and six nine months ended June 30, 2022 September 30, 2022 was \$282 \$197 and \$398, \$595, respectively. At June 30, 2023 September 30, 2023, estimated future amortization expense for intangible assets is as follows:

Six months ended December 31, 2023	\$	235		
For the remainder of the year ending December 31, 2023			For the remainder of the year ending December 31, 2023	\$ 81
Fiscal year:	Fiscal year:		Fiscal year:	
2024	2024	267	2024	267
2025	2025	267	2025	267
2026	2026	239	2026	239
2027	2027	238	2027	238
Thereafter	Thereafter	608	Thereafter	608
		\$ 1,854		\$ 1,700

6. Goodwill

The following table summarizes the changes in goodwill, if any, by reporting segment from the beginning of the period to the end of the period:

		RNG Fuel	Fuel Station Services	Total		RNG Fuel	Fuel Station Services	Total
Balance at December 31, 2022	Balance at December 31, 2022	\$ 51,155	\$ 3,453	\$ 54,608	Balance at December 31, 2022	\$ 51,155	\$ 3,453	\$ 54,608
Balance at June 30, 2023		\$ 51,155	\$ 3,453	\$ 54,608				
Balance at September 30, 2023	Balance at September 30, 2023	\$ 51,155	\$ 3,453	\$ 54,608				

7. Borrowings

The following table summarizes the borrowings under the various debt facilities as of June 30, 2023 September 30, 2023 and December 31, 2022: 22 24

		June 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Senior Secured Credit Facility, term loan	Senior Secured Credit Facility, term loan	\$ —	\$ 15,250	Senior Secured Credit Facility, term loan	\$ —	\$ 15,250
Less: unamortized debt issuance costs	Less: unamortized debt issuance costs	—	—	Less: unamortized debt issuance costs	—	—
Less: current portion	Less: current portion	—	(15,250)	Less: current portion	—	(15,250)
Senior Secured Credit Facility, term loan, net of debt issuance costs	Senior Secured Credit Facility, term loan, net of debt issuance costs	—	—	Senior Secured Credit Facility, term loan, net of debt issuance costs	—	—
Senior Secured Credit Facility, working capital facility	Senior Secured Credit Facility, working capital facility	—	7,500	Senior Secured Credit Facility, working capital facility	—	7,500

Less: current portion	Less: current portion	—	(7,500)	Less: current portion	—	(7,500)
Senior Secured Credit Facility, working capital facility	Senior Secured Credit Facility, working capital facility	—	—	Senior Secured Credit Facility, working capital facility	—	—
OPAL Term Loan	OPAL Term Loan	92,224	96,090	OPAL Term Loan	164,118	96,090
Less: unamortized debt issuance costs	Less: unamortized debt issuance costs	(1,282)	(1,758)	Less: unamortized debt issuance costs	(10,492)	(1,758)
Less: current portion	Less: current portion	(27,732)	(27,732)	Less: current portion	—	(27,732)
OPAL Term Loan, net of debt issuance costs	OPAL Term Loan, net of debt issuance costs	63,210	66,600	OPAL Term Loan, net of debt issuance costs	153,626	66,600
Sunoma Loan	Sunoma Loan	23,000	23,000	Sunoma Loan	23,000	23,000
Less: unamortized debt issuance costs	Less: unamortized debt issuance costs	(883)	(908)	Less: unamortized debt issuance costs	(859)	(908)
Less: current portion	Less: current portion	(1,169)	(380)	Less: current portion	(1,739)	(380)
Sunoma Loan, net of debt issuance costs	Sunoma Loan, net of debt issuance costs	20,948	21,712	Sunoma Loan, net of debt issuance costs	20,402	21,712
Convertible Note Payable	Convertible Note Payable	29,671	28,528	Convertible Note Payable	—	28,528
Less: current portion	Less: current portion	(29,671)	(28,528)	Less: current portion	—	(28,528)
Convertible Note Payable	Convertible Note Payable	—	—	Convertible Note Payable	—	—
Municipality Loan	Municipality Loan	—	76	Municipality Loan	—	76
Less: current portion	Less: current portion	—	(76)	Less: current portion	—	(76)
Municipality Loan	Municipality Loan	—	—	Municipality Loan	—	—
Non-current borrowings total	Non-current borrowings total	\$ 84,158	\$ 88,312	Non-current borrowings total	\$ 174,028	\$ 88,312

As of ~~June 30, 2023~~ September 30, 2023, principal maturities of debt are expected as follows, excluding any subsequent refinancing transactions and any undrawn debt facilities as of the date of the condensed consolidated balance sheets:

	OPAL Term Loan	Sunoma Loan	Convertible Note Payable ⁽¹⁾	Total
Six months ending December 31, 2023	\$ 13,866	\$ 380	\$ 29,671	\$ 43,917
Fiscal year:				
2024	27,732	1,608	—	29,340
2025	50,626	1,743	—	52,369
2026	—	1,883	—	1,883
2027	—	17,386	—	17,386
	\$ 92,224	\$ 23,000	\$ 29,671	\$ 144,895

(1) The Convertible Note Payable is redeemable on demand at the option of the Company or the lender.

	OPAL Term Loan	Sunoma Loan	Total
For the remainder of the year ending December 31, 2023	\$ —	\$ 533	\$ 533
Fiscal year:			
2024	—	1,620	1,620
2025	14,771	1,756	16,527
2026	19,694	1,898	21,592
2027	129,653	17,193	146,846
	\$ 164,118	\$ 23,000	\$ 187,118

Senior Secured Credit Facility

On March 20, 2023, the Company repaid in full the remaining outstanding loan under this facility.

On September 21, 2015, FM3, an indirect wholly-owned subsidiary of the Company, entered into a senior secured credit facility (the "Senior Secured Credit Facility") as a borrower and a syndicate of lenders, which provided for an aggregate principal amount of \$150,000, consisting of (i) a term loan of \$125,000, (ii) a working capital letter of credit facility of up to \$19,000 and (iii) a debt service reserve and liquidity facility of up to \$6,000. The Company paid \$14,300 to the lenders in connection with the transaction.

The borrowings loans under the Senior Secured Credit Facility bear had an interest rate of a fixed margin plus the secured overnight financing rate ("SOFR") for the relevant interest period. The fixed margin is 2.75% for the first four years, then 3.0% until October 8, 2021, and 3.25% thereafter.

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On December 19, 2022, FM3 entered into an Omnibus and Consent Agreement (the "FM3 Amendment"). The FM3 Amendment amended the credit agreement, among other things, to (a) extend the maturity date of the obligations thereunder from December 20, 2022 to March 20, 2023, (b) permit OPAL Fuels to purchase the rights and obligations of certain exiting lenders at par, (c) prepay a portion of the outstanding loans made by the remaining lenders and (d) permit the release of certain project company subsidiaries of FM3 from the collateral securing the obligations under the credit agreement. Upon consummation of the FM3 Amendment, the Company repaid \$54,929 of the outstanding term loan. On March 20, 2023, the Company repaid in full the remaining outstanding loan under this facility.

Patronage dividends

The Company is eligible to receive annual patronage dividends from one of its lenders, Cobank ACB under a profit sharing program made available to the borrowers. program. For the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, the Company received cash dividends of \$126 and \$126, respectively, which were recorded as credits to interest expense in its the condensed consolidated statements of operations. Additionally, the Company recorded \$489 as a long-term asset on its in the condensed consolidated balance sheets at June 30, 2023 September 30, 2023 and December 31, 2022, which represents the Company's equity interest in Cobank SCB which SCB. These interests will be redeemed for cash beginning in 2024.

OPAL Term Loan

On October 22, 2021, OPAL Fuels Intermediate Holding Company LLC ("OPAL Intermediate Holdco"), an indirect wholly-owned subsidiary of the Company, entered into a \$125,000 term loan agreement (the "OPAL Term Loan") with a syndicate of lenders. Of As of September 1, 2023, the \$125,000 total outstanding balance on the debt facility was \$87,602.

On September 1, 2023, OPAL Intermediate Holdco restructured its existing credit agreement and entered into a new senior secured credit facility with OPAL Intermediate Holdco as the Borrower, direct and indirect subsidiaries of the Borrower as guarantors (the "Guarantors"), the lenders party thereto, as lenders, Apterra Infrastructure Capital LLC, Barclays Bank PLC, BofA Securities, Inc., Celtic Bank Corporation, Citibank, N.A., JP Morgan Chase Bank, N.A. Investec Inc. and ICBC Standard Bank PLC, as joint lead arrangers, and Bank of America, N.A., as administrative agent. Four of the existing lenders participated in the new credit facility.

The Credit Agreement provides for up to \$450.0 million of initial and delayed draw term loans (with such delayed draw term loans available for up to 18 months after closing) and \$50.0 million of revolving loans. On September 1, 2023, the Company had \$90,000 available for borrowing upon closing drew down \$144,118 and the remaining \$35,000 was made available as three more RNG facilities become operational. The OPAL Term Loan is repaid (1) Intermediate HoldCo's existing secured by a pledge indebtedness in the equity amount of approximately \$87,602 plus accrued interest, of Beacon Holdco LLC, OPAL Environmental Credit Marketing LLC, OPAL Fuel Station Services LLC (f/k/a Trustar Energy LLC), New River, OPAL Fuels Services LLC and the Company's share of ownership interests in Pine Bend and Noble Road along with cash bank accounts and a security interest (2) certain accrued but unpaid returns in the Company's environmental credits. amount of \$15,669 of the paid-in-kind preferred dividend on our Redeemable preferred non-controlling interests, and (3) approximately \$30,107 of indebtedness on Convertible Note Payable. Additionally, the Company utilized \$9,000 of availability under the revolver loan to provide for the issuance of letters of credit to support the operations of the Borrower and Guarantors. The proceeds of from the OPAL Term Loan were facility are expected to be used for to fund other general corporate purposes of the Borrower and Guarantors. The Company paid transaction fees and expenses in the amount of approximately \$10,790. The Company drew down additional \$20,000 during the third quarter to fund capital expenditure on construction of our RNG projects.

The outstanding loans under the Credit Agreement initially bear interest at an annual rate of Term SOFR plus 3.5%, increasing by 0.25% per annum during the term. Accrued interest on amounts outstanding under the delayed draw term loan facility must be paid on the last day of each applicable interest period. Commencing after the 18-month delayed draw term loan availability period expires, the outstanding principal amount of the term loans amortizes at a rate of 1% per quarter and the Borrower is obligated to pay a leverage based cash sweep ranging from 25% to 100% of distributable cash of Borrower and the Guarantors, and subject to certain other mandatory prepayment requirements. The term loans and revolving loans mature on September 1, 2028.

The Borrower's and the Guarantors' obligations under the Credit Agreement are secured by substantially all of their personal property assets (other than certain excluded assets identified in the Credit Agreement) and by a non-recourse pledge of the membership interests of the Borrower.

The Credit Agreement requires the Borrower to maintain a consolidated debt service coverage ratio of not less than 1.2:1.0, as tested on a trailing four fiscal basis as of the last day of each fiscal quarter during the term commencing with the quarter ending December 31, 2023, and to maintain a consolidated debt to cash flow ratio of not greater than 4.5 to 1.0 during the delayed draw availability period, and not greater than 4.0 to 1.0 thereafter.

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The Credit Agreement includes certain customary and project-related affirmative and negative covenants, including investments in RNG projects being developed by the Company.

restrictions on distributions, and events of default, which include payment defaults breaches of covenants; changes of control materially incorrect or misleading representations or warranties bankruptcy or other events of insolvency and certain project-related defaults. As of June 30, 2023 and December 31, 2022, the outstanding loan balance (current and non-current) excluding deferred financing costs was \$92,224 and \$96,090, respectively. During the first quarter of 2023, the Company borrowed the remaining \$10,000 under the debt facility.

The OPAL Term Loan matures April 22, 2025 and bears interest at 3.0% plus SOFR. In accordance with the terms of the facility, OPAL Intermediate Holdco is required to repay 1.79% or \$1,611 per month beginning March 2022 and an additional \$700 per month beginning September 2022.

The OPAL Term Loan contains customary warranties and representations and certain financial covenants which require OPAL Intermediate Holdco to maintain (i) minimum liquidity of \$15,000 until March 31, 2022 and \$10,000 thereafter and (ii) a leverage ratio not to exceed 4:1. As of June 30, 2023 September 30, 2023, the Company is in compliance with the financial covenants under the OPAL Term Loan. Additionally, the OPAL Term Loan contains restrictions on distributions and additional indebtedness.

The Company has the ability, during the delayed draw availability period and subject to the satisfaction of certain credit and project-related conditions precedent, to join other newly acquired subsidiaries with comparable renewable projects in development under the Credit Facility for comparable funding.

The Company accounted for the above debt restructuring as debt modification for the existing lenders by performing an analysis on a lender by lender basis under ASC 470-50 *Debt modifications and exchanges*. As a result, the Company recorded debt extinguishment of \$953 representing the fees allocated to the lenders who were repaid in full as part of Other income in the condensed consolidated statement of operations for the three and nine months ended September 30, 2023. Additionally, the Company expensed \$295 related to third party legal costs as part of Selling, general and administrative expenses in the condensed consolidated statement of operations for the three and nine months ended September 30, 2023.

As of September 30, 2023 and December 31, 2022, the outstanding loan balance (current and non-current) excluding deferred financing costs was \$164,118 and \$96,090, respectively.

Sunoma Loan

On August 27, 2020, Sunoma, an indirect wholly-owned subsidiary of the Company entered into a debt agreement (the "Sunoma Loan Agreement") with Live Oak Banking Company for an aggregate principal amount of \$20,000. Sunoma paid \$635 as in financing fees. The loan bears interest at the greater of prime rate plus 3.50%, or 7.75%. The amounts outstanding under the Sunoma Loan are secured by the assets of Sunoma. Sunoma's assets.

The Sunoma Loan Agreement contains certain financial covenants which require Sunoma to maintain (i) a maximum debt to net worth ratio not to exceed 5:1, (ii) a minimum current ratio not less than 1.0 and (iii) a minimum debt service coverage ratio of trailing four quarters not less than 1.25. On July 19, 2022, Sunoma completed the conversion of the construction loan into a permanent loan and increased the commitment from \$20,000 to \$23,000.

The borrowings loans under the Sunoma Loan Agreement bear interest at a rate of 7.68% and have a maturity date of July 19, 2033. The Company is required to pay a quarterly amortization of principal of \$380 \$533 beginning in October 2023. The Company paid \$2,798 into interest and debt reserve accounts. This cash is recorded as Restricted cash - current and non-current under long term assets in the condensed consolidated balance Sheet as of June 30, 2023.

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The significant assets of Sunoma are parenthesized in the condensed consolidated balance sheets as June 30, 2023 September 30, 2023 and December 31, 2022. See Note 12. *Variable Interest Entities* for additional information.

Convertible Note Payable

On May 1, 2021, the Company acquired the remaining ownership interests in Beacon and signed an unsecured, contingently convertible note (the "Convertible Note Payable") with Ares ARCC Beacon LLC ("Ares") for a total aggregate amount for \$50,000 at an interest rate of 8.00% per annum. The Company has had the option to pay interest on the Convertible Note in cash on a quarterly basis or payment-in-kind. The Company chose the option of payment-in-kind interest.

The Convertible Note Payable matures on the earlier of December 31, 2026 or the date on which a change in control occurs as defined in the terms of the Convertible Note. Upon the consummation of the Business Combination, Ares was permitted to choose to convert the total amount outstanding under the Convertible Note to shares of Class A common stock based on a pre-determined conversion formula. Upon completion of the Business Combination in July 2022, Ares elected to convert 50% of the outstanding amount under the Convertible Note to shares of Class A common stock. Therefore the The Company issued 3,059,533 shares of Class A common stock and redeemed outstanding debt of \$30,595.

The Company elected to account for the Convertible Note Payable using the fair value option in accordance with ASC 820, *Fair Value Measurement*. The fair value was subsequently remeasured on each reporting date and the change in fair value recorded as interest expense in the condensed consolidated statement of operations for each

reporting period. At June 30, 2023 and December 31, 2022, The Company repaid the Convertible Note was classified as a current liability outstanding balance in the condensed consolidated balance sheets at a fair value of \$29,671 and \$28,528, respectively, as it is redeemable full on demand by the Company or Ares, September 1, 2023.

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The Company recorded \$580 \$(436) and \$1,143 for the three and six months ended June 30, 2023, respectively. The Company recorded \$1,090 and \$2,110 \$(1,579) as change in fair value of Convertible Note for the three and nine months ended September 30, 2023, respectively. The Company recorded gains of \$2,261 and \$151 as change in fair value of the Convertible Note Payable for the three and nine months ended June 30, 2022 September 30, 2022, respectively as interest and financing expense, net.

Municipality Loan

FM3, an indirect wholly-owned subsidiary of the Company, entered into a loan agreement for the construction of an interconnection that was initially funded by the municipality. The Company made payments to a municipality in the amount of \$1,600 plus interest at a fixed annual rate of 3.00% through April 1, 2023. The loan was fully repaid in April 2023.

OPAL Term Loan II

On August 4, 2022, OPAL Intermediate Holdco 2 entered into a new Senior Secured Credit Facility (the "OPAL Term Loan II") with a syndicate of lenders. The indebtedness is guaranteed by certain of the direct and indirect subsidiaries of OPAL Intermediate Holdco 2. The OPAL Term Loan II provides for an approximately two year two-year delayed term loan facility (the "DDTL Facility") of up to a maximum aggregate principal amount of \$100,000 and debt service reserve facility (the "DSR Facility") of up to a maximum aggregate principal amount of \$5,000. The proceeds of the DDTL Facility are to be used to fund a portion of the construction of the RNG projects owned, either in full or through a joint venture with a third party, by the subsidiary guarantors and the guarantors. The proceeds of the DSR Facility are to be used solely to satisfy the balance to be maintained in the debt service reserve account. In connection with the transaction, the Company paid \$2,200 as in financing fees to the lenders and incurred \$1,376 as in third party fees.

On May 30, 2023, OPAL Intermediate Holdco 2 assigned to Paragon its rights and obligations under OPAL Term Loan II. The joint venture partner of Paragon reimbursed the Company \$826 as its portion of the transaction costs incurred.

The Company expensed the remaining deferred financing costs of \$1,895 \$(1,895) as loss on debt extinguishment in its condensed consolidated statement of operations for the three and six nine months ended June 30, 2023 September 30, 2023. There were no amounts outstanding under the OPAL Term Loan II as of the date of the transaction.

May 30, 2023.

Interest rates

25

2023

For the three and six nine months ended June 30, 2023 September 30, 2023, the weighted average effective interest rate including amortization of debt issuance costs on the Senior Secured Credit Facility was 5.6% including a margin plus SOFR. The debt was repaid in full in March 2023.

For the three and six nine months ended June 30, 2023 September 30, 2023, the weighted average effective interest rate including amortization of debt issuance costs on OPAL Term Loan was 9.2% and 8.8% 8.0%.

For the three and six nine months ended June 30, 2023 September 30, 2023, the interest rate on the Sunoma Loan was 8.00%.

For the three and six nine months ended June 30, 2023 September 30, 2023, the payment-in-kind interest rate on Convertible Note Payable was 8.00%.

For the three and six months ended June 30, 2023, the weighted average interest rate on Municipality loan was 3.00%. The loan was fully repaid in April September 2023.

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2022

For the three and six nine months ended June 30, 2022 September 30, 2022, the weighted average effective interest rate on the Senior Secured Credit Facility including amortization of debt issuance costs on Senior Secured Credit Facility was 4.25% 6.80% and 5.40% including a margin plus LIBOR.

For the three and six nine months ended June 30, 2022 September 30, 2022, the weighted average effective interest rate on the OPAL Term Loan including amortization of debt issuance costs was 4.93% 6.40% and 5.20%.

For three and six nine months ended June 30, 2022 September 30, 2022, the interest rate on the Sunoma loan was 7.75% 7.81% and 9.0%, respectively.

For the three and six nine months ended June 30, 2022 September 30, 2022, the payment-in-kind interest rate on Convertible Note Payable was 8.0%.

For the three and nine months ended September 30, 2022, the weighted average interest rate on the Municipality Loan was 3.00%.

The following table summarizes the Company's total interest expense for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022:

		Three Months Ended June 30,		Six Months Ended June 30,				Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022			2023	2022	2023	2022
Senior Secured Credit Facility	Senior Secured Credit Facility	\$ —	\$ 862	\$ 282	\$ 1,442	Senior Secured Credit Facility	\$ —	\$ (1,101)	\$ (282)	\$ (2,543)	
Convertible Note Payable	Convertible Note Payable					Convertible Note Payable					
mark-to-market	mark-to-market	580	1,090	1,143	2,110	mark-to-market	(436)	2,261	(1,579)	151	
Sunoma Loan	Sunoma Loan	450	401	894	911	Sunoma Loan	(454)	(424)	(1,348)	(1,335)	
OPAL Term Loan ⁽¹⁾	OPAL Term Loan ⁽¹⁾	—	887	19	1,743	OPAL Term Loan ⁽¹⁾	(1,634)	(1,107)	(1,653)	(2,850)	
Commitment fees and other finance fees	Commitment fees and other finance fees	184	103	312	204	Commitment fees and other finance fees	(248)	(401)	(560)	(605)	
Amortization of deferred financing cost	Amortization of deferred financing cost	345	460	795	898	Amortization of deferred financing cost	(652)	(616)	(1,447)	(1,514)	
Interest expense on finance leases	Interest expense on finance leases	21	7	37	13	Interest expense on finance leases	(24)	(15)	(61)	(28)	
Interest income	Interest income	(624)	(445)	(1,885)	(899)	Interest income	563	613	2,448	1,512	
Total interest expense	Total interest expense	\$ 956	\$ 3,365	\$ 1,597	\$ 6,422	Total interest expense	\$ (2,885)	\$ (790)	\$ (4,482)	\$ (7,212)	

⁽¹⁾ Excludes \$1,981 \$842 and \$3,785 \$4,627 of interest capitalized and recorded as part of Property, Plant and Equipment for the three and six nine months ended June 30, 2023 September 30, 2023, respectively.

8. Leases

The following are the type types of contracts that fall under ASC 842:

Lessor contracts Contracts

Fuel Provider agreements Agreements

Fuel provider agreements ("FPAs") are for the sale of brown gas, service and maintenance of sites. The Company is contracted to design and build a Fueling Station on the customer's property in exchange for the Company providing CNG/RNG to the customer for a determined number of years. These are considered to be operating leases with variable consideration. As per ASC 842, the revenue is recognized in the period earned.

Power Purchase agreements Agreements

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Power purchase agreements ("PPAs") are for the sale of electricity generated at our Renewable Power facilities. All of our Renewable Power facilities operate under fixed pricing or indexed pricing based on market prices. Two of our Renewable Power facilities transfer the right to control the use of the power plant to the purchaser and are therefore classified as operating leases. The Company elected not to reassess the lease classification due to change in criteria under ASC 842 for these two PPAs. There were no amendments to these two contracts after the Adoption Date.

Included in Fuel Station Service revenues are \$632 \$917 and \$1,202 \$2,119 related to the lease portion of the FPAs for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. It This includes \$526 \$856 and \$1,050 \$1,906 related to the lease portion of the FPAs for the three and six nine months ended June 30, 2022 September 30, 2022, respectively.

Included in Renewable Power revenues are \$264 \$223 and \$595 \$818 related to the lease element of the PPAs for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. Includes \$16 Included in Renewable Power revenues are \$384 and \$630 \$1,014 related to the lease element of the PPAs for the three and six nine ended June 30, 2022 September 30, 2022, respectively.

Lessee contracts Contracts

Ground/Site leases Leases

The Company through various of its indirectly owned subsidiaries holds site leases on landfills/ landfills and dairy farms to build RNG generation facilities. Typically, the lease payments over the lease term are immaterial except for three of our RNG facilities - including Beacon and two sites at our Central Valley project - MS Digester ("MS") and VS Digester ("VS").

- the The lease at the Beacon facility is for 20 years at a monthly rent of \$11.
- the The lease term for MD and VS is for a period of 20 years from their commercial operation date at a quarterly rent of \$125.

On July 5, 2023, the Company through one of its indirectly owned subsidiary entered into a site lease on a dairy farm to build a facility to collect, process and deliver feedstock to an RNG facility. The lease term is 20 years from its commercial operations date at a quarterly rent of \$21,250 with a 5% escalator on the calendar quarter in which the fifth anniversary occurs and every fifth anniversary thereafter. The Company recorded \$798 as right-of-use operating lease and corresponding lease liability on its condensed consolidated balance sheet as of September 30, 2023 using an incremental borrowing rate of 8.44%,

Additionally, the Company revised the commercial operation date for its leases for MD and VS by 10 months which changed the lease term for both the leases. The Company treated this as a lease modification and increased its right-of-use asset and corresponding lease liability by \$280 on its condensed consolidated balance sheet as of September 30, 2023, using the incremental borrowing rate of 8.44%.

Office lease Lease

The Company entered into a lease for office and warehouse space that became effective upon the termination of the original lease term on January 31, 2018. The term of the lease renewal was 36 months and contained an option to renew for an additional 24 months. In September 2020, the Company exercised this option. In March 2022, the Company entered into an amendment to the lease which extended the lease term till January 2026. The rent for the lease is \$26 per month with a built in escalation to \$27 from February 1, 2022 to February 1, 2023, \$43 from February 1, 2023 - February 1, 2024, \$45 from February 1 2024 - February 1, 2025 and \$46 for the remaining lease term. The Company accounted for the change in the lease term as a lease modification and reassessed the right-of-use assets and corresponding lease liabilities as of March 31, 2022.

The Company currently shares office space with Fortistar and reimburses Fortistar on a monthly basis at a predetermined rate. The Company determined that this is not a lease under ASC 842 as there is no identifiable asset and the Company does not have the right to control the use of the office space.

The Company determined that the three site leases and the one office lease are operating leases.

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Under ASC 842, leases are classified as either finance or operating arrangements, with such classification affecting the pattern and classification of expense recognition in an entity's income statement. For operating leases, ASC 842 requires recognition in an entity's income statement of a single lease expense, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. Right-of-use assets represent a right to use the underlying asset for the lease term and the related lease liability represents an obligation to make lease payments pursuant to the contractual terms of the lease agreement.

Based on the above guidance, the lease expense for the site leases is included as part of Cost of sales - RNG Fuel in **its** the condensed consolidated statement of operations for the three and **six** nine months ended **June 30, 2023** **September 30, 2023** and 2022. The lease expense for the office lease is recorded as part of Selling, general and administrative expenses in its condensed consolidated statement of operations for the three and **nine** months ended **June 30, 2023** **September 30, 2023** and 2022.

Vehicle **leases** **Leases**

The Company leases approximately 65 vehicles in our FM3 and OPAL Fuel Station Services subsidiaries. The leases contain repurchase options at the end of the lease term and the sum total of the lease payments represents substantially the fair value of the asset.

Under ASC 842, the Company determined that the vehicle leases are finance leases. For finance leases, ASC 842 requires recognition of amortization of right-of-use asset as part of depreciation and amortization expense and the interest on the finance lease liability as interest expense in the income statement. The Company accordingly recognized its lease expense on the vehicle leases as part of Depreciation, amortization and accretion expense and interest and financing expense, net in **its** the condensed statement of operations for the three and **six** nine months ended **June 30, 2023** **September 30, 2023** and 2022.

Lease Disclosures Under ASC 842

The objective of the disclosure requirements under ASC 842 is to enable **users** **viewers** of an entity's financial statements to assess the amount, timing and uncertainty of cash flows arising from lease arrangements. In addition to the supplemental qualitative leasing disclosures included above, below are quantitative disclosures that are intended to meet the stated objective of ASC 842.

Right-of-use assets and Lease liabilities as of **June 30, 2023** **September 30, 2023** and December 31, 2022 are as follows:

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Description	Description	Location in Balance Sheet	June 30, 2023	December 31, 2022	Description	Location in Balance Sheet	September 30, 2023	December 31, 2022
Assets:	Assets:				Assets:			
Operating leases (1):	Operating leases (1):				Operating leases (1):			
Site leases	Site leases	Right-of-use assets	\$ 10,251	\$ 10,338	Site leases	Right-of-use assets	\$ 11,287	\$ 10,338
Office lease	Office lease	Right-of-use assets	1,190	1,406	Office lease	Right-of-use assets	1,081	1,406
			11,441	11,744			12,368	11,744
Finance leases (1):	Finance leases (1):				Finance leases (1):			
Vehicle leases	Vehicle leases	Property, plant and equipment, net	1,287	1,236	Vehicle leases	Property, plant and equipment, net	1,708	1,236
			12,728	12,980			14,076	12,980
Liabilities (1):	Liabilities (1):				Liabilities (1):			

Sites leases	Sites leases	Lease liabilities - current portion	192	181	Sites leases	Lease liabilities - current portion	126	181
Office lease	Office lease	Lease liabilities - current portion	489	449	Office lease	Lease liabilities - current portion	499	449
Vehicle leases	Vehicle leases	Accrued expenses and other current liabilities	455	449	Vehicle leases	Accrued expenses and other current liabilities	577	449
			1,136	1,079			1,202	1,079
Sites leases	Sites leases	Lease liabilities - non-current portion	10,065	10,135	Sites leases	Lease liabilities - non-current portion	11,168	10,135
Office lease	Office lease	Lease liabilities - non-current portion	859	1,110	Office lease	Lease liabilities - non-current portion	731	1,110
Vehicle leases	Vehicle leases	Other long-term liabilities	856	825	Vehicle leases	Other long-term liabilities	1,131	825
			\$ 11,780	\$ 12,070			\$ 13,030	\$ 12,070

(1) The Operating lease right-of-use asset and Operating lease liabilities represent the present value of lease payments for the remaining term of the lease. The discount rate used ranged from 2.30% to 5.40% 8.44%.

The table below presents components of the Company's lease expense for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022:

Description	Description	Location in Statement of Operations	Three Months Ended June 30,		Six Months Ended June 30,		Description	Location in Statement of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
			2023	2022	2023	2022			2023	2022	2023	2022
Operating lease expense for site leases	Operating lease expense for site leases	Cost of sales - RNG Fuel	\$ 263	\$ 261	\$ 526	\$ 524	Operating lease expense for site leases	Cost of sales - RNG Fuel	\$ 263	\$ 261	\$ 789	\$ 785
Operating lease expense for office lease	Operating lease expense for office lease	Selling, general, administrative expenses	121	121	242	242	Operating lease expense for office lease	Selling, general, administrative expenses	121	121	363	363
Amortization of right-of-use assets - finance leases	Amortization of right-of-use assets - finance leases	Depreciation, amortization and accretion expense	141	81	281	164	Amortization of right-of-use assets - finance leases	Depreciation, amortization and accretion expense	155	81	436	245
Interest expense on lease liabilities - finance leases	Interest expense on lease liabilities - finance leases	Interest and financing expense, net	21	7	37	13	Interest expense on lease liabilities - finance leases	Interest and financing expense, net	24	15	61	28
			\$ 546	\$ 470	\$ 1,086	\$ 943			\$ 563	\$ 478	\$ 1,649	\$ 1,421

The Company does not have material short term lease expense for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

The Company did not enter into any operating leases greater than 12 months for the three months ended June 30, 2023.

Weighted average remaining lease term (years)		June	September 30, 2023
Operating leases		18.4	19.1 years
Financing leases		2.9	3.1 years
Weighted average discount rate			
Operating leases		7.95	7.84 %
Financing leases		6.17	6.39 %

The table below provides the total amount of lease payments on an undiscounted basis on our lease contracts as of **June 30, 2023** **September 30, 2023**:

		Site leases	Office leases	Vehicle leases	Total		Site leases	Office leases	Vehicle leases	Total
Discount rate upon adoption	Discount rate upon adoption	5.4 %	2.3 %	7.6 %		Discount rate upon adoption	5.4 %	2.3 %	7.6 %	
2023	2023	\$ 522	\$ 261	\$ 519	\$ 1,302	2023	\$ 261	\$ 130	\$ 147	\$ 538
2024	2024	1,044	540	514	2,098	2024	1,058	540	667	2,265
2025	2025	1,044	562	408	2,014	2025	1,129	562	561	2,252
2026	2026	1,044	47	252	1,343	2026	1,129	47	406	1,582
2027 and beyond	2027 and beyond	17,913	—	23	17,936	2027 and beyond	20,145	—	115	20,260
		21,567	1,410	1,716	24,693		23,722	1,279	1,896	26,897
Present value of lease liability	Present value of lease liability	10,257	1,348	1,311	12,916	Present value of lease liability	11,294	1,230	1,708	14,232
Lease liabilities - current portion	Lease liabilities - current portion	192	489	455	1,136	Lease liabilities - current portion	126	499	577	1,202
Lease liabilities - non-current portion	Lease liabilities - non-current portion	10,065	859	856	11,780	Lease liabilities - non-current portion	11,168	731	1,131	13,030
Total lease liabilities	Total lease liabilities	\$ 10,257	\$ 1,348	\$ 1,311	\$ 12,916	Total lease liabilities	\$ 11,294	\$ 1,230	\$ 1,708	\$ 14,232
Discount based on incremental borrowing rate	Discount based on incremental borrowing rate	\$ 11,310	\$ 62	\$ 405	\$ 11,777	Discount based on incremental borrowing rate	\$ 12,428	\$ 49	\$ 188	\$ 12,665

9. Derivative Financial Instruments and Fair Value Measurements

Interest rate swaps **Rate Swaps**

During August 2022, the Company entered into two interest rate swaps for the notional amount of \$61,926 of the OPAL Term Loan II at a fixed interest rate of 2.47% to hedge the SOFR-based floating interest rate. On August 16, 2022, the Company entered into a swaption for a notional amount of \$13,074 with fixed rate of 2.32% with a maturity date of May 31, 2023. The Company accounted for the swaption as an economic hedge and included the change in the fair market value in the condensed consolidated statement of operations.

The two interest rate swaps were designated and qualified as cash flow hedges. The Company uses interest rate swaps for the management of interest rate risk exposure, as an interest rate swap effectively converts a portion of the Company's debt from a floating to a fixed rate. The interest rate swap is an agreement between the Company and counterparties to pay, in the future, a fixed-rate payment in exchange for the counterparties paying the Company a variable payment. The amount of the net payment obligation is based on the notional amount of the interest rate swap and the prevailing market interest rates. The Company may terminate the interest rate swaps prior to their expiration dates, at which point a realized gain or loss may be recognized, or may be amortized over the original life of the interest rate swap if the hedged debt remains outstanding. The value of the Company's commitment would increase or decrease based primarily on the extent to which interest rates move against the rate fixed for each swap.

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The Company records the fair value of the interest rate swap as an asset or liability on its balance sheet. The effective portion of the swap is recorded in Accumulated other comprehensive income.

On May 30, 2023, OPAL Intermediate Holdco 2, assigned to Paragon its rights and obligations under the OPAL Term Loan II. Concurrently, the Company terminated the two interest rate swaps outstanding under this loan and received \$812 as settlement from the swap counter party, counterparty. Paragon entered into four interest rate swaps for a notional amount of \$56,914 at a fixed interest rate of 3.52%. The Company terminated the swaption on the same date.

After the transaction, the Company recognized a gain of \$812 in the condensed consolidated statement of operations for the three and six nine months ended June 30, 2023 September 30, 2023 as part of Change in fair value of derivative instruments. The Company received \$136 as a settlement from the swaption counter party counterparty and recognized \$46 as loss on termination of the swaption as part of change in fair value of derivative instruments. Additionally, the Company recognized \$109 \$515 as its share of the Accumulated other comprehensive income from Paragon and increased its basis in equity method investment on its condensed consolidated balance sheet as of June 30, 2023 September 30, 2023.

The following table summarizes the interest rate swaps in place as of June 30, 2023 September 30, 2023 and December 31, 2022:

Interest rate swap detail	Interest rate swap detail					Notional Amount		Interest rate swap detail					Notional Amount	
	Trade date	Trade date	Fixed rate	Start date	End date	June 30, 2023	December 31, 2022	Trade date	Fixed rate	Start date	End date	September 30, 2023	December 31, 2022	
August 15, 2022	August 15, 2022	2.47 %	June 28, 2024	August 4, 2027	\$ —	41,284	August 15, 2022	2.47 %	June 28, 2024	August 4, 2027	\$ —	41,284		
August 15, 2022	August 15, 2022	2.47 %	June 28, 2024	August 4, 2027	—	20,642	August 15, 2022	2.47 %	June 28, 2024	August 4, 2027	—	20,642		
					\$ —	\$ 61,926					\$ —	\$ 61,926		

The location and amounts of interest rate swaps and their fair values in the condensed consolidated balance sheets are:

	June September 30, 2023	December 31, 2022	Location of Fair Value Recognized in Balance Sheet
Derivatives designated as economic hedges:			
Current portion of swaption	\$ —	\$ 182	Derivative financial assets, current portion
Derivatives designated as cash flow hedges:			
Long term portion of the interest rate swaps	—	954	Derivative financial assets, non-current
	\$ —	\$ 1,136	

The effect of interest rate swaps on the condensed consolidated statement of operations were as follows:

						Location of (Loss) Gain Recognized in Operations from Derivatives					Location of (Loss) Gain Recognized in Operations from Derivatives
		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,		
		2023	2022	2023	2022		2023	2022	2023	2022	
Interest rate swaps	Interest rate swaps	\$ —	\$ 7	\$ —	\$ 626	Interest rate swaps	\$ —	\$ 1,580	\$ —	\$ 954	
Swaption	Swaption	20	—	(46)	—	Swaption	—	246	(46)	246	
Net periodic settlements	Net periodic settlements	812	(571)	812	(954)	Net periodic settlements	—	(1,631)	812	(677)	

					Change in fair value of derivative instruments, net						Change in fair value of derivative instruments, net						
	\$	832	\$	(564)	\$	766	\$	(328)		\$	—	\$	195	\$	766	\$	523

The following table summarizes the fair value of derivative instruments on the Company's condensed consolidated balance sheets and the effect of netting arrangements and collateral on its financial position:

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		Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets in the Balance Sheet			Gross Amounts of Recognized Assets	Gross Amounts Offset in the Balance Sheet	Net Amounts of Assets in the Balance Sheet
Balance, June 30, 2023:									
Balance, September 30, 2023:					Balance, September 30, 2023:				
Interest rate swap asset	Interest rate swap asset	\$ —	\$ —	\$ —	Interest rate swap asset	Interest rate swap asset	\$ —	\$ —	\$ —
Swaption asset	Swaption asset	—	—	—	Swaption asset	Swaption asset	—	—	—
		<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>			<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Balance, December 31, 2022:					Balance, December 31, 2022:				
Interest rate swap asset	Interest rate swap asset	\$ 954	\$ —	\$ 954	Interest rate swap asset	Interest rate swap asset	\$ 954	\$ —	\$ 954
Swaption asset	Swaption asset	182	—	182	Swaption asset	Swaption asset	182	—	182
		<u>\$ 1,136</u>	<u>\$ —</u>	<u>\$ 1,136</u>			<u>\$ 1,136</u>	<u>\$ —</u>	<u>\$ 1,136</u>

Commodity swap contracts Swap Contracts

The Company utilizes commodity swap contracts to hedge against the unfavorable price fluctuations in market prices of electricity. The Company does not apply hedge accounting to these contracts. As such, unrealized and realized gain (loss) is recognized as a component of Renewable Power revenues in the condensed consolidated statement of operations and Derivative financial asset — current and non-current in the condensed consolidated balance sheets. These are considered to be Level 2 instruments in the fair value hierarchy. By using commodity swaps, the Company exposes itself to credit risk and market risk. Credit risk is the failure of the counter party counterparty to perform under the terms of the swap contract. When the fair value of the swap contract is positive, the counter party counterparty owes the Company creating a credit risk. The Company manages the credit risk by entering into contracts with financially sound counter parties, counterparties. To mitigate this risk, management monitors counterparty credit exposure on an annual basis, and the necessary credit adjustments have been reflected in the fair value of financial derivative instruments. When the fair value of the swap contract is negative, the Company owes the counterparty creating a market risk that the market price is higher than the contract price resulting in the Company not participating in the opportunity to earn higher revenues.

In December 2018, the Company signed an amendment that converted an existing PPA into a commodity swap contract to allow the Company flexibility to sell the capacity separately and schedule the sale of electricity to independent third parties. Following the amendment, the Company agreed to net settle the contract in cash on a monthly basis based on the difference between the contract price and market price. The contract has a default minimum of 34,554 MWh per year. Additionally, the Company entered into an ISDA agreement with a counterparty in November 2019. Pursuant to the agreement, the Company entered into swaps with contract prices ranging between \$35.75 and \$51.25 per MWh.

The following table summarizes the commodity swaps in place as of June 30, 2023 September 30, 2023 and December 31, 2022. There were no new commodity swap contracts entered during the three months ended June 30, 2023 September 30, 2023.

Trade Date	Period From	Period To	Notional Quantity per Year ("MWh")	Average Contract Price (per MWh)
October 17, 2022	January 1, 2023	December 31, 2024	70,176	\$ 68.50
October 17, 2022	January 1, 2023	December 31, 2024	26,280	\$ 65.50
November 17, 2022	January 1, 2023	December 31, 2024	35,088	\$ 81.50

The following table summarizes the effect of commodity swaps on the condensed consolidated statements of operations for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022:

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Derivatives not designated as hedging instruments	Derivatives not designated as hedging instruments	Location of (loss) gain recognized	Three Months Ended June 30,				Derivatives not designated as hedging instruments	Location of (loss) gain recognized	Three Months Ended September 30,		Nine Months Ended September 30,	
			June 30,		Six Months Ended June 30,				September 30,		September 30,	
			2023	2022	2023	2022			2023	2022	2023	2022
Commodity swaps - realized (loss) gain	Commodity swaps - realized (loss) gain	Revenues - Renewable power	\$ 509	\$ (224)	\$ 880	\$ (187)	Commodity swaps - realized (loss) gain	Revenues - Renewable power	\$ 493	\$ (744)	\$ 1,373	\$ (931)
Commodity swaps - unrealized gain (loss)	Commodity swaps - unrealized gain (loss)	Revenues - Renewable power	(160)	(102)	762	(936)	Commodity swaps - unrealized gain (loss)	Revenues - Renewable power	(30)	161	733	(775)
Total realized and unrealized gain (loss)	Total realized and unrealized gain (loss)	Revenues - Renewable power	\$ 349	\$ (326)	\$ 1,642	\$ (1,123)	Total realized and unrealized gain (loss)	Revenues - Renewable power	\$ 463	\$ (583)	\$ 2,106	\$ (1,706)

The following table summarizes the derivative assets and liabilities related to commodity swaps as of June 30, 2023 September 30, 2023 and December 31, 2022:

	Fair Value		Location of Fair value recognized in Balance Sheet
	June September 30, 2023	December 31, 2022	
Derivatives designated as economic hedges			
Current portion of unrealized gain on commodity swaps	\$ 365 486	\$ —	Derivative financial asset, current portion
Non-current portion of unrealized gain on commodity swaps	\$ 267 117	\$ —	Derivative financial asset, non-current portion
Current portion of unrealized loss on commodity swaps	\$ —	\$ (130)	Derivative financial liability, current portion

Other derivative liabilities Derivative Liabilities

The following table summarizes the effect of change in fair value of other derivative liabilities on the condensed consolidated statements of operations for the three and six months ended June 30, 2023 September 30, 2023 and 2022:

Derivative liability	Derivative liability	Three Months Ended June 30,		Six Months Ended June 30,		Location of (Loss) Gain Recognized in Operations from Derivatives	Derivative liability	Three Months Ended September 30,		Nine Months Ended September 30,		Location of (Loss) Gain Recognized in Operations from Derivatives
		2023	2022	2023	2022			2023	2022	2023	2022	
Put option to Meteora	Put option to Meteora	\$ —	\$ —	\$ (311)	\$ —		Put option to Meteora	\$ —	\$ 384	\$ (311)	\$ 384	
Sponsor Earnout Awards	Sponsor Earnout Awards	(172)	—	138	—		Sponsor Earnout Awards	(338)	1,100	(201)	1,100	
OPAL Earnout Awards	OPAL Earnout Awards	500	—	4,500	—		OPAL Earnout Awards	200	5,300	4,701	5,300	
Public Warrants	Public Warrants	—	(3,578)	—	(3,578)		Public Warrants	—	(3,578)	—	(3,578)	

- Current stock price — The Company's closing stock price of \$7.46 \$8.20 as of June 30, 2023 September 30, 2023;
- Expected volatility —60% —55% based on historical and implied volatilities of selected industry peers deemed to be comparable to our business corresponding to the expected term of the awards;
- Risk-free interest rate — 4.30% 4.72% based on the U.S. Treasury yield curve in effect at the time of issuance for zero-coupon U.S. Treasury notes with maturities corresponding to the expected 4.1 3.8 year term of the earnout period;
- Dividend yield - zero.

The fair value of the OPAL Earnout Awards as of June 30, 2023 September 30, 2023 was determined using a Monte Carlo valuation model with a distribution of potential outcomes for stock price and EBITDA over the 2-year period commencing on January 1, 2023 and ending on December 31, 2024. Assumptions used in the valuation are as follows:

- Current stock price — The Company's closing stock price of \$7.46 \$8.20 as of June 30, 2023 September 30, 2023;

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- Weighted average cost of capital - 16% based on an average of historical volatilities of selected industry peers deemed to be comparable to our business.
- Expected volatility —55% —50% based on historical and implied volatilities of selected industry peers deemed to be comparable to our business corresponding to the expected term of the awards;
- Risk-free interest rate — 5.4% 5.5% based on the U.S. Treasury yield curve in effect at the time of issuance for zero-coupon U.S. Treasury notes with maturities corresponding to the expected 2.0 1.5 year term of the earnout period;

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- Dividend yield - zero.

There were no transfers of assets between Level 1, Level 2, or Level 3 of the fair value hierarchy as of June 30, 2023 September 30, 2023.

The Company's assets and liabilities that are measured at fair value on a recurring basis include the following as of June 30, 2023 September 30, 2023 and December 31, 2022, set forth by level, within the fair value hierarchy:

		Fair value as of June 30, 2023				Fair value as of September 30, 2023			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities:	Liabilities:								
Asset retirement obligation	Asset retirement obligation	\$ —	\$ —	\$ 6,461	\$ 6,461	\$ —	\$ —	\$ 6,563	\$ 6,563
Convertible Note Payable		—	29,091	—	29,091				
Earnout liabilities	Earnout liabilities	—	—	4,153	4,153	—	—	4,291	4,291
Assets:	Assets:								
Short term investments	Short term investments	16,955	—	—	16,955	18,028	—	—	18,028
Commodity swap contracts	Commodity swap contracts	—	632	—	632	—	603	—	603
		Fair value as of December 31, 2022							
		Level 1	Level 2	Level 3	Total				
Liabilities:									
Asset retirement obligation		\$ —	\$ —	\$ 6,256	\$ 6,256				

Convertible Note Payable ⁽¹⁾	—	28,528		28,528
Put option with Meteora	—	—	4,466	4,466
Commodity swap contracts	—	130	—	130
Earnout liabilities	—	—	8,790	8,790
Assets:				
Short term investments	64,976	—	—	64,976
Swaption	—	182	—	182
Commodity swap contracts	—	954	—	954

⁽¹⁾ The fair value of the Convertible Note Payable as of December 31, 2022, represents the outstanding principal and paid-in-kind interest. Therefore it did not have any unobservable inputs which required the Company to develop its own assumptions. The methodology for calculating the fair value has changed as of December 31, 2022 as the prepayment penalty was cancelled upon consummation of Business Combination. Therefore, the Convertible Note Payable has been transferred from Level 3 to Level 2.

A summary of changes in the fair values of the Company's Level 3 instruments, attributable to asset retirement obligations, for the six nine months ended June 30, 2023 September 30, 2023 is included in Note 2, *Summary of Significant Accounting Policies*.

10. Related Parties

Related parties are represented by Fortistar and other affiliates, subsidiaries and other entities under common control with Fortistar or NextEra.

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Sale of non-controlling interests Non-Controlling Interests to Related Parties

On November 29, 2021, as part of an exchange agreement, OPAL Fuels issued 14 newly authorized common units and 300,000 Series A-1 preferred units to Hillman in return for Hillman's non-controlling interest in four RNG project subsidiaries for total consideration of \$30,000. Upon the consummation of the Business Combination, the Series A-1 preferred units have been converted to Redeemable preferred non-controlling interests. The Company recorded paid-in-kind preferred dividend dividends of \$675 \$656 and \$1,330 \$1,986 for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The Company recorded paid-in-kind preferred dividend dividends of \$607 \$613 and \$1,207 \$1,820 for the three and six nine months ended June 30, 2022 September 30, 2022,

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respectively. The Company repaid all outstanding paid-in-kind preferred dividends as of September 30, 2023. Please see Note 13. *Redeemable non-controlling interests, Redeemable preferred non-controlling interests and Stockholders' Deficit*, for additional information.

Issuance of Redeemable preferred non-controlling interests

On November 29, 2021, NextEra subscribed for up to 1,000,000 Series A preferred units, which are issuable (in whole or in increments) at the Company's discretion prior to June 30, 2022. During the year ended December 31, 2022, the Company had drawn \$100,000 and issued 1,000,000 Series A preferred units. The Company recorded paid-in-kind preferred dividend dividends of \$2,174 \$2,126 and \$4,282 \$6,408 for the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The Company recorded paid-in-kind preferred dividend dividends of \$1,111 \$2,045 and \$1,227 \$3,273 for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. The Company repaid all outstanding paid-in-kind preferred dividends as of September 30, 2023. Please see Note 13. *Redeemable non-controlling interests, Redeemable preferred non-controlling interests and Stockholders' deficit*, for additional information.

Purchase and sale Sale agreement for environmental attributes Environmental Attributes

On November 29, 2021, the Company entered into a purchase Purchase and sale Sale agreement with NextEra for the environmental attributes Environmental Attributes generated by the RNG Fuels business. Under this agreement, the Company plans to sell a minimum of 90% of the environmental attributes Environmental Attributes generated

and will receive net proceeds based on the agreed upon price less a specified discount. A specified volume of environmental attributes Environmental Attributes sold per quarter will incur a fee per environmental attribute Environmental Attribute in addition to the specified discount. The agreement was effective beginning January 1, 2022. For the three and six nine months ended June 30, 2023 September 30, 2023, the Company earned net revenues after discount and fees of \$11,852 \$25,724 and \$18,060, \$43,784, respectively, under this contract which was were recorded as part of Revenues - RNG fuel and Fuel Station Services. For the three and six nine months ended June 30, 2022 September 30, 2022, the Company earned net revenues after discount and fees of \$16,792 \$19,336 and \$29,688, \$49,024, respectively, under this contract which was were recorded as part of Revenues - RNG fuel and Fuel Station Services. Please see Note 2. *Summary of Significant Accounting Policies* for additional information.

Commodity swap contracts under Swap Contracts Under ISDA

The Company entered into an ISDA agreement with NextEra in November 2019. Pursuant to the agreement, the Company enters into commodity swap contracts on a periodic basis. As of June 30, 2023 September 30, 2023 and December 31, 2022, there were three commodity swap contracts outstanding. The Company records the realized and unrealized gain (loss) on these commodity swap contracts as part of Revenues - Renewable Power. Please see Note 9. *Derivative Financial Instruments and Fair Value Measurements* for additional information. The Company recorded \$1,747 \$1,732 and \$1,243 \$927 as revenues earned under the commodity swap contracts for the three months ended June 30, 2023 September 30, 2023 and 2022. The Company recorded \$3,274 \$5,006 and \$2,269 \$3,196 as revenues earned under the commodity swap contracts for the six nine months ended June 30, 2023 September 30, 2023 and 2022.

Purchase of investments from Of Investments From Related Parties

In August 2021, the Company acquired 100% of the ownership interests in Reynolds, an RNG production facility for \$12,020 which was funded with cash on hand. Reynolds held an equity investment of 1,570 Class B units in GREP representing 20% interest for a cash consideration of \$1,570 which owns 50% of Biotown, a power generation facility under development to convert to an RNG facility. The Reynolds transaction was an asset acquisition from an affiliate under common control. The Company accounts for its 20% equity investment in GREP under the equity method. The Company recorded a net loss of \$566 \$374 and \$460 net income of \$3,034 as its share of net loss (loss) income for the three months ended June 30, 2023 September 30, 2023 and 2022, 2022, respectively. The Company recorded a net loss of \$436 \$810 and \$556 net income of \$2,478 as its share of net loss (loss) income for the six nine months ended June 30, 2023 September 30, 2023 and 2022, 2022, respectively.

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Sales contracts Contracts with Related Parties

In August 2020, OFSS Fuel Station Services contracted with Sunoma to dispense RNG and to generate and market the resulting RINs and LCFS credits created on behalf of the entity. Additionally, OFSS Fuel Station Services contracted with Pine Bend in December 2020 and Noble Road in March 2021 to provide the same services.

The term of these These contracts each runs for a have term of 10 years. The Company receives non-cash consideration in the form of RINs or LCFSs for providing these services and recognizes the RINs or LCFSs received as inventory based on their estimated fair value at contract inception. The Pine Bend and Noble road facilities came online in the first and third quarter of 2022. Sunoma came online in the fourth quarter of 2021. For the three months ended June 30, 2023 September 30, 2023 and 2022, the Company earned environmental processing fees of \$555 \$570 and \$242 \$80 net of intersegment elimination, under this agreement

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which are included in Fuel Station Services revenues in the condensed consolidated statements of operations. For the six nine months ended June 30, 2023 September 30, 2023 and 2022, the Company earned environmental processing fees of \$1,141 \$1,711 and \$242 \$322 net of intersegment elimination, under this agreement which are included in Fuel Station Services revenues in the condensed consolidated statements of operations.

Service agreements Agreements with Related Parties

On December 31, 2020, OPAL Fuels signed a management, operations, Management, Operations, and maintenance services agreement Maintenance Services Agreement ("Administrative Services Agreement") with Fortistar LLC ("Fortistar"), pursuant to which Fortistar provides management, operations, and maintenance services to the Company. The agreement Administrative Services Agreement expires on December 31, 2023, unless termination occurs earlier due to dissolution of the Company or the agreement it is terminated by the Company's secured lenders in certain circumstances. The agreement Administrative Services Agreement provides for payment of service fees based on actual time incurred at contractually agreed rates, provided for in the Administrative Services Agreement, as well as a fixed annual payment of \$580 per year adjusted annually for inflation. Additionally, the agreement Administrative Services Agreement provides for the Company to receive credits for any services provided by the Company's employees to Fortistar. For the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, there have been no material services provided by the Company's employees to Fortistar.

In June 2021, the company entered into a **management services agreement** **Management Services Agreement** with Costar Partners LLC ("Costar"), an affiliate of Fortistar. Pursuant to the **agreement**, **Management Services Agreement**, Costar provides information technology ("IT") support services, software use, licensing services, management of third party infrastructure and security services and additional IT services as needed by the Company. The **agreement** **Management Services Agreement** provides for Costar to be compensated based on actual costs incurred and licensing fees per user for certain software applications. The **agreement** **Management Services Agreement** expires in June 2024 unless the termination occurs earlier due to dissolution of the Company or it is terminated by the Company's secured lenders in certain circumstances.

The following table summarizes the various fees recorded under the agreements described above which are included in "Selling, general, and administrative" expenses:

		Three Months Ended June 30,				Three Months Ended September 30,			
		2023		2022		2023		2022	
		2023		2022		2023		2022	
Staffing and management services	Staffing and management services	\$ 412	\$ 632	\$ 987	\$ 1,105	\$ 414	\$ 578	\$ 1,406	\$ 1,683
Rent - fixed compensation	Rent - fixed compensation	164	91	329	274	166	168	494	442
IT services	IT services	731	546	1,457	1,085	754	636	2,210	1,721
Total	Total	\$ 1,307	\$ 1,269	\$ 2,773	\$ 2,464	\$ 1,334	\$ 1,382	\$ 4,110	\$ 3,846

As of **June 30, 2023** **September 30, 2023** and December 31, 2022, the Company had Accounts payable, related party in the amounts of **\$3,707** **\$1,365** and \$1,346, respectively.

11. Reportable Segments and Geographic Information

The Company is organized into four operating segments based on the characteristics of its renewable power generation, dispensing portfolio, and the nature of other products and services. During the first quarter of 2023, the Company changed its internal reporting to its **executive leadership team** ("Chief Operating Decision **Makers**"), **Makers to change the composition of revenues**

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included in our reportable segments. The internal reporting was changed to provide more visibility into our RNG fuel production and operations and to align fuel dispensing revenues with construction and service of fuel dispensing stations. Additionally, the Company changed its internal reporting to report revenues from RECs and ISCC Carbon Credits from RNG Fuel to Renewable Power segment in the current quarter. This is primarily to reflect a strategic business change to identify all revenues earned from environmental attributes generated from Renewable Power facilities in the same segment.

Therefore, the Company reclassified the revenues and the corresponding cost of sales for CNG tolling business which were previously presented as part of Revenues - RNG Fuel and Cost of sales - RNG Fuel to Revenues - Fuel station services and Cost of sales - Fuel station services, respectively. The Company **reclassified revenues earned from sale of RECs and ISCC Carbon Credits from Revenues - RNG Fuel to Revenues - Renewable Power**. The Company also adjusted the revenues and cost of sales for the prior year period presented for comparison purposes. The Company also reclassified general and administrative costs for RNG Fuel from Cost of sale - RNG Fuel to Selling, general and administrative expenses to make the margins across all segments comparable.

For the three months ended **June 30, 2023** **September 30, 2023** and 2022, the Company classified revenues from its fuel dispensing business of **\$9,400** **\$16,852** and **\$9,214**, **\$12,545**, respectively, as part of Revenues - Fuel station services. For the **six** **nine** months ended **June 30**,

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2023, **September 30, 2023**, the Company classified revenues from fuel dispensing business of **\$18,251** **\$35,103** and **\$19,307**, **\$31,852**, respectively, as part of Revenues - Fuel station services.

For the three months ended **June 30, 2023** **September 30, 2023** and 2022, the Company classified revenues from the sale of environmental attributes generated from Renewable Power facilities of \$4,539 and \$1,543, respectively, as part of Revenues - Renewable Power. For the nine months ended September 30, 2023 and 2022, the Company classified revenues from the sale of environmental attributes generated from Renewable Power facilities of \$15,783 and \$2,528, respectively, as part of Revenues - Renewable Power.

For the three months ended September 30, 2023 and 2022, the Company classified cost of sales relating related to fuel dispensing business of \$8,302 \$11,703 and \$7,940, \$10,088, respectively as part of Cost of sales - Fuel station services. For the six nine months ended June 30, 2023 September 30, 2023 and 2022, the Company classified cost of sales relating related to the fuel dispensing business of \$16,824 \$28,527 and \$14,713, \$24,801, respectively as part of Cost of sales - Fuel station services.

We aligned our reportable segments disclosure to align with the information and internal reporting that is provided to our Chief Operating Decision Makers. Therefore, the Company reassessed its reportable segments and revised all the prior periods to make the segment disclosures comparable.

- **RNG Fuel.** The RNG Fuel segment relates to all RNG supply directly related to the generation and sale of brown gas and environmental credits, and consists of:
 - Development and construction – RNG facilities in which long term gas right contracts have been, or are in the process of being ratified and the construction of RNG generation facilities.
 - RNG supply operating facilities – This includes the generation, extraction, and sale of RNG - plus associated RINs and LCFs from landfills.

For the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, the Company has accounted for its interests in Pine Bend, Reynolds and Noble Road under the equity method of accounting and the results of operations of Beacon, New River, Central Valley and Sunoma were consolidated in its condensed consolidated statement of operations. As of May 30, 2023, the Company deconsolidated Emerald and Sapphire. As a result, the Company consolidated Emerald and Sapphire for the period between January 1, 2023 and May 30, 2023 and recorded its ownership interests in Paragon which includes Emerald and Sapphire as equity method investment for the month of June 2023, period between May 30, 2023 and September 30, 2023.

As of June 30, 2023 September 30, 2023, Central Valley, and Sapphire are not operational. Sunoma became operational in December 2021, Noble Road in January 2022, New River in April 2022 and Pine Bend in September 2022. Emerald completed construction in June 2023 and is expected to begin began commercial operations in the third quarter of 2023.

- **Fuel Station Services.** Through its Fuel Station Services segment, the Company provides construction and maintenance services to third-party owners of vehicle Fueling Stations and performs fuel dispensing activities including generation and minting of environmental credits. This segment includes:
 - Service and maintenance contracts for RNG/CNG fueling sites. Includes sites and a manufacturing division that builds Compact Fueling Systems and Defueling systems.

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- Third Party CNG Construction of Fueling Stations - Design/ design/build and serve as general contractor for typically Guarantee Maximum Price or fixed priced contracts for customers usually lasting less than one year.
- RNG and CNG fuel dispensing stations for vehicle fleets - This includes both dispensing/ the dispensing and sale of brown gas and the environmental credit generation and monetization. The Company operates Fueling Stations that dispense gas for vehicles. This also includes the development and construction of these facilities.
- **Renewable Power Portfolio.** The Renewable Power portfolio segment generates renewable power through methane-rich landfills and digester gas collection systems which is then sold to public utilities throughout the United States. The Renewable Power portfolio operates primarily in Southern California.
- **Corporate.** This segment consists of activities managed and maintained at the Company corporate level primarily including but not limited to:
 - Executive, accounting, finance, sales activities such as: payroll, stock compensation expense, travel and other related costs.
 - Insurance, professional fees (audit, tax, legal etc.).

The Company has determined that each of the four operating segments meets the characteristics of a reportable segment under U.S. GAAP. The Company's activities and assets that are not associated with the four reportable segments

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are summarized in the "Other" category below. These include corporate investment income, interest income and interest expense, income tax expense, and other non-allocated costs.

	Three Months Ended June 30,	Six Months Ended June 30,

	2023	2022	2023	2022
Revenues:				
Renewable Power	\$ 8,672	\$ 10,451	\$ 18,590	\$ 20,088
RNG Fuel	23,356	22,070	43,089	40,168
Fuel Station Services	34,138	27,822	58,730	51,992
Other ⁽¹⁾	—	91	—	127
Intersegment	(4,199)	(2,424)	(7,946)	(5,022)
Equity Method Investment(s)	(6,925)	(4,793)	(14,464)	(5,089)
	<u>\$ 55,042</u>	<u>\$ 53,217</u>	<u>\$ 97,999</u>	<u>\$ 102,264</u>

⁽¹⁾ Other includes revenues of Fortistar Contracting LLC.

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Interest and Financing Expense, Net:								
Revenues:					Revenues:			
Renewable Power	\$ 6	\$ (1,202)	\$ (258)	\$ (2,119)	Renewable Power	\$ 13,708	\$ 49,737	\$ 43,543
RNG Fuel	(718)	37	(1,373)	(51)	RNG Fuel	29,551	22,788	61,395
Fuel Station Services	83	(8)	93	(14)	Fuel Station Services	40,326	39,333	99,056
Corporate	(327)	(2,192)	(59)	(4,238)				
Intersegment					Intersegment	(3,021)	(3,150)	(10,967)
Equity Method Investment(s)					Equity Method Investment(s)	(9,463)	(42,158)	(23,927)
	<u>\$ (956)</u>	<u>\$ (3,365)</u>	<u>\$ (1,597)</u>	<u>\$ (6,422)</u>		<u>\$ 71,101</u>	<u>\$ 66,550</u>	<u>\$ 169,100</u>

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Depreciation, Amortization, and Accretion:								
Interest and Financing Expense, Net:					Interest and Financing Expense, Net:			
Renewable Power	\$ 1,449	\$ 1,309	\$ 2,901	\$ 3,107	Renewable Power	\$ (2)	\$ (1,440)	\$ (260)
RNG Fuel	2,292	1,694	4,316	2,820	RNG Fuel	(3,243)	(189)	(4,616)
Fuel Station Services	848	637	1,638	1,303	Fuel Station Services	27	(14)	120
Other ⁽¹⁾	11	31	27	64				
Equity Method Investment(s)	(972)	(346)	(1,687)	(573)				
Corporate					Corporate	333	853	274
	<u>\$ 3,628</u>	<u>\$ 3,325</u>	<u>\$ 7,195</u>	<u>\$ 6,721</u>		<u>\$ (2,885)</u>	<u>\$ (790)</u>	<u>\$ (4,482)</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Depreciation, Amortization, and Accretion:				
Renewable Power	\$ 1,488	\$ 1,176	\$ 4,389	\$ 4,283
RNG Fuel	2,492	2,461	6,808	6,379
Fuel Station Services	917	411	2,555	616
Other ⁽¹⁾	9	31	36	95
Equity Method Investment(s)	(1,167)	(699)	(2,854)	(1,272)
	<u>\$ 3,739</u>	<u>\$ 3,380</u>	<u>\$ 10,934</u>	<u>\$ 10,101</u>

(1) Other includes amortization of intangible assets and depreciation expense not allocated to any segment.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss)				
Renewable Power	\$ 983	\$ 3,483	\$ 10,584	\$ 1,314
RNG Fuel	10,821	5,669	8,044	21,775
Fuel Station Services	5,530	11,624	7,429	12,574
Corporate	(18,833)	(19,101)	79,441	(38,761)
Equity Method Investment(s)	1,726	3,694	1,433	3,658
	<u>\$ 227</u>	<u>\$ 5,369</u>	<u>\$ 106,931</u>	<u>\$ 560</u>

	Nine Months Ended September 30,	
	2023	2022
Cash paid for Purchases of Property, Plant, and Equipment:		
Renewable Power	\$ —	\$ 1,800
Fuel Station Services	16,860	7,038
RNG Fuel	75,390	76,496
	<u>\$ 92,250</u>	<u>\$ 85,334</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss)				
Renewable Power	\$ (741)	\$ (91)	\$ (1,644)	\$ (2,169)
RNG Fuel	7,291	14,188	8,468	16,106
Fuel Station Services	1,858	(3,605)	1,899	950

Corporate	106,640	(11,455)	98,274	(19,660)
Equity Method Investment(s)	(998)	621	(293)	(36)
	<u>\$ 114,050</u>	<u>\$ (342)</u>	<u>\$ 106,704</u>	<u>\$ (4,809)</u>

		Six Months Ended June 30,	
		2023	2022
Cash paid for Purchases of Property, Plant, and Equipment:			
Renewable Power		\$ —	\$ 1,300
Fuel Station Services		12,356	3,463
RNG Fuel		59,653	49,698
		<u>\$ 72,009</u>	<u>\$ 54,461</u>

		June 30, 2023	December 31, 2022			September 30, 2023	December 31, 2022
Total Assets:	Total Assets:			Total Assets:			
Renewable Power	Renewable Power	\$ 40,948	\$ 43,468	Renewable Power	\$ 39,503	\$ 43,468	
RNG Fuel	RNG Fuel	282,854	347,750	RNG Fuel	290,247	347,750	
Fuel Station Services	Fuel Station Services	120,280	119,669	Fuel Station Services	131,838	119,669	
Corporate and other		25,454	82,204				
Corporate				Corporate	29,401	82,204	
Equity Method Investment(s)	Equity Method Investment(s)	202,409	51,765	Equity Method Investment(s)	199,466	51,765	
		<u>\$ 671,945</u>	<u>\$ 644,856</u>		<u>\$ 690,455</u>	<u>\$ 644,856</u>	

Geographic Information: The Company's assets and revenue generating activities are domiciled in the United States.

12. Variable Interest Entities

We determine whether we are the primary beneficiary of a VIE upon our initial involvement with the VIE and we reassess whether we are the primary beneficiary of a VIE on an ongoing basis. Our determination of whether we are the primary beneficiary of a VIE is based upon the facts and circumstances for each VIE and requires judgment. Our considerations in determining the VIE's most significant activities and whether we have power to direct those activities

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include, but are not limited to, the VIE's purpose and design and the risks passed through to investors, the voting interests of the VIE, management, service and/or other agreements of the VIE, involvement in the VIE's initial design, and the existence of explicit or implicit financial guarantees. If we are the party with the power over the most significant activities, we meet the "power" criteria of the primary beneficiary. If we do not have the power over the most significant activities or we determine that all significant decisions require consent of a **third-party, third party**, we do not meet the "power" criteria of the primary beneficiary.

We assess our variable interests in a VIE both individually and in aggregate to determine whether we have an obligation to absorb losses of or a right to receive benefits from the VIE that could potentially be significant to the VIE. The determination of whether our variable interest is significant to the VIE requires judgment. In determining the significance of our variable interest, we consider the terms, characteristics and size of the variable interests, the design and characteristics of the VIE, our involvement in the VIE, and our market-making activities related to the variable interests.

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As of June 30, 2023 September 30, 2023, the Company held equity interests in six seven VIEs — Sunoma, GREP, Emerald, Sapphire, Paragon, SJI Joint Venture (RNG Atlantic and RNG Burlington) and Central Valley. On May 30, 2023, the Company together with a third-party environmental solutions company formed a new joint venture holding company Paragon LLC ("Paragon"). Paragon. The Company owns 50% of ownership interest in Paragon. Concurrent with the formation of Paragon, the Company contributed its 50% ownership interests in Emerald and Sapphire to Paragon.

Upon the execution of the above the transaction, the Company reassessed its equity interests in Emerald and Sapphire under ASC 810, *Consolidation* and determined that the Company does not have a controlling financial interest in Paragon under ASC 810 because the governance of the joint venture is driven by an independent board jointly controlled by the joint venture partner and OPAL equally and there are substantive participating rights held by the joint venture partner in the significant activities of Paragon.

Based on the above analysis, the Company determined that it should account for its ownership interests in Paragon under the equity method of accounting pursuant to ASC 323, *Investments Equity Method and Joint Ventures*, prospectively, as the Company has the ability to exercise significant influence, but not control over the joint venture company.

Prior to May 30, 2023, the Company consolidated these two entities in accordance with the variable interest entity model guidance under ASC 810, *Consolidation*.

On September 14, 2023, OPAL L2G, a wholly-owned indirect subsidiary of the Company, entered into the Agreement with SJI LRNG, a wholly-owned indirect subsidiary of SJI, establishing the terms and conditions of governance and operation of the SJI Joint Venture. The purpose of the SJI Joint Venture, which is owned 50/50 by OPAL L2G and SJI LRNG, is to develop, construct, own and operate Facilities to produce RNG using biogas generated by certain landfills.

Upon the execution of the above transaction, the Company reassessed its equity interests in the SJI Joint Venture under ASC 810, *Consolidation* and determined that the Company does not have a controlling financial interest in SJI Joint Venture under ASC 810 because the governance of the joint venture is driven by a board jointly controlled by the joint venture partner and OPAL equally and there are substantive participating rights held by the joint venture partner in the significant activities of SJI Joint Venture. As of June 30, 2023 September 30, 2023, there have been no material contribution made by the Company in the SJI Joint Venture.

As of September 30, 2023, GREP and Paragon were presented as equity method investments and the remaining two VIEs Sunoma and Central Valley are consolidated by the Company.

At December 31, 2022, GREP has been presented as an equity method investment and the remaining four VIEs Sunoma, Emerald, Sapphire, and Central Valley are consolidated by the Company.

In 2020, the Company acquired a variable interest in Sunoma in a joint venture with a third-party who does not have any equity at risk but participates in proportionate share of income or losses, which may be significant. Additionally, the assets in Sunoma are collateralized under the Sunoma loan, the proceeds of which are used for partial financing of the construction of the Sunoma facility. Therefore, the significant assets and liabilities of Sunoma are parenthesized in the condensed consolidated balance sheets as of June 30, 2023 September 30, 2023 and December 31, 2022.

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The Company determined that each of these entities are VIEs and in its capacity as a managing member except for Emerald and Sapphire, the Company is the primary beneficiary. The Company is deemed as a primary beneficiary based on two conditions:

- The Company, as a managing member, has the power to order the activities that significantly impact the economic performance of the two entities including establishment of strategic, operating, and capital decisions for each of these entities; and
- The Company has the obligation to absorb the potential losses for the right to receive potential benefits, which could be significant to the VIE;

As a primary beneficiary, the Company consolidates these entities in accordance with the variable interest entity model guidance under ASC 810, *Consolidation*.

Our variable interests in each of our VIEs arise primarily from our ownership of membership interests, construction commitments, our provision of operating and maintenance services, and our provision of environmental credit processing services to VIEs.

The following table summarizes the major condensed consolidated balance sheet items for consolidated VIEs as of June 30, 2023 September 30, 2023 and December 31, 2022. The information below is presented on an aggregate basis based on similar risk and reward characteristics and the nature of our involvement with the VIEs, such as:

- All of the VIEs are RNG facilities and they are reported under the RNG Fuel Supply segment;
- The nature of our interest in these entities is primarily equity based and therefore carry similar risk and reward characteristics;

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	As of June 30, 2023	As of December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 906	\$ 12,506
Accounts receivable, net	846	966
Restricted cash - current	228	6,971
Environmental credits held for sale	29	—
Prepaid expenses and other current assets	186	415
Total current assets	2,195	20,858
Property, plant and equipment, net	27,043	73,140
Current assets, non-current	2,790	2,923
Cash and cash equivalents	\$ 32,028	\$ 96,996
Total assets	79	966
Accounts receivable, net	1,232	6,971
Restricted cash - current	29	—
Environmental credits held for sale	29	—
Current liabilities:		
Prepaid expenses and other current assets	\$ 193	\$ 415
Accounts payable	364	489
Total current assets	2,835	20,858
Accounts payable, related party	1,108	433
Property, plant and equipment, net	26,684	73,140
Accrued capital expenses	272	2,822
Restricted cash, non-current	272	2,822
Accrued expenses	32,362	96,921
Total assets	32,362	96,921
Current liabilities	2,933	14,176
Total current liabilities	2,933	14,176
Liabilities and equity		
Sunoma loan, net of debt issuance costs	20,948	21,712
Current liabilities:		
Total liabilities	23,881	35,888
Equity		
Accounts payable	\$ 603	\$ 4,896
Accounts payable, related party	1,922	34,588
Stockholders' equity	7,097	34,588
Non-redeemable non-controlling interests	884	26,445
Accrued expenses	903	26,445
Total equity	8,981	61,033
Sunoma Loan- current portion	1,738	61,033
Total Liabilities and Equity	\$ 32,028	\$ 96,996
Total current liabilities	3,979	14,176
Sunoma loan, net of debt issuance costs	20,402	21,712
Total liabilities	24,381	35,888
Equity		
Stockholders' equity	7,097	34,588
Non-redeemable non-controlling interests	884	26,445
Total equity	7,981	61,033
Total Liabilities and Equity	\$ 32,362	\$ 96,921

Common stock

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Class B common stock do not have any economic value except voting rights as described below) and (iv) no shares of Class C common stock, par value \$0.0001 per share, (" Class C common stock") issued and outstanding (shares of Class D common stock do not have any economic value except voting rights as described below)

During the first quarter of 2023, Meteora exercised the put option pursuant to the terms of the forward purchase contract, Forward Purchase Contract. The Company repurchased 1,635,783 shares at a price of \$10.02 per share. The Company recorded \$11,614 representing the fair value of the treasury stock as part of stockholders' deficit and \$4,777 as an offset to the derivative financial liability, current on its condensed consolidated balance sheet as of June 30, 2023 September 30, 2023.

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In March 2023, the Company issued 49,633 shares to certain warrant holders as consideration for their prior agreement to tender all warrants held by the warrant holders in the Company's voluntary exchange offer which closed on December 22, 2022. December

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22, 2022. The Company recorded \$338 representing the fair value of the shares issued based on the closing price on March 30, 2023 as part of Other income (expense), net.

Redeemable preferred non-controlling interests

On November 29, 2021, as part of an exchange agreement ("Hillman exchange"), Exchange Agreement, the Company issued 300,000 Series A-1 preferred units to Hillman in return for Hillman's non-controlling interest in four RNG project subsidiaries.

On November 29, 2021, Mendocino Capital LLC ("NextEra") NextEra subscribed for up to 1,000,000 Series A preferred units, which are issuable (in whole or in increments) at the Company's discretion prior to June 30, 2022. During the year ended December 31, 2022, the Company had drawn \$100,000 and issued 1,000,000 Series A preferred units.

Upon completion of the Business Combination, the Company assumed Series A-1 preferred units and Series A preferred units which were issued and outstanding by OPAL Fuels. The Company recorded the Series A-1 preferred units and Series A preferred units as Redeemable preferred non-controlling interests. The Company has elected to adjust the carrying value of the preferred units to the redemption value at the end of each reporting period by immediately amortizing the issuance costs in the first reporting period after issuance of the preferred units.

During the third quarter of 2023, the Company repaid all outstanding paid-in-kind preferred dividends.

The following table summarizes the changes in the redeemable preferred non-controlling interests which represent Series A and Series A-1 preferred units outstanding at OPAL Fuels level from December 31, 2022 to June 30, 2023 September 30, 2023:

		Series A-1 preferred units		Series A preferred units				Series A-1 preferred units		Series A preferred units		
		Units	Amount	Units	Amount	Total		Units	Amount	Units	Amount	Total
Balance, December 31, 2022	Balance, December 31, 2022	300,000	\$ 32,736	1,000,000	\$ 105,406	\$ 138,142	Balance, December 31, 2022	300,000	\$ 32,736	1,000,000	\$ 105,406	\$ 138,142
Series A units issued by OPAL Fuels	Series A units issued by OPAL Fuels	—	—	—	—	—	Series A units issued by OPAL Fuels	—	—	—	—	—
Paid-in-kind dividends attributable to OPAL Fuels	Paid-in-kind dividends attributable to OPAL Fuels	—	1,105	—	3,556	4,661	Paid-in-kind dividends attributable to OPAL Fuels	—	320	—	1,032	1,352

Paid-in kind dividends attributable to Class A common stockholders	Paid-in kind dividends attributable to Class A common stockholders	—	225	—	726	951	Paid-in kind dividends attributable to Class A common stockholders	—	1,666	—	5,376	7,042
Balance, June 30, 2023		<u>300,000</u>	<u>\$ 34,066</u>	<u>1,000,000</u>	<u>\$ 109,688</u>	<u>\$ 143,754</u>						
Repayment of paid-in-kind preferred dividends	Repayment of paid-in-kind preferred dividends							—	(4,722)	—	\$ (11,814)	(16,536)
Balance, September 30, 2023							Balance, September 30, 2023	<u>300,000</u>	<u>\$ 30,000</u>	<u>1,000,000</u>	<u>\$ 100,000</u>	<u>\$ 130,000</u>

Terms of Redeemable preferred units Preferred Units

The Series A and Series A-1 preferred units (together the "Preferred Units") have are subject to substantially the same terms and features which are listed below:

Voting: The Series A-1 preferred units to Hillman do not have any voting rights. The Series A preferred units issued to NextEra have limited rights to prevent the Company from taking certain actions including (i) major issuances of new debt or equity (ii) executing transactions with affiliates which are not at arm-length basis (iii) major disposition dispositions of assets and (iv) major acquisition acquisitions of assets outside of the Company's primary business.

Dividends: The Preferred Units are entitled to receive dividends at the rate of 8% per annum. Dividends begin accruing for each unit from the date of issuance and are payable each quarter end regardless of whether they are declared. The dividends are mandatory and cumulative. The Company is allowed to elect to issue additional Preferred Units (paid-in-kind) in lieu of cash for the first eight dividend payment dates. The Company elected to pay the dividends to be paid-in-kind for all periods presented. In the occurrence of certain events of default, the annual dividend rate increases to 12%. if certain events of defaults occur. Additionally, the dividend rate increases by 2% for each unrelated uncured event of default up to a maximum of 20%.

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Liquidation preference: In the event of liquidation of the Company, each holder of a unit of Series A units and Series A-1 units is entitled to be paid on pro-rata basis the original issue price of \$100 per unit plus any accrued and unpaid dividends out of

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the assets of the Company available for distribution after payment of the Company's debt and liabilities and liquidation expenses.

Redemption: At any Any time after issuance, the Company may redeem the Redeemable preferred units for a price equal to original issue price of \$100 per unit plus any accrued and unpaid dividends. Holders of the Preferred Units may redeem for an amount equal to original issue price of \$100 per unit plus any accrued and unpaid dividends (i) upon (i) the occurrence of certain change in control event (ii) at the end of four years from the date of issuance, except that the Preferred Units issued to Hillman can only be redeemed 30 days after the fourth year anniversary of the first issuance of Preferred Units to NextEra. The maturity date is determined to be the date at which the holder's Holder's redemption option becomes exercisable as this is the date in on which both the Company and the holder Holder may redeem the preferred units, Preferred Units. The maturity date could may be as early as November 29, 2025 but no shall not occur later than June 30, 2026, depending on when the Series A units to NextEra are issued as previously detailed herein. .

Conversion: Holder's Holders may elect to convert Preferred Units into common units in the limited chance event that the Company fails to redeem the Preferred Units under an optional redemption, the redemption. The annual dividend rate increases shall increase to 12% and is will further increased increase to 14% after one year, and thereafter by 2% every 90 days up to a cap maximum of 20%. The Company must also redeem all NextEra Series A preferred units on which the redemption option has been exercised prior to redeeming any Hillman Series A-1 preferred units. If elected, the holder Holder may convert all or a portion of its Preferred Units into a number of common units equal to: (i) to the

number of Preferred Units, multiplied by, (ii) \$100 by \$100, plus accrued and unpaid cash dividends, divided by (iii) the conversion price. The conversion price is equal to the value of the Company's common units determined as follows, and reduced by (i) a 20% discount if conversion occurs during the first year of delayed redemption, (ii) a 25% discount during the 2nd year, and (iii) a 30% discount thereafter:

1. Using 20-day volume-weighted average price ("VWAP") of the Company's common shares.
2. Otherwise the estimated proceeds to be received by the holder Holder of a common unit if the net assets of the Company were sold at fair market value and distributed.

Redeemable non-controlling interests

Upon consummation of the Business Combination, OPAL Fuels and its members caused the existing limited liability company agreement Limited Liability Company Agreement to be amended and restated and in restated. In connection therewith, all of the common units of OPAL Fuels LLC issued and outstanding immediately prior to the closing Business Combination were re-classified into 144,399,037 Class B Units. Each Class B Unit is paired with 1 a single non-economic share of Class D common stock issued by the Company. Each pair of Class B Unit and 1 a single share of Class D common stock is exchangeable to either 1 a single share of Class A common stock or 1 a single share of Class C common stock at the holder's option. Upon an exchange for Class A common stock, the Company has the option to redeem shares for cash at their market value.

Redeemable non-controlling interests have been presented as mezzanine equity in the condensed consolidated statements of change in Redeemable non-controlling interests, Redeemable preferred non-controlling interests and stockholders' equity. At each balance sheet date, the Redeemable non-controlling interests are adjusted up to their redemption value if necessary, with an offset in Stockholders' equity. As of June 30, 2023 September 30, 2023, the Company recorded \$1,068,274 \$1,158,937 to adjust the carrying value to their redemption value based on a 5 day five-day VWAP of \$7.40 \$8.03 per share.

14. Stock-based compensation

The Company adopted 2022 Omnibus Equity Incentive Plan (the "2022 Plan") in 2022 which was approved by our shareholders on July 21, 2022. The purposes of the 2022 Plan are to (i) provide an additional incentive to selected employees, directors, and independent contractors of the Company or its Affiliates whose contributions are essential to the growth and success of the Company, (ii) strengthen the commitment of such individuals to the Company and its Affiliates, (iii) motivate those individuals to faithfully and diligently perform their responsibilities and (iv) attract and retain competent and dedicated individuals whose efforts will result in the long-term growth and profitability of the Company. The 2022 Plan allows for the granting of stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. The Company registered 19,811,726 shares of Class A common stock that can be issued under this Plan.

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On March 31, 2023, the Company issued 196,961 stock options, 888,831 restricted stock units and 274,617 performance units to certain employees of the Company. The fair value of the stock options was determined to be \$5.26 based on Black Scholes model based on the share price of \$6.97, exercise price of \$6.97, expiration of 10 years, annual risk free interest rate of 4.04% and volatility of 65%. Additionally, the Company issued 135,583 restricted stock units to the board of directors. The total fair value of the equity awards was \$6,955.

A summary of the equity awards under the 2022 Plan for the six nine months ended June 30, 2023 September 30, 2023 is as follows:

		Number of Units outstanding	Weighted Average Grant Date Fair Value	Aggregate Fair Value (in thousands)		Number of Units outstanding	Weighted Average Grant Date Fair Value	Aggregate Fair Value (in thousands)
Restricted Stock Units:	Restricted Stock Units:				Restricted Stock Units:			
Unvested awards as of December 31, 2022	Unvested awards as of December 31, 2022	422,349	\$ 7.94		Unvested awards as of December 31, 2022	422,349	\$ 7.94	
Granted	Granted	1,038,347	6.98		Granted	1,038,347	6.98	
Vested in August 2023					Vested in August 2023	(2,135)	6.97	
Shares withheld for settlement of taxes					Shares withheld for settlement of taxes	(1,046)		
Forfeitures	Forfeitures	(41,664)	7.49		Forfeitures	(50,378)	7.49	

Restricted Stock Units								
outstanding as of June 30, 2023		1,419,032	\$	7.25	\$	10,284		
Restricted Stock Units								
outstanding as of September 30, 2023								
							1,407,137	\$ 7.31 \$ 10,284
Stock Options:	Stock Options:							
Unvested awards as of December 31, 2022	Unvested awards as of December 31, 2022	—		—			—	—
Granted	Granted	196,961	\$	5.26			196,961	\$ 5.26
Stock Options outstanding as of June 30, 2023		196,961	\$	5.26	\$	1,036		
Stock Options outstanding as of September 30, 2023								
							196,961	\$ 5.26 \$ 1,036
Performance Stock Units:	Performance Stock Units:							
Unvested awards as of December 31, 2022	Unvested awards as of December 31, 2022	—					—	
Granted	Granted	274,617	\$	6.97			274,617	\$ 6.97
Vested in August 2023							(83)	
Shares withheld for settlement of taxes							(31)	
Forfeitures	Forfeitures	(4,089)	\$	6.97			(3,975)	\$ 6.97
Performance Stock Units outstanding as of June 30, 2023		270,528	\$	6.97	\$	1,886		
Performance Stock Units outstanding as of September 30, 2023								
							270,528	\$ 6.97 \$ 1,553
Total unvested awards outstanding as of June 30, 2023		1,886,521	\$	7.00	\$	13,206		
Total unvested awards outstanding as of September 30, 2023								
							1,874,626	\$ 6.87 \$ 12,873

Stock-based compensation expense for all stock awards included in Selling, general and administrative expenses:

	Six Months Ended			
	Three Months Ended June 30,		June 30,	
	2023	2022	2023	2022
Stock-based compensation expense	\$ 1,877	\$ 160	\$ 2,848	\$ 320
	\$ 1,877	\$ 160	\$ 2,848	\$ 320

Three Months Ended September 30,	Nine Months Ended September 30,
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	2023	2022	2023	2022
Stock-based compensation expense	\$ 1,899	\$ 160	\$ 4,747	\$ 320
	\$ 1,899	\$ 160	\$ 4,747	\$ 320

Stock-based compensation expense related to unvested awards yet to be recognized as of **June 30, 2023** **September 30, 2023** totaled **\$9,726** **\$7,705** and is expected to be recognized, on a weighted average basis, over 2.3 years.

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15. Net (Loss) Income (Loss) Per Share

The basic income per share of Class A common stock is computed by dividing the net (loss) income (loss) attributable to Class A common stockholders by the weighted average number of Class A common stock outstanding during the period.

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The basic income per share for the three and **six nine** months ended **June 30, 2023** **September 30, 2023** does not include 1,635,783 shares in treasury, 763,908 shares issued and outstanding but are contingent on achieving earnout targets. **During In** the first quarter of 2023, the put option was exercised and 197,258 shares of Class A common stock were cancelled.

Prior to the Business Combination, the membership structure of OPAL Fuels included common units which shared in the profits and losses of OPAL Fuels LLC. The Company analyzed the calculation of earnings per units for periods prior to the consummation of the Business Combination and determined that such information would not be meaningful to the users of these condensed consolidated financial statements. Therefore net income per share information has not been presented for the three and six months ended **June 30, 2022**.

The diluted income per share of Class A common stock for the three and **six nine** months ended **June 30, 2023** **September 30, 2023** does not include Redeemable preferred non-controlling interests **and the Convertible Note Payable** because the substantive contingency for conversion has not been met as of **June 30, 2023** **September 30, 2023**. It does not include 144,399,037 OPAL Fuels Class B units representing Redeemable non-controlling interest as its impact is anti-dilutive. It does not include 763,908 Sponsor Earnout Awards and 10,000,000 OPAL Earnout Awards as their target share price and adjusted EBITDA contingencies have not been met as of **June 30, 2023** **September 30, 2023**. The outstanding stock options issued under the 2022 Plan are not included as their impact is **dilutive, antidilutive**. The outstanding performance units under the 2022 Plan are not included as the performance conditions have not been met as of **June 30, 2023** **September 30, 2023**.

The Class D common stock does not participate in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class D common stock under the two-class method has not been presented.

The following table summarizes the calculation of basic and diluted net loss per share:

	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended
	June 30, 2023	June 30, 2023	September 30, 2023	September 30, 2023
Net income attributable to Class A common stockholders	17,924	\$ 16,345		
Net (loss) income attributable to Class A common stockholders			Net (loss) income attributable to Class A common stockholders	
			(400)	\$ 15,945

Weighted average number of shares of Class A common stock - basic	Weighted average number of shares of Class A common stock - basic	26,977,682	27,179,488	Weighted average number of shares of Class A common stock - basic	26,978,969	27,110,953
Dilutive effect of stock options, restricted stock units, performance units, Convertible note payable, earnout shares, Redeemable preferred non-controlling interests, Redeemable non-controlling interests	Dilutive effect of stock options, restricted stock units, performance units, Convertible note payable, earnout shares, Redeemable preferred non-controlling interests, Redeemable non-controlling interests	270,957	377,212	Dilutive effect of stock options, restricted stock units, performance units, Convertible note payable, earnout shares, Redeemable preferred non-controlling interests, Redeemable non-controlling interests	—	572,902
Weighted average number of shares of Class A common stock - diluted	Weighted average number of shares of Class A common stock - diluted	27,248,639	27,556,700	Weighted average number of shares of Class A common stock - diluted	26,978,969	27,683,855
Net loss per share of Class A common stock	Net loss per share of Class A common stock			Net loss per share of Class A common stock		
Basic	Basic	\$ 0.66	\$ 0.60	Basic	\$ (0.01)	\$ 0.59
Diluted	Diluted	\$ 0.66	\$ 0.59	Diluted	\$ (0.01)	\$ 0.58

16. Income taxes

As a result of the Company's up-C structure effective with the Business Combination, the Company expects to be a tax-paying entity. However, as the Company has historically been loss-making, any deferred tax assets created as a result of net operating losses and other deferred tax assets for the excess of tax basis in the Company's investment in Opal Fuels would be offset by a full valuation allowance. Prior to the Business Combination, OPAL Fuels was organized as a limited liability company, with the exception of one partially-owned subsidiary which filed income tax returns as a C-Corporation. The Company accounts for its income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amount of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Judgment is required in determining the provisions for income and other taxes and related accruals, and deferred tax assets and liabilities. In the ordinary course of

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business, there are may be transactions and calculations where the ultimate tax outcome is uncertain. Additionally, the Company's

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various tax returns are subject to audit by various tax authorities. Although the Company believes that its estimates are reasonable, actual results could differ from these estimates.

For the three and six nine months ended June 30, 2023 September 30, 2023, the Company recorded zero income tax expense. The effective tax rate for the three and six nine months ended June 30, 2023 September 30, 2023 was 0%. The difference between the Company's effective tax rate for the three and six nine months ended June 30, 2023 September 30, 2023 and the U.S. statutory tax rate of 21% was primarily due to a full valuation allowance recorded on the Company's net U.S. deferred tax assets. The Company did not record a tax provision for the three and six nine months ended June 30, 2022 September 30, 2022 primarily due to OPAL Fuels' status as a pass-through entity for U.S. federal income tax purposes. The Company evaluates the realizability of the deferred tax assets on a quarterly basis and establishes a valuation allowance when it is more likely than not that all or a portion of a deferred tax asset may not be realized.

17. Commitments and Contingencies

Letters of Credit

As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company was required to maintain five and nine standby letters of credit totaling \$1,498 \$10,498 and \$2,292, respectively, to support obligations of certain Company subsidiaries. These letters of credit were issued in favor of a lender, utilities, a governmental agency, and an independent system operator under PPA electrical interconnection agreements, and in place of a debt service reserve. There have been no draws to date on these letters of credit.

Purchase Options

The Company has two contracts with customers to provide CNG for periods of seven and ten years, respectively. The customers have an option to terminate the contracts and purchase the Company's CNG Fueling Station at the customers' sites for a fixed amount that declines annually.

In July 2015, the Company entered into a ten year fuel sales agreement Fuel Sales Agreement with a customer that included the construction of a CNG Fueling Station owned and managed by the Company on the customer's premises. At the end of the contract term, the customer has an option to purchase the CNG Fueling Station for a fixed amount. The cost of the CNG Fueling Station was recorded to Property, plant, and equipment and is being depreciated over the contract term.

On May 30, 2023, OPAL Intermediate Holdco 2 assigned to Paragon its rights and obligations under the OPAL Term Loan II. Additionally, the Company signed an equity commitment letter up to a maximum of \$2,100, to Paragon relating to its share of equity contribution towards any cost over runs in connection with the construction and completion of Emerald project.

Legal Matters

The Company is involved in various claims arising in the normal course of business. Management believes that the outcome of these claims will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

In September 2021, an indirect subsidiary of the Company, MD Digester, LLC entered into a fixed-price Engineering, Procurement and Construction Contract (an "EPC Contract") with VEC Partners, Inc. dba CEI Builders ("CEI") for the design and construction of a turn-key renewable natural gas production facility using dairy cow manure as feedstock in California's Central Valley. In December 2021, a second indirect subsidiary of the Company, VS Digester, LLC entered into a nearly identical EPC Contract for the design and construction of a second facility, also in California's Central Valley. CEI's performance under both of the EPC Contracts is fully bonded by licensed sureties.

CEI has submitted a series of change order requests seeking to increase the EPC Contract Price by approximately \$14 million, per project, primarily due to: (1) modifications to CEI's design drawings which are required to meet its contracted performance guaranties, and (2) a termination (for default) of one of CEI's major equipment manufacturers. The Company disputes the vast majority of the change order requests. The Company, CEI and CEI's surety are in active settlement discussions and have agreed to a temporary funding arrangement pending resolution of the disputed change

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orders to keep the projects moving forward. No formal legal proceedings have been filed, and no discovery has been performed.

18. Subsequent events

Gas sale and purchase agreement Events

On August 11, 2023 October 5, 2023, Ms. Ann Anthony gave notice of her intention to resign as Chief Financial Officer ("CFO") of the Company to pursue another professional opportunity. Ms. Anthony's departure date was at the time not yet determined. Ms. Anthony will, also resign from her positions as the Company's Principal Financial Officer and Principal Accounting Officer. On October 10, 2023, the board of directors of the Company appointed Mr. Scott Contino as Interim Chief Financial Officer. Mr. Contino will assist Ms. Anthony during the transition and assume the CFO role on the date of Ms. Anthony's departure. The Company has entered into an interim services agreement (the "Interim Services Agreement") with Fortistar in accordance with the terms and conditions of the existing Administrative Services Agreement between the Company and Fortistar. Pursuant

to the Interim Services Agreement, the Company will pay Fortistar a services fee as described below, which is substantially the same as the cash compensation that was paid to Ms. Anthony.

On October 19, 2023, Ms. Anthony signed a separation agreement with the Company, pursuant to which Ms. Anthony has agreed to serve in her current role until November 15, 2023. Certain equity incentive awards that were granted to Ms. Anthony, and that would have otherwise been forfeited due to her resignation, will vest on March 31, 2024 in accordance with the Separation Agreement. These equity awards consist of 33,328 restricted stock units and options to purchase 5,545 shares of Class A Common Stock at an exercise price of \$6.97.

On October 20, 2023 (the "Effective Date"), a wholly-owned subsidiary of the Company entered into a Third Amended an Asset Purchase and Restated Gas Sale and Purchase Agreement and a Third Amended and Restated Site Lease Agreement (collectively, (for the "Agreements" purposes of this paragraph, the "Agreement") with Washington Gas Light Company ("WGL"). The subsidiary is currently constructing a leading environmental services company. The Agreements, which are effective as of August 11, 2023, provide production facility (the "Facility") at the Company with the right to purchase landfill gas ("LFG") from a Prince William County landfill located in Massachusetts, for the purpose of combusting such LFG to generate renewable electricity at the facility (the "Facility") Manassas, Virginia, on a parcel located on the landfill, footprint, to process landfill gas into RNG. The Agreement obligates the subsidiary to develop, plan and permit a gas pipeline extension and associated interconnection facilities (the "Project") to deliver RNG from the Facility to an interconnection point on WGL's pipeline. Per the terms and conditions of the Agreements, Agreement, WGL will purchase the Company will make certain royalty and lease payments. Project from the subsidiary after the final completion of same at a purchase price of \$25 million. The terms closing is contingent upon approval of the Agreements are 20 years from Agreement by the Virginia State Corporation Commission, as well as the satisfaction of customary closing conditions, and the outside closing date is on or prior to the Facility commences operations.

12-month anniversary of the Effective Date.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this Management's Discussion and Analysis of Financial Condition and Results of Operations section, references to "OPAL", "we", "us", "our", and the "Company" refer to OPAL Fuels Inc. and its consolidated subsidiaries. The following discussion and analysis should be read in conjunction with the Company's unaudited condensed consolidated financial statements as of June 30, 2023 September 30, 2023 and for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, and the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K, which was filed with the SEC on March 29, 2023. Report. In addition to historical information, this discussion and analysis includes certain forward-looking statements which reflect our current expectations. The Company's actual results may materially differ from these forward-looking statements.

Overview

We are a renewable energy company specializing in the capture and conversion of biogas for the (i) production of RNG for use as a vehicle fuel for heavy and medium-duty trucking fleets, (ii) generation of electricity generated from renewable sources ("Renewable Power") for sale to utilities, (iii) generation and sale of Environmental Attributes (as defined below) associated with RNG and Renewable Power, and (iv) sales of RNG as pipeline quality natural gas. We also design, develop, construct, operate and service Fueling Stations for trucking fleets across the country that use natural gas to displace diesel as their transportation fuel. The Biogas Conversion Projects currently use LFG and dairy manure as the source of the biogas. In addition, we have has recently begun implementing design, development, and construction services for hydrogen Fueling Stations, and we are pursuing opportunities to diversify its our sources of biogas to other waste streams. The term "Environmental Attributes" refers to federal, state and local government incentives in the United States, provided in the form of renewable identification numbers ("RINs"), renewable energy RECs, LCFS credits, ("RECs"), low carbon fuel standard ("LCFS") credits, ISCC Carbon Credits, rebates, tax credits and other incentives to end users, distributors, system integrators and manufacturers of renewable energy projects, that promote the use of renewable energy. We separately design, develop, construct, operate and service Fueling Stations for vehicle fleets across the country that dispense RNG and/or CNG to displace diesel as a fleet transportation fuel, projects.

Recent developments

On May 30, 2023 October 5, 2023, Ms. Ann Anthony gave notice of her intention to resign as Chief Financial Officer ("CFO") of the Company to pursue another professional opportunity. Ms. Anthony's departure date was at the time not yet determined. Ms. Anthony will, also resign from her positions as the Company's Principal Financial Officer and Principal Accounting Officer. On October 10, 2023, the board of directors of the Company together with a third-party environmental solutions company formed a new joint venture holding company Paragon RNG LLC ("Paragon"), appointed Mr. Scott Contino as Interim Chief Financial Officer. Mr. Contino will assist Ms. Anthony during the transition and assume the CFO role on the date of Ms. Anthony's departure. The Company owns 50% has entered into an interim services agreement (the "Interim Services Agreement") with Fortistar in accordance with the terms and conditions of the ownership interest in Paragon. Concurrent existing Administrative Services Agreement between the Company and Fortistar. Pursuant to the formation of Paragon, Interim Services Agreement, the Company contributed its 50% ownership interests in Emerald and Sapphire will pay Fortistar a services fee as described below, which is substantially the same as the cash compensation that was paid to Paragon. Ms. Anthony.

On May 30, 2023 October 19, 2023, OPAL Fuels Intermediate Holdco 2 LLC ("OPAL Intermediate Holdco 2") Ms. Anthony signed a separation agreement with the Company, pursuant to which Ms. Anthony has agreed to serve in her current role until November 15, 2023. Certain equity incentive awards that were granted to Ms. Anthony, and that would have otherwise been forfeited due to her resignation, will vest on March 31, 2024 in accordance with the Separation Agreement. These equity awards consist of 33,328 restricted stock units and options to purchase 5,545 shares of Class A Common Stock at an exercise price of \$6.97.

On October 20, 2023 (the "Effective Date"), a wholly-owned indirect subsidiary of the Company assigned entered into an Asset Purchase and Sale Agreement (for the purposes of this paragraph, the "Agreement") with Washington Gas Light Company ("WGL"). The subsidiary is currently constructing a production facility (the "Facility") at the Prince William County landfill located in Manassas, Virginia, on a parcel located on the landfill, to Paragon its rights process LFG into RNG. The Agreement obligates the subsidiary to develop, plan and obligations under its existing senior secured credit facility, OPAL Term Loan II.

Upon permit a gas pipeline extension and associated interconnection facilities (the "Project") to deliver RNG from the execution Facility to an interconnection point on WGL's pipeline. Per the terms and conditions of the above two transactions, Agreement, WGL will purchase the Company reassessed its equity interests in Emerald and Sapphire under ASC 810, Consolidation and determined that Project from the Company does not have subsidiary after the final completion of same at a controlling financial interest in Paragon under ASC 810 because the governance purchase price of \$25 million. The closing is contingent upon approval of the joint venture is driven by a board jointly controlled Agreement by the joint venture partner and OPAL equally and there are substantive participating rights held by the joint venture partner in the significant activities of Paragon.

Based on the above analysis, the Company determined that it should account for its ownership interests in Paragon under the equity method of accounting pursuant to ASC 323, Investments Equity Method and Joint Ventures, prospectively, Virginia State Corporation Commission, as well as the Company has satisfaction of customary closing conditions, and the ability outside closing date is on or prior to exercise significant influence, but not control over the joint venture company.

Construction Update

- The Polk County landfill RNG project, owned 100% by OPAL Fuels, started construction in June 2023 and we anticipate commercial operations beginning in 12-month anniversary of the fourth quarter of 2024. This project represents approximately 1.1 million MMBtu of annual nameplate capacity.
- The Emerald RNG project completed construction and will be added to our in-operation portfolio in the third quarter as commissioning is completed. This project represents approximately 1.3 million MMBtu of OPAL Fuels' 50% ownership share of annual nameplate capacity.

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- The Prince William RNG project is expected to commence commercial operations in the first quarter of 2024. This project represents approximately 1.7 million MMBtu of annual nameplate capacity which is owned 100% by OPAL Fuels.
 - The Sapphire RNG project is expected to commence commercial operations in the first half of 2024. This project represents approximately 800,000 MMBtu for OPAL Fuels' 50% ownership share of annual nameplate capacity.
 - We have moved our Northeast landfill RNG conversion project back to our Advanced Development Pipeline. It is being considered as a landfill gas to electric project. This project represents approximately 0.3 million MMBtu of annual nameplate capacity.
 - OPAL Fuels' updated share of annual nameplate capacity for our six projects in construction is approximately 5.4 million MMBtu.

Development Update

- We remain on track to place at least 2.0 million MMBtu of RNG projects (representing OPAL Fuels' proportional ownership) into construction in 2023.
- Our Advanced Development Pipeline comprises of 8.1 million MMBtu of feedstock biogas per year, adjusted for Polk moving to our In-Construction portfolio and our Northeast landfill project moving to our Advanced Development Pipeline. Effective Date.

Impact of COVID-19

In response to the COVID-19 pandemic, we instituted a safety committee that oversees to oversee our compliance with federal, state, and local government mandates, and ensures ensure that the Company adheres to Centers for Disease Control guidelines to maintain safe working conditions for our employees. Some of the protocols we implemented include limiting in-person work to essential personnel and performing temperature checks. Since March 2020, where practicable, our employees have

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worked remotely and minimized travel and other non-essential contact. Additionally, we are providing our employees with COVID-19 testing at no cost and personal protective equipment for their safety and well-being.

As of the date of this report, the COVID-19 pandemic has had a relatively minimal economic impact on our results of operations.

The duration and future economic severity of the COVID-19 remains uncertain, and our results of operations and financial condition could potentially face material adverse effect(s) in the future due to COVID-19.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations is based upon our interim unaudited condensed consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") GAAP and the rules and regulations of the SEC, which apply to interim financial statements. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues, expenses and warrants and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. As the discussion and analysis of our financial condition and results of operations are based upon our interim unaudited condensed consolidated financial statements, they do not include all of the information on critical accounting policies normally included in consolidated financial statements. Accordingly, a detailed description of these critical accounting policies and the consolidated financial statements and notes thereto are included in the Company's Annual Report on Form 10-K, which was filed with SEC on March 29, 2023. Report.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates and assumptions of the Company relate to the useful lives of property, plant and equipment, fair value of the

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deconsolidated VIEs, the value of stock-based compensation and the fair value of derivatives including warrant liabilities, earnout liabilities, put option on a forward purchase agreement, interest rate swaps and commodity swap contracts.

Key Factors and Trends Influencing our Results of Operations

The principal factors affecting our results of operations and financial condition are the markets for RNG, Renewable Power, and associated Environmental Attributes, and access to suitable biogas production resources. Additional factors and trends affecting our business are discussed in "Risk Factors" elsewhere in this report.

Market Demand for RNG

Demand for our converted biogas and associated Environmental Attributes, including RINs and LCFS credits, is heavily influenced by United States federal and state energy regulations together with commercial interest in renewable energy products. Markets for RINs and LCFS credits arise from regulatory mandates that require refiners and blenders to incorporate renewable content into transportation fuels. The EPA annually sets proposed renewable volume obligations ("RVOs") for D3 (cellulosic biofuel with a 60% greenhouse gas ("GHG") reduction requirement) RINs in accordance with the mandates established by the Energy Independence and Security Act of 2007. The In June 2023, the EPA set RVOs for 2023 and beyond and the EPA introduced through 2025 via a new Set rule in June 2023, rule. This 3 year RVO is expected to reduce volatility in RIN pricing for the upcoming three years, associated period. On the state level, the economics of RNG are enhanced by low-carbon fuel initiatives, particularly well-established programs in California and Oregon (with several other states also actively considering LCFS initiatives similar to those in California, Washington and Oregon). Federal and state regulatory developments could result in significant future changes to market demand for the RINs and LCFS credits we produce. This would have a corresponding impact to our revenue, net income, and cash flow.

Commercial transportation, Transportation, including heavy-duty trucking, generates approximately 30% emissions of overall CO₂ and other climate-harming GHGs GHG emissions in the United States, and transitioning this sector to low and negative carbon fuels is a critical step

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towards reducing overall global GHG emissions. The adoption rate of RNG-powered vehicles by commercial transportation fleets will significantly impact demand for our products.

We are also exposed to the commodity prices of natural gas and diesel, which serve as alternative fuel for RNG and therefore impact the demand for RNG.

Renewable Power Markets

We also generate revenues from sales of RECs and Renewable Power generated by our biogas-to-Renewable Power projects, projects, and associated ISCC Carbon Credits and RECs. ISCC Carbon Credits and RECs exist because of legal and governmental regulatory requirements in Europe and the United States, respectively, and a change in law or in governmental policies concerning Renewable Power, landfill gas ("LFG"), LFG, or the sale of ISCC Carbon Credits or RECs could affect the market for, and the pricing of, the RECs that we generate through production at our Biogas Conversion Projects, such power and credits.

We periodically evaluate opportunities to convert existing biogas-to-Renewable Renewable Power projects to RNG production. This strategy has been an increasingly attractive avenue for growth when RNG from landfills become eligible for D3 RINs. We have been negotiating with several of our landfill and Renewable Power off-takers counterparties to enter into arrangements that would free up enable the LFG resource to produce RNG. Changes in the price we receive for RECs Renewable Power, associated ISCC Carbon Credits

and Renewable Power, RECs, together with the revenue opportunities and conversion costs associated with converting our LFG sites to RNG production, could have a significant impact on our future profitability.

Key Components of Our Results of Operations

We generate revenues from the sale of RNG fuel, Renewable Power, and associated Environmental Attributes, as well as from the construction, fuel supply, and servicing of Fueling Stations for commercial transportation vehicles using natural gas to power their fleets. These revenue sources are presented in our statement of operations under the following captions:

- **RNG Fuel.** The RNG Fuel segment includes RNG supply as well as the associated generation and sale of commodity natural gas and environmental credits, and consists of:
 - RNG Production Facilities – the design, development, construction, maintenance and operation of facilities that convert raw biogas into pipeline quality natural gas; and
 - The Company's interests in both operating and construction projects.

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- **Fuel Station Services.** Through its Fuel Station Services segment, the Company provides construction and maintenance services to third-party owners of vehicle Fueling Stations and performs fuel dispensing activities including generation and minting of environmental credits. This segment includes:
 - Manufacturing division that builds Compact Fueling Systems and Defueling systems;
 - Design/Build contracts where the Company serves as general contractor for construction of Fueling Stations, typically structured as Guarantee Maximum Price or fixed priced contracts for customers, generally lasting less than one year;
 - Service and maintenance contracts for RNG/CNG Fueling Stations; and
 - RNG and CNG Fuel Dispensing Stations - This includes both the dispensing (or sale) of RNG, commodity natural gas, and environmental credit generation and monetization. The Company operates Fueling Stations that dispense both CNG and RNG fuel for vehicles.
- **Renewable Power Portfolio.** The Renewable Power portfolio segment generates renewable power and associated environmental attributes such as ISCC Carbon Credits and RECs through combustion of biogas from landfills and digester gas collection systems which is then sold to public utilities throughout the United States. The Renewable portfolio operates primarily in Southern California.

Our costs of sales associated with each revenue category are as follows:

- **RNG Fuel.** Includes royalty payments to biogas site owners for the biogas we use; service provider costs; salaries and other indirect expenses related to the production process, utilities, transportation, storage, and insurance; and depreciation of production facilities.
- **Fuel Station Services.** Includes equipment supplier costs; service provider costs; and salaries and other indirect expenses.
- **Renewable Power.** Includes royalty payments, land usage costs; service provider costs; salaries and other indirect expenses related to the production process; utilities; and depreciation of production facilities.

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Selling, general, and administrative expense consists of costs involving corporate overhead functions, including the cost of services provided to us by an affiliate, and marketing costs.

Depreciation and amortization primarily relate to depreciation associated with property, plant, and equipment and amortization of acquired intangibles arising from PPAs and interconnection contracts. We are in the process of expanding our RNG and Renewable Power production capacity and expect depreciation costs to increase as new projects are placed into service.

Results of Operations for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022:

Operational data Results

The following table summarizes the operational data achieved for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022:

	Three Months Ended June 30,	Six Months Ended June 30,
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	2023	2022	2023	2022
RNG Fuel volume produced (Million MMBtus)	0.6	0.5	1.2	0.9
RNG Fuel volume sold (Million GGEs)	11.0	7.2	19.3	13.3
Total volume delivered (Million GGEs)	35.5	26.9	67.9	52.5

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
RNG Fuel Capacity and Utilization				
Design Capacity (Million MMBtus) ⁽¹⁾	1.3	1.0	3.9	2.9
Volume of Inlet Gas (Million MMBtus)	0.8	0.7	2.2	1.7
Inlet Design Capacity Utilization % ^{(2) (3)}	79 %	78 %	77 %	72 %
RNG Fuel volume produced (Million MMBtus)	0.7	0.6	2.0	1.5
Utilization of Inlet Gas % ^{(3) (4)}	84 %	85 %	85 %	87 %

⁽¹⁾ Design Capacity for RNG facilities is measured as the volume of feedstock biogas that the facility is capable of accepting at the inlet and processing during the associated period. Design Capacity is presented as OPAL's ownership share (i.e., net of joint venture partners' ownership) of the facility and is calculated based on the number of days in the period. New facilities that come online during a quarter are pro-rated for the number of days in commercial operation.

⁽²⁾ Inlet Design Capacity Utilization is measured as the weighted average of Volume of Inlet Gas, divided by the total Design Capacity. The Volume of Inlet Gas varies over time depending on, among other factors, (i) the quantity and quality of waste deposited at the landfill, (ii) waste management practices by the landfill, and (iii) the construction, operations and maintenance of the landfill gas collection system used to recover the landfill gas. The Design Capacity for each facility will typically be correlated to the amount of landfill gas expected to be generated by the landfill during the term of the related gas rights agreement. The Company expects Inlet Design Capacity Utilization to be in the range of 75-85% on an aggregate basis over the next several years. Typically, newer facilities perform at the lower end of this range and demonstrate increasing utilization as they mature.

⁽³⁾ Data not available for the Company's dairy projects, i.e., Sunoma and Biotown.

⁽⁴⁾ Utilization of Inlet Gas is measured as weighted average of RNG Fuel Produced divided by Volume of Inlet Gas. Utilization of Inlet Gas varies over time depending on availability and efficiency of the facility and the quality of landfill gas (i.e., concentrations of methane, oxygen, nitrogen, and other gases). The Company generally expects Utilization of Inlet Gas to be in the range of 80% - 90%.

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Renewable Power				
Design Capacity (MW per hour) ⁽¹⁾	83.6	112.5	102.8	112.5
Design Capacity for the period (Millions MWh) ⁽¹⁾	0.25	0.25	0.73	0.73
Renewable Power produced (Millions MWh)	0.11	0.11	0.35	0.37
Design Capacity Utilization (%) ⁽²⁾	44 %	44 %	48 %	51 %

⁽¹⁾ Design Capacity for Renewable Power facilities is the manufacturer's expected capacity at ISO conditions for each facility and may not reflect actual production from the projects, which depends on many variables including, but not limited to, (i) quantity and quality of the biogas, (ii) operational up-time of the facility, including dispatch and maintenance downtime and (iii) actual efficiency of the facility.

⁽²⁾ Design Capacity Utilization for Renewable Power facilities is measured as Renewable Power Produced divided by Design Capacity for the period. Given (i) built-in un-utilized capacity from historical designs, (ii) availability (a function of higher maintenance requirements compared to RNG facilities) and (iii) commencement of operations of the Emerald RNG facility, which will result in low levels of dispatch for the Arbor Hills facility (which will operate on a standby basis but remain in the operating portfolio), the Company's Design Capacity Utilization is expected to remain below 50%.

RNG projects

Below is a table setting forth the RNG projects in operation and construction in our portfolio:

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	OPAL's Share of Design capacity (MMbtus per year)				OPAL's Share of Design Capacity (MMbtus per year)				Expected Commercial Operation Date
		(1)	Source of bio gas	Ownership (2)		(1)	Source of Biogas	Ownership	(5)
RNG projects in operation:									
RNG Projects in Operation:					RNG Projects in Operation:				
Greentree	Greentree	1,061,712	LFG	100%	Greentree	1,061,712	LFG	100%	N/A
Imperial	Imperial	1,061,712	LFG	100%	Imperial	1,061,712	LFG	100%	N/A
Emerald (2) (3)					Emerald (2) (3)	1,327,140	LFG	50%	N/A
New River	New River	663,570	LFG	100%	New River	663,570	LFG	100%	N/A
Noble Road (3)		464,499	LFG	50%					
Pine Bend (3)		424,685	LFG	50%					
Biotown (3)		48,573	Dairy	10%					
Sunoma		192,350	Dairy	90%					
Noble Road (2)					Noble Road (2)	464,499	LFG	50%	N/A
Pine Bend (2)					Pine Bend (2)	424,685	LFG	50%	N/A
Biotown (2)					Biotown (2)	48,573	Dairy	10%	N/A
Sunoma (4)					Sunoma (4)	192,350	Dairy	90%	N/A
Sub total	Sub total	3,917,101			Sub total	5,244,241			
RNG projects in construction:									
Emerald (3) (4)		1,327,140	LFG	50%					
RNG Projects in Construction:					RNG Projects in Construction:				
Prince William	Prince William	1,725,282	LFG	100%	Prince William	1,725,282	LFG	100%	First quarter 2024
Hilltop (6)	Hilltop (6)	255,500	Dairy	100%	Hilltop (6)	255,500	Dairy	100%	Third quarter 2024
Vander Schaaf (6)	Vander Schaaf (6)	255,500	Dairy	100%	Vander Schaaf (6)	255,500	Dairy	100%	Fourth quarter 2024
Polk County	Polk County	1,060,000	LFG	100%	Polk County	1,060,000	LFG	100%	Fourth quarter 2024
Sapphire (3) (2)	Sapphire (3) (2)	796,284	LFG	50%	Sapphire (3) (2)	796,284	LFG	50%	Third quarter 2024
Atlantic					Atlantic	331,785	LFG	50%	Mid 2025
Sub total	Sub total	5,419,706			Sub total	4,424,351			
Total	Total	9,336,807			Total	9,668,592			

(1) Reflects the Company's ownership share of design capacity for projects that are not 100% owned by the Company (i.e., net of joint venture partners' ownership). Design capacity is measured as the volume of feedstock biogas that the plant is capable of accepting at the inlet and processing and may not reflect actual production of RNG from the projects, which will depend on many variables including, but not limited to, (i) quantity and quality of the biogas, (ii) operational up-time of the facility and (iii) actual productivity efficiency of the facility.

(2) Certain We record our ownership interests in these projects have as equity method investments in our condensed consolidated financial statements.

(3) Emerald completed commissioning and commenced operations during the third quarter of 2023.

(4) This project has provisions that will adjust or “flip,” “flip” the percentage of distributions to be made to us over time, typically triggered by achievement of hurdle rates that are calculated as internal rates of return on capital invested in the project.

(5) We record our ownership interests Expected Commercial Operation Date (“COD”) for commencement of the RNG projects in construction is based on the Company’s estimate as of the date of this report. CODs are estimates and are subject to change as a result of, among other factors out of the Company’s control: (i) regulatory/permitting approval timing, (ii) disruption in supply chains and (iii) construction timing.

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(6) Achievement of these projects as equity method investments in our condensed consolidated commissioning dates is subject to receipt of certain permits and successful resolution of a series of change order requests from the Engineering, Procurement and Construction contractor responsible for the design and construction of the projects’ facilities, which the Company has disputed. For additional information, please see Note 17 *Commitments and contingencies* to the financial statements.

(4) Emerald completed construction in June 2023 and is expected to complete commissioning in the third quarter of 2023.

Renewable Power Projects

Below is a table setting forth the Renewable Power projects in operation in our portfolio:

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Nameplate capacity (MW per hour) ⁽¹⁾	Current RNG		Stage of RNG conversion ⁽²⁾
	conversion candidate		
California 1 Sycamore	5.2	Yes	In Development
California 3 Lopez	3.0	No	N/A —
California 4 Miramar Energy	3.2	No	N/A Yes
California 5 San Marcos	1.8	No	N/A —
California 6 Santa Cruz	1.6	No	N/A —
California 7 San Diego - Miramar	6.5	No	N/A Yes
California 8 West Covina	6.5	No	N/A —
Florida Port Charlotte	2.9	No	N/A —
Massachusetts 2 Taunton	3.6	No	N/A —
Michigan 1E Arbor Hills ^{(2) (3)}	28.9	Yes	In Construction N/A
Michigan 3 C&C	6.3	Yes	N/A
New York Albany	5.9	No	N/A —
North Carolina 1 Concord and CMS	14.4	Yes	In Development
Pennsylvania Pioneer	8.0	No	N/A —
Prince William 1E I ^{(3) (4)}	1.9	Yes	In Construction
Prince William 2E II ^{(4) (5)}	4.8	Yes	In Construction
Virginia - Richmond Old Dominion	8.0	Yes	In Development
Total	112.5		

(1) Nameplate capacity is the maximum permitted output manufacturer's expected capacity at ISO conditions for each facility and may not reflect actual MW production from the projects, which depends on many variables including, but not limited to, (i) quantity and quality of the biogas, (ii) operational up-time of the facility and (iii) actual productivity of the facility.

(2) It We have determined that some of our Renewable Power Projects are currently RNG conversion candidates. The Company identifies suitable RNG conversion candidates based on highest return of capital which is driven by certain factors including, but not limited to (i) the quantity and quality of LFG, (ii) the proximity to pipeline interconnect and (iii) the ability to enter into contracts, including site leases and gas rights agreements, with host sites. The Company may change its decision to convert a Renewable Power Project into an RNG project in the future. The Company believes disclosing renewable power conversion candidates provides visibility into the effect of those conversions on the existing Renewable Power portfolio.

(3) Although the RNG conversion is completed, it is currently contemplated that the Michigan 1E Arbor Hills renewable power plant will continue limited operations on a stand-by, emergency basis through March of 2031.

(4) See RNG Projects Table above, reference "Prince William" under "RNG Projects In Construction." It is currently contemplated that the Prince William 1E renewable power plant will continue operations through approximately December 2023.

(4) See RNG Projects Table above, reference "Prince William" under "RNG Projects In Construction." It is currently contemplated that the Prince William 2E renewable power plant will continue operations through approximately December 2023.

(5) It is currently contemplated that the Prince William II renewable power plant will continue operations through approximately December 2023.

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Comparison of the Three and Six Nine Months Ended June 30, 2023 September 30, 2023 and 2022

The following table presents the period-over-period change for each line item in the Company's statement of operations for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022.

(in thousands)	(in thousands)	Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30,			
		2023	2022	\$ Change	% Change	2023	2022	(in thousands)	\$ Change	% Change	2023	2022	\$ Change
Revenues:	Revenues:										Revenues:		
RNG fuel	RNG fuel	\$16,431	\$16,459	\$ (28)	— %	\$28,625	\$31,508		\$ (2,883)	(9)%	RNG fuel	\$20,088	\$18,293 \$ 1,795
Fuel station services	Fuel station services	29,956	26,730	3,226	12 %	50,784	51,604		(820)	(2)%	Fuel station services	37,305	35,771 1,534
Renewable Power	Renewable Power	8,655	10,028	(1,373)	(14)%	18,590	19,152		(562)	(3)%	Renewable Power	13,708	12,486 1,222
Total revenues	Total revenues	55,042	53,217	1,825	3 %	97,999	102,264		(4,265)	(4)%	Total revenues	71,101	66,550 4,551
Operating expenses:	Operating expenses:										Operating expenses:		
Cost of sales - RNG fuel	Cost of sales - RNG fuel	7,884	8,457	573	7 %	15,407	16,171		764	5 %	Cost of sales - RNG fuel	8,896	10,872 1,976
Cost of sales - Fuel station services	Cost of sales - Fuel station services	27,476	23,630	(3,846)	(16)%	47,768	43,293		(4,475)	(10)%	Cost of sales - Fuel station services	31,887	30,837 (1,050)
Cost of sales - Renewable power	Cost of sales - Renewable power	8,761	7,540	(1,221)	(16)%	17,139	15,948		(1,191)	(7)%	Cost of sales - Renewable power	11,112	7,645 (3,467)
Selling, general, and administrative	Selling, general, and administrative	13,663	7,955	(5,708)	(72)%	28,135	18,810		(9,325)	(50)%	Selling, general, and administrative	13,594	15,751 2,157

Depreciation, amortization, and accretion	Depreciation, amortization, and accretion	3,628	3,325	(303)	(9)%	7,195	6,721	(474)	7%	Depreciation, amortization, and accretion	3,739	3,380	(359)	(
Total expenses	Total expenses	61,412	50,907	10,505	(21)%	115,644	100,943	14,701	(15)%	Total expenses	69,228	68,485	(743)	(
Operating (loss) income		(6,370)	2,310	(8,680)	(376)%	(17,645)	1,321	(18,966)	(1436)%					
Operating income (loss)										Operating income (loss)	1,873	(1,935)	3,808	1
Other income (expense)	Other income (expense)									Other income (expense)				
Interest and financing expense, net	Interest and financing expense, net	(956)	(3,365)	2,409	72%	(1,597)	(6,422)	4,825	75%	Interest and financing expense, net	(2,885)	(790)	(2,095)	(2
Loss on debt extinguishment	Loss on debt extinguishment	(1,895)	—	(1,895)	(100)%	(1,895)	—	(1,895)	(100)%	Loss on debt extinguishment	(953)	—	(953)	(1
Change in fair value of derivative instruments, net	Change in fair value of derivative instruments, net	1,160	92	1,068	1161%	5,093	328	4,765	1453%	Change in fair value of derivative instruments, net	(138)	(1,908)	1,770	(
Other income	Other income	123,109	—	123,109	100%	123,041	—	123,041	100%	Other income	604	6,308	(5,704)	(
(Loss) income from equity method investments		(998)	621	(1,619)	(261)%	(293)	(36)	(257)	(714)%					
Income (loss) income from equity method investments										Income (loss) income from equity method investments	1,726	3,694	(1,968)	(
Net income (loss) before provision for income taxes	Net income (loss) before provision for income taxes	114,050	(342)	114,392	33448%	106,704	(4,809)	111,513	2319%	Net income (loss) before provision for income taxes	227	5,369	(5,142)	(
Provision for income taxes	Provision for income taxes	—	—	—	—%	—	—	—	—%	Provision for income taxes	—	—	—	(
Net income (loss)	Net income (loss)	114,050	(342)	114,392	33448%	106,704	(4,809)	111,513	2319%	Net income (loss)	227	5,369	(5,142)	(
Net income (loss) attributable to redeemable non-controlling interests		93,460	(1,803)	95,263	5284%	85,227	(6,745)	91,972	1364%					
Net (loss) income attributable to redeemable non-controlling interests										Net (loss) income attributable to redeemable non-controlling interests	(2,104)	4,161	(6,265)	(1
Net loss attributable to non-redeemable non-controlling interests	Net loss attributable to non-redeemable non-controlling interests	(183)	(257)	74	29%	(480)	(499)	19	4%	Net loss attributable to non-redeemable non-controlling interests	(51)	(325)	274	
Paid-in-kind preferred dividends	Paid-in-kind preferred dividends	2,849	1,718	1,131	66%	5,612	2,435	3,177	130%	Paid-in-kind preferred dividends	2,782	2,658	124	
Net income attributable to Class A Common stockholders	Net income attributable to Class A Common stockholders	17,924	—	17,924	100%	16,345	—	16,345	100%	Net income attributable to Class A Common stockholders	(400)	(1,125)	725	

Revenues

The following table shows revenues earned by product for the three and nine months ended September 30, 2023 and 2022:

(in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	\$ Change	2023	2022	\$ Change
RNG Fuel						
Brown gas sales	972	4,251	(3,279)	3,403	9,390	(5,987)
Environmental Attributes ⁽¹⁾	19,116	14,042	5,074	34,065	39,425	(5,360)
Total RNG Fuel	20,088	18,293	1,795	37,468	48,815	(11,347)
Fuel Station Services						
OPAL owned stations	4,895	7,014	(2,119)	13,421	13,099	322
RNG marketing	11,956	5,710	6,246	21,728	19,005	2,723
Third party station service and maintenance	5,270	4,835	435	15,489	14,196	1,293
Construction	15,184	18,212	(3,028)	37,451	41,076	(3,625)
Total Fuel Station Services	37,305	35,771	1,534	88,089	87,376	713
Renewable Power						
Electricity sales	9,170	10,943	(1,773)	27,760	30,095	(2,335)
Environmental Attributes ⁽²⁾	4,538	1,543	2,995	15,783	2,528	13,255
Total Renewable Power	13,708	12,486	1,222	43,543	32,623	10,920
Total Revenues	71,101	66,550	4,551	169,100	168,814	286

⁽¹⁾ Revenues from Environmental Attributes in RNG Fuel segment relate to revenues earned from sales of RINs and LCFSS.

⁽²⁾ Revenues from Environmental Attributes in Renewable Power segment include revenues earned from sales of ISCC carbon sales and RECs.

RNG Fuel

Revenue from RNG Fuel remained flat increased by \$1.8 million, or 10% for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to an increase of \$5.1 million from the sale of Environmental Attributes consisting of a \$0.3 million increase from the sale of 5,192 LCFS credits in the current quarter. There were no LCFS credit sales in 2022. There was a net increase of \$4.8 million from the sale of an additional 2.0 million RINs offset by lower pricing in the current quarter compared to the third quarter of 2022. This was offset by a decrease in revenues of \$3.3 million from the sale of brown gas due to lower commodity pricing.

Revenue from RNG Fuel decreased by \$2.9 million \$11.3 million, or 9% 23%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. The decrease is primarily due to a decrease of \$12.6 million \$5.4 million from lower volumes sale of environmental credits (\$1.4 million volume variance from sale of 0.4 million less RINs sold in 2023 compared to 2022 and LCFSS sold decrease of \$4.0 million from price variance as the Company made a decision to hold the RINs and LCFSS as inventory at hand due to current result of decrease of RIN pricing

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levels coupled with year over year). There was a decrease in of \$6.0 million from brown gas sales due to lower pricing offset by an increase in green attribute revenues of \$9.7 million, year over year.

Fuel Station Services

Revenue from Fuel Station Services increased by \$3.2 million \$1.5 million, or 12% 4%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to an increase of \$6.2 million in RNG marketing revenues out of which \$3.5 million is from volume variance from delivering 1.2 million additional RINs, \$2.5 million increase in RIN minting services offset by negative pricing variance of \$0.4 million representing a decrease of \$0.32 per RIN and \$0.5 million increase in service revenues. There was a decrease of \$2.1 million from brown gas sales at OPAL owned station due to lower pricing year over year and a decrease of \$2.8 million in construction revenues by \$2.0 million, \$0.3 million due to timing of recognition of revenues in RIN and LCFS sales and service revenues, \$0.4 million in brown gas sales and \$0.5 million from sale of a compact fueling station, construction projects.

Revenue from Fuel Station Services decreased increased by \$0.8 million \$0.7 million, or 2% 1%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This was primarily attributable to decrease \$1.3 million increase in fuel service

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revenues by \$1.8 million due to holding nine new service and ownership sites, \$2.7 million increase in RNG marketing revenues from RIN and LCFS generation revenues from new supply contracts and release of all stored gas, \$0.3 million increase in house generated environmental credits minted but not sold in inventory as of June 30, 2023 brown gas sales at OPAL owned stations due to higher volumes from six new ownership sites offset by \$0.4 million increase in service decrease of \$3.4 million construction revenues from increase in number due to timing of sites and \$0.6 million in construction revenues, projects.

Renewable Power

Revenue from Renewable Power decreased increased by \$1.4 million \$1.2 million, or 14% 10%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to increase of \$3.0 million from the sale of ISCC Carbon Credits and REC sales offset by loss of revenues of \$1.0 million \$1.2 million from the planned shut down shutdown of one Renewable Power facility in September 2022 and \$0.4 million in operations and maintenance revenues \$0.6 million from one another Renewable Power facility as it converted to an RNG facility.

Revenue from Renewable Power decreased increased by \$0.6 million \$10.9 million, or 3% 33%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This change was attributable primarily to loss increase of revenues \$13.2 million from ISCC Carbon Credit sales and REC sales offset by decrease of \$2.3 million from the planned shut down shutdown of one of the Renewable Power facility.

Cost of sales

RNG Fuel

Cost of sales from RNG Fuel decreased by \$0.6 million \$2.0 million, or 7% 18%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to the decrease of \$0.6 million in start up start-up costs in New river River as the facility came online in second quarter of 2022 and Sunoma compared to the same period prior year, decrease in royalty expenses from lower RIN pricing.

Cost of sales from RNG Fuel decreased by \$0.8 million \$2.7 million, or 5% 10%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This is primarily from due to a decrease in royalty expense because expenses from lower RIN pricing, lower development costs from deconsolidation of Emerald and Sapphire and lower environmental credit sales, dispensing fees.

Fuel Station Services

Cost of sales from Fuel Station Services increased by \$3.8 million \$1.1 million, or 16% 3%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to an \$2.5 million increase in cost of \$2.2 million goods sold for third party inventory of environmental credits, \$3.0 million increase in rebates and dispensing fees for environmental credits, offset by a \$1.9 million decrease in brown gas pricing, \$2.8 million decrease in construction costs corresponding to in line with the increase decrease in construction revenues, \$1.4 million in dispensing fees due to higher volumes from more dispensing contracts offset by \$0.3 million decrease in fuel sales expenses due to lower market pricing of brown gas, revenues.

Cost of sales from Fuel Station Services increased by \$4.5 million \$5.5 million, or 10% 7%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This change was attributable primarily to an a \$6.7 million increase in dispensing fees, and cost of goods sold on third party inventory of environmental credits, a \$2.2 million increase in service costs for new sites offset by decrease of \$2.7 million in construction costs and increased fuel dispensing a \$0.9 million decrease in brown gas costs from market price on brown gas, lower commodity pricing.

Renewable Power

Cost of sales from Renewable Power increased by \$1.2 million \$3.5 million, or 16% 45%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to increase in major maintenance costs and unplanned maintenance a \$1.3 million termination payment made on a power purchase agreement at three of one our Renewable Power facilities, facilities and \$1.2 million of expenses related to a facility which was converted to an RNG project.

Cost of sales from Renewable Power increased by \$1.2 million \$4.7 million, or 7% 20%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This is primarily due to a \$1.3 million termination payment made on a power purchase agreement at one our Renewable Power facilities, \$1.7 million increase in major maintenance costs expense, \$1.4 million increase in royalty expense related to ISCC Carbon Credits and unplanned maintenance at 3 \$1.2 million of expenses related to a facility which was converted to an RNG project offset by savings from planned shut down of one of our Renewable Power facilities.

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Selling, general, and administrative

Selling, general, and administrative expenses increased decreased by a total of \$5.7 million \$2.2 million, or 72% 14%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to an higher insurance cost of \$5.0 million in the third quarter of 2022 on directors and officers tail policy offset by increase of \$1.7 million in stock-based compensation expense \$0.4 million of \$1.5 million, \$0.6 million increase in insurance expense from directors legal and officers insurance after the Company went public in third quarter of 2022 party fees related to debt extinguishment and \$1.2 million \$0.7 million increase in compensation costs. costs year over year.

Selling, general, and administrative expenses increased by a total of \$9.3 million \$7.2 million, or 50% 21%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This is primarily due to an increase in costs from compensation and benefits by \$2.9 million \$5.0 million, bad \$0.6 million increase in legal and third party fees related to debt of \$0.5 million, extinguishment, \$1.1 million increase in legal fees and stock-based compensation expense of \$2.5 million, \$0.3 million \$4.1 million offset by savings in legal fees and insurance expense on directors and officers insurance tail policy of \$0.8 million, \$3.1 million and \$0.7 million savings in audit fees.

Depreciation, amortization, and accretion

Depreciation, amortization, and accretion marginally increased by a total of \$(0.3) million, \$0.4 million, or (9)% 11%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022.

Depreciation, amortization, and accretion marginally increased by a total of \$0.5 million \$0.8 million, or 7% 8%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This is primarily due to increase in depreciation expense in OPAL Fuel Station Services segment due to increase in owned stations and \$0.3 million increase as New River came online in second quarter of 2022.

Interest and financing expense, net

Interest and financing expenses, net decreased increased by \$2.4 million \$2.1 million, or 72% 265%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily due to \$2.7 million of negative mark to market change recorded in the third quarter of 2022 on Convertible Note Payable when 50% of it was converted to equity upon closing of the Business Combination and the 10% premium on the remaining outstanding balance expired. This was offset by savings of \$1.1 million on the Senior Secured Credit Facility as the debt was fully repaid in first quarter of 2023 and there was an increase in interest costs from repayment of outstanding debt under Senior Secured Facility and capitalization of interest expense on the OPAL Term Loan on cash spent on construction of RNG facilities, \$0.5 million as interest rates as well as the outstanding debt increased year over year.

Interest and financing expenses, net decreased by \$4.8 million \$2.7 million, or 75% 38%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This is primarily because due to savings of higher capitalization of interest \$2.3 million on OPAL term loan of \$3.8 million for RNG projects in 2023. Additionally, \$54.9 million of the Senior Secured Credit Facility was repaid in fourth quarter of 2022 and as the remaining balance loan was fully repaid in March 2023. The interest the first quarter of 2023, \$1.4 million savings on the Senior Secured Facility was \$1.8 million OPAL Term Loan due to capitalized interest offset by increase in interest rates and debt outstanding year over year, an increase in amortization interest income of deferred financing costs on OPAL Term Loan II \$0.9 million offset by increase of \$0.5 million, \$1.7 million in the interest expense of Convertible Note Payable as there was a negative mark to market change in the comparable quarter in the prior year.

Loss on debt extinguishment

On May 30, 2023, OPAL Intermediate Holdco 2 assigned to Paragon its rights and obligations under OPAL Term Loan II. The joint venture partner of Paragon reimbursed the Company \$826 \$0.8 million as its portion of the transaction costs incurred.

The Company expensed the remaining deferred financing costs of \$1,895 \$1.9 million as loss on debt extinguishment in its condensed consolidated statement of operations for the three and six nine months ended June 30, 2023 September 30, 2023. Additionally, the Company completed a debt restructuring of the OPAL Term Loan in third quarter of 2023 which was accounted for as a debt modification and the Company recorded a loss on debt extinguishment of \$0.9 million.

There was no loss on debt extinguishment for the three and six nine months ended June 30, 2022 September 30, 2022.

Change in fair value of derivatives, net

Change in fair value of derivatives, net increased decreased by \$1.1 million \$1.8 million, or 1161% 93%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily attributable to \$0.8 million gain recorded on termination because there were public and private warrants and put options outstanding as of interest rate swaps on OPAL Term Loan II September 30, 2022. However, the warrants were exchanged in the fourth quarter of 2022 and \$0.3 million gain on decrease the put option expired in January 2023. The change in fair value for current quarter includes only earnout liabilities.

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Change in fair value of derivatives, net increased by \$4.8 million \$6.5 million, or 1453% 414%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This is primarily attributable to \$4.6 million change in fair of value of Earnout Liabilities offset by negative In 2023, the change in fair value of derivative instruments represents mark to market change on earnout liabilities which decreased in value. In 2022, the Meteor Company had additional derivative instruments including public and private warrants, put option by \$0.3 million, options and interest rate swaps on the Senior Secured Credit Facility.

Other income

Other income increased decreased by \$123.1 million \$5.7 million, or 100% (90)%, for the three months ended June 30, 2023 September 30, 2023 compared to the three months ended June 30, 2022 September 30, 2022. This is primarily attributable due to \$122.9 million \$4.3 million gain recorded on deconsolidation extinguishment of Emerald contingent liability and Sapphire and \$0.5 million higher \$1.9 million gain on repayment of a note receivable recorded in third quarter of 2022. The other income in the current quarter represents gain on transfer of non-financial assets to a vendor. RINS as consideration for services rendered in our OPAL Fuel Station Services segment.

Other income increased by \$123.1 million, \$117.3 million or 100% 1860%, for the six nine months ended June 30, 2023 September 30, 2023 compared to the six nine months ended June 30, 2022 September 30, 2022. This is primarily attributable to \$122.9 million gain recorded on deconsolidation of VIEs and \$0.5 million higher offset by \$6.3 million gain on transfer extinguishment of non-financial assets to a vendor, contingent liability and repayment of note receivable recorded prior year.

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(Loss) income Income (loss) from equity method investments

Net income attributable to equity method investments decreased by \$2.0 million, or 53%, for the three months ended September 30, 2023 compared to the three months ended September 30, 2022. This change was attributable to a \$3.2 million gain on settlement of commodity swap contracts as our portion from GREP in the prior year quarter.

Net loss attributable to equity method investments increased decreased by \$1.6 million, \$2.2 million or 261%, 61% for the three nine months ended June 30, 2023 September 30, 2023 compared to the three nine months ended June 30, 2022 September 30, 2022. This change was attributable to net loss is primarily because we recorded \$3.2 million gain on settlement of commodity swap contracts as our portion from GREP in Emerald, Sapphire, GREP, amortization the third quarter of basis difference on Pine Bend 2022 and Noble Road partially offset by increase in net income from Pine Bend, Noble Road.

Net loss attributable to equity method investments increased by \$0.3 million or 714% for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. This change was attributable to net loss in Emerald, Sapphire, GREP, amortization of basis difference on Pine Bend and Noble Road partially offset by increase in net income from Pine Bend and Noble Road. Road offset by the amortization of basis differences of \$1.6 million in 2023.

Net income attributable to redeemable non-controlling interests

Net income attributable to redeemable non-controlling interests increased decreased by \$95.3 million \$6.3 million or 5284% 151%. The net income for the three months ended June 30, 2023 September 30, 2023 and 2022 reflects the portion of earnings belonging to OPAL Fuels equity holders.

Net income attributable to redeemable non-controlling interests increased by \$92.0 million \$85.7 million or 1364% 3317% and reflects the portion of earnings belonging to OPAL Fuels equity holders.

Net loss attributable to non-redeemable non-controlling interests

Net loss attributable to non-redeemable non-controlling interests for the three months ended June 30, 2023 September 30, 2023 decreased marginally compared to three months ended June 30, 2022 September 30, 2022. This reflects the joint venture partners' loss in certain RNG facilities in which we sold a portion of our ownership interests but are consolidated in our financial statements. These entities for the three months ended June 30, 2023 and 2022, September 30, 2023 were Sunoma and Central Valley and two months of in 2022 we had Emerald, Sapphire, Sunoma and Sapphire, Central Valley.

Net loss attributable to non-redeemable non-controlling interests for the six nine months ended June 30, 2023 September 30, 2023 decreased marginally compared to six nine months ended June 30, 2022 September 30, 2022. This reflects the joint venture partners' loss in certain RNG facilities in which we sold a portion of our ownership interests but are consolidated in our financial statements. These entities for the six nine months ended June 30, 2023 and 2022, September 30, 2023 were Sunoma, and Central Valley and five months of Emerald and Sapphire. Sapphire and in 2022, we had Emerald, Sapphire, Sunoma and Central Valley.

Paid-in-kind preferred dividends

On November 29, 2021, we entered into an exchange agreement Exchange Agreement with Hillman whereby Hillman exchanged its ownership interests in the four RNG projects of \$30.0 million into 300,000 series A-1 preferred units at a par value of \$100 per unit and 1.4% of the common units of OPAL Fuels. On the same day, we entered into a subscription agreement Subscription Agreement with NextEra for up to 1,000,000 Series A preferred units, which were issued to NextEra during first and second quarters of 2022 for total proceeds of \$100.0 million. Upon completion of the Business Combination, these were converted to redeemable preferred non-controlling interests.

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Redeemable preferred non-controlling interests carry an interest of 8% dividend payable quarterly either in cash or paid-in-kind for the first eight quarters at the option of the Company. The Company recorded the dividend dividends payable of \$2.8 million and \$5.6 million \$8.4 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively as to be paid-in-kind, respectively. The Company recorded the dividend dividends payable of \$1.7 million \$2.7 million and \$2.4 million \$5.1 million for the three and six nine months ended June 30, 2022 September 30, 2022, respectively as to be paid-in-kind.

During the third quarter of 2023, the Company repaid \$16.5 million of paid-in-kind preferred dividends and as of September 30, 2023, the principal amount of \$130.0 million of Redeemable preferred non-controlling interests is outstanding.

Liquidity and Capital Resources

Liquidity

As of June 30, 2023 September 30, 2023, our liquidity consisted of cash and cash equivalents including restricted cash of \$27.1 million \$21.6 million and \$17.0 million \$18.0 million of short term investments. This compares to \$181 million at March 31, 2023, consisting of \$39.8 million of Cash and cash equivalents, including restricted cash of \$6.6

million, \$37 million in short-term investments, and Additionally, we have availability of \$105 million \$285.9 million under the delayed draw term loan and \$41.0 million under the revolver facility under the OPAL Term Loan II. The primary driver of this reduction is attributed to the assignment of the term loan facility to Paragon as part of the deconsolidation of the Emerald and Sapphire projects. This

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also reflects a reduction of \$11.9 million of cash that is now excluded from consolidated Cash and cash equivalents as a result of the deconsolidation.

The cash that was deconsolidated and the available funds under the facility remain available for these projects. Paragon was assigned the existing senior credit facility which is collateralized by these projects which with a two-year delayed term and maximum principal amount of \$85.0 million and a debt reserve facility up to \$10.0 million. Loan.

We expect that our available cash together with our other assets, expected cash flows from operations, and access to expected sources of capital will be sufficient to meet our existing commitments for a period of at least twelve months from the date of this report. Any reduction in demand for our products or our ability to manage our production facilities may result in lower cash flows from operations which may impact our ability to make investments and may require changes to our growth plan.

To fund future growth, we anticipate seeking additional capital through equity or debt financings. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our project development efforts. We may be unable to obtain any such additional financing on acceptable terms or at all. Our ability to access capital when needed is not assured and, if capital is not available when, and in the amounts, needed, we could be required to delay, scale back or abandon some or all of our development programs and other operations, which could materially harm our business, prospects, financial condition, and operating results.

As of June 30, 2023 September 30, 2023, we had total indebtedness excluding deferred financing costs of \$144.9 million \$187.1 million in principal amount which primarily consists of \$29.7 million under the Convertible Note Payable, \$92.2 million \$164.1 million under the OPAL Term Loan and \$23.0 million under Sunoma Loan.

As part of our operations we have arrangements for office space for our corporate headquarters under the Administrative Services Agreement as well as operating leases for office space, warehouse space, and our vehicle fleet.

We intend to make payments under our various debt instruments when due and pursue opportunities for earlier repayment and/or refinancing if and when these opportunities arise.

See Note 7. Borrowings, to our condensed consolidated financial statements.

Cash Flows

The following table presents the Company's cash flows for the six nine months ended June 30, 2023 September 30, 2023 and 2022:

(in thousands)	(in thousands)	Six Months Ended June 30,		(in thousands)	Nine Months Ended June 30,	
		2023	2022		2023	2022
Net cash provided by (used in) from operating activities	Net cash provided by (used in) from operating activities	\$ 7,786	\$ (9,275)	Net cash provided by (used in) from operating activities	\$ 4,827	\$ (22,004)
Net cash (used in) from investing activities		(28,180)	(54,461)			
Net cash used in investing activities				Net cash used in investing activities	(44,918)	(219,215)
Net cash (used in) provided by from financing activities	Net cash (used in) provided by from financing activities	(29,701)	121,961	Net cash (used in) provided by from financing activities	(15,542)	270,525
Net increase in cash, restricted cash, and cash equivalents		\$ (50,095)	\$ 58,225			
Net (decrease) increase in cash, restricted cash, and cash equivalents				Net (decrease) increase in cash, restricted cash, and cash equivalents	\$ (55,633)	\$ 29,306

Net Cash Provided by Operating Activities

Net cash provided by operating activities for the six nine months ended June 30, 2023 September 30, 2023 was \$7.8 million \$4.8 million, an increase of \$17.1 \$26.8 million compared to net cash used in operations of \$9.3 million \$22.0 million for the six nine months ended June 30, 2022 September 30, 2022.

The increase in cash provided by operating activities was attributable to an increase in net income and positive working capital changes primarily from decrease in accounts receivable, receivable, related party.

Net Cash Used in Investing Activities

Net cash used in investing activities for the six nine months ended June 30, 2023 September 30, 2023 was \$28.2 million \$44.9 million, a decrease of \$26.3 \$174.3 million compared to the \$54.5 million \$219.2 million used in investing activities for the six nine months ended June 30, 2022 September 30, 2022. This was primarily driven by due to a decrease in cash invested in short term investments of \$48.0 million \$193.8 million, deconsolidation of VIEs net cash of \$11.9 million and an increase in distribution from equity method investment of \$7.8 million \$11.2 million offset by an increase in payments made for the construction of various RNG generation and dispensing facilities of \$72.0 million.

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\$7.0 million and the repayment of Note receivable of \$10.8 million in the third quarter of 2022.

Net Cash Provided by Financing Activities

Net cash used in financing activities for the six nine months ended June 30, 2023 September 30, 2023 was 29.7 million \$15.5 million, a decrease of \$151.7 \$286.1 million compared to the \$122.0 million \$270.5 million provided from financing activities for the six nine months ended June 30, 2022 September 30, 2022. This was primarily driven by due to a decrease of \$138.9 million from closing of Business Combination and \$100.0 million decrease from proceeds from issuance of Redeemable Preferred Units to NextEra in the prior year, repayments of \$23.2 million \$19.1 million of Senior Secured Facility, \$13.8 million of the OPAL Term Loan, \$16.4 million for repurchase of \$16.4 million of shares from of our Class A common stock in connection with the exercise of the put option offset by and decrease of \$10.4 million proceeds from OPAL Term Loan of \$10.0 million. Additionally, the Company received \$12.8 million from non-redeemable non-controlling interests and \$0.8 million as reimbursement of deferred financing costs from a joint venture partner. interests.

Capital expenditures and other cash commitments

We require cash to fund our capital expenditures, operating expenses and working capital and other requirements, including costs associated with fuel sales; outlays for the design and construction of new Fueling Stations and RNG production facilities; debt repayments and repurchases; maintenance of our electrification production facilities supporting our operations, including maintenance and improvements of our infrastructure; supporting our sales and marketing activities, including support of legislative and regulatory initiatives; any investments in other entities; any mergers or acquisitions, including acquisitions to expand our RNG production capacity; pursuing market expansion as opportunities arise, including geographically and to new customer markets; and to fund other activities or pursuits and for other general corporate purposes.

As of June 30, 2023 September 30, 2023, we anticipate spending \$115.4 million approximately \$179.3 million in capital expenditures for the next 12 months, months for projects and fuel stations currently under construction and our share of contributions in our equity method investment projects. These expenditures do not include any expected contributions from our joint venture and non-controlling interest partners and primarily relate to our development and construction of new renewable energy facilities and the purchase of equipment used in our Fueling Station services and Renewable Power operations.

In addition to the above, we also have lease commitments on our vehicle fleets and office leases and quarterly amortization payment obligations under various debt facilities. Please see Note 7. Borrowings and Note 8. Leases to our condensed consolidated financial statements for additional information.

We believe that our cash and cash equivalents on hand, anticipated cash flows from operations and our access to expected sources of capital will be sufficient to meet our anticipated funding needs. We continue to pursue additional funding opportunities for growth and streamlining of our capital structure.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is not required to provide the information required by this Item as it is a "smaller reporting company."

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Co-Chief Executive Officers and our Chief Financial Officer (our co-principal executive officers and principal financial officer, respectively), evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. The term "disclosure controls and procedures," as defined in the

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Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the Securities and Exchange Commission's SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on that evaluation of our disclosure controls and procedures as of June 30, 2023 September 30, 2023, our Co-Chief Executive Officers and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were

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ineffective for the period covered by this report based on the material weakness in our internal control over financial reporting described below.

Previously Reported Material Weakness

In connection with the preparation and audit of our consolidated financial statements for each of the years ended December 31, 2022 and 2021, material weaknesses were identified in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of its annual or interim consolidated financial statements will not be prevented, or detected and corrected, on a timely basis.

The material weaknesses identified were as follows:

- There is a lack of an adequate control environment, including internal communications, to allow for timeliness of reviews for the accounting and disclosures of significant and unusual transactions and contracts;
- We did not have timely and effective reviews over standard account reconciliations and related accounting analysis which resulted in various audit adjustments that we corrected; and
- Review controls over application of ASC-606 were not designed and implemented appropriately during the current year.

We performed additional analysis and procedures with respect to accounts impacted by the material weakness in order to conclude that our consolidated financial statements in this report, and for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, are fairly presented, in all material respects, in accordance with GAAP.

Under "Changes in Internal Controls over Financial Reporting" and "Remediation Plans" below, we describe our remediation plan to address the identified material weakness.

Management's Quarterly Report on Internal Control over Financial Reporting

This Quarterly Report on Form 10-Q does not include a report of management's assessment regarding internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) or an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Changes in Internal Controls over Financial Reporting

The design and implementation of internal controls over financial reporting for the Company subsequent to the Business Combination has required and will continue to require significant time and resources from management and other personnel. The changes to our internal control over financial reporting commenced during the period covered by this report and after will materially affect, or are reasonably likely to materially affect, our internal control over financial reporting by establishing new controls and procedures appropriate to the operating business we have become as a result of the Business Combination.

Remediation Plans

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We have developed and begun executing on a plan continue to take steps to remediate these the identified material weaknesses. During 2022, we remediated one material weakness from weaknesses and will take such necessary steps until such remediation is complete. These steps included the prior year. We hired following:

a) Hiring additional accounting and financial reporting personnel with appropriate technical accounting knowledge to identify and public company experience in financial reporting; we continue to implement formal processes, policies and procedures supporting review accounting conclusions on all complex technical accounting matters that impact our financial close process, including statements. We obtain assistance from third party resources on as needed basis.

b) Designing and implementing new controls for capturing and identifying significant and unusual transactions in a timely manner.

c) Designing and implementing new controls to strengthen the internal review processes for accounting of significant and unusual transactions.

d) Designing and implementing new controls by creating standard new or enhancing existing reconciliation templates for balance sheet accounts including accrued construction in progress, accrued dispensing payables and inter company eliminations.

e) Creating a robust account reconciliation templates and journal entry controls; and designing and implementing review process by enhancing the review procedures performed to validate the accuracy of the account balances.

f) Implementing general information technology controls to formalize roles and review responsibilities to align with our team's skills. Additionally, we strengthened our controls around segregation of duties, access controls in over our financial reporting system and disabled by disabling the functionality for the same employee to prepare and post journal entries. We

g) Designing and implementing new controls over revenue accounting and application of ASC 606. An inventory of all revenue contracts and corresponding accounting treatment as per ASC 606 has been prepared and periodic training to all accounting personnel is being performed. Implemented detailed account reconciliation template to validate accurate reporting of revenue accounts for environmental credit monetization services and gain on transfer of RINs and LCFs between Fuel Station Services and equity method investments.

h) Performing a quarterly review of all contracts entered into by the Company and assessing ASC 606 impact and confirming that the revenue has been recorded correctly in the reporting periods.

i) Reporting regularly to the Company's Audit Committee on the progress and results of the remediation plan, including the identification, status and resolution of internal control deficiencies.

The above stated controls have been implemented controls during the first three quarters of 2023. As we work to ensure that account reconciliations are reviewed by an independent person who has technical knowledge and improve our internal control environment over financial reporting, competence, we may modify our remediation plan and implement additional controls as we continue to enhance our financial reporting controls. The material weaknesses will not be considered remediated until the remediated controls have been operating effectively for sufficient time and evaluated through testing of operating effectiveness.

While we believe these efforts are likely to remediate the material weaknesses identified, we may not be able to complete our evaluation, testing or any required remediation in a timely fashion, or at all. The effectiveness of our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in

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decision making, assumptions about the likelihood of future events, the possibility of human error and the risk of fraud. If we are unable to remediate the material weaknesses identified, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the forms of the SEC, could be adversely affected which, in turn, may adversely affect our reputation and business and the market price of our securities, including the Class A common stock. In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of our securities and harm to our reputation and financial condition, or diversion of financial and management resources from the operation of our business.

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Part II - Other Information

Item 1. Legal Proceedings

From time to time, we are involved in various legal proceedings, lawsuits and claims incidental to the conduct of our business, some of which may be material. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. We do not believe that the outcome of any of our current legal proceedings will have a

material adverse impact on our business, financial condition and results of operations.

Item 1A. Risk Factors

There have been no material changes from the "Risk Factors" previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 29, 2023. The risks described in the Annual Report on Form 10-K for the year ended December 31, 2022 are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

Item 2. Unregistered Sales of Equity Securities, and Use of Proceeds

Unregistered Sales and Issuer Purchases of Equity Securities

On March 30, 2023, we issued an aggregate of 49,633 shares of Class A common stock to certain accredited entities and managed accounts for which Encompass Capital Advisors LLC exercises investment discretion (the "Investors") pursuant to a securities purchase agreement (the "Purchase Agreement") with the Investors. The shares of Class A common stock were issued to the Investors as consideration for their prior agreement to tender all warrants held by the Investors in our voluntary warrant exchange offer which closed on December 22, 2022, as further described in the form of Purchase Agreement filed as Exhibit 10.1 to our Current Report on Form 8-K filed on April 5, 2023. The Class A common stock was sold and issued without registration under the Securities Act, in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated under the Securities Act as sales to accredited investors, and in reliance on similar exemptions under applicable state laws. None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

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Item 5. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended June 30, 2023 September 30, 2023, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Gas sale and purchase agreement

On August 11, 2023, a wholly-owned subsidiary of the Company entered into a Third Amended and Restated Gas Sale and Purchase Agreement and a Third Amended and Restated Site Lease Agreement (collectively, the "Agreements") with a leading environmental services company. The Agreements, which are effective as of August 11, 2023, provide the Company with the right to purchase LFG from a landfill located in Massachusetts, for the purpose of combusting such LFG to generate renewable electricity at the facility (the "Facility") located on the landfill footprint. Per the terms and conditions of the Agreements, the Company will make certain royalty and lease payments. The terms of the Agreements are 20 years from the date the Facility commences operations.

The representations, warranties and covenants contained in the Agreements were made solely for the benefit of the parties to the Agreements and may be subject to limitations agreed upon by the contracting parties. The foregoing description of the Third Amended and Restated Gas Sale and Purchase Agreement is qualified in its entirety by reference to the full text of the Third Amended and Restated Gas Sale and Purchase Agreement, a copy of which is filed as Exhibit 10.5 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

Item 6. Exhibits

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Exhibit Number	Description
3.1*	Restated Certificate of Incorporation of OPAL Fuels Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K/A filed by the Company on August 10, 2022).
3.2*	Bylaws of OPAL Fuels Inc. (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed by the Company on July 27, 2022)
10.1* 10.1†**	Securities Third Amended and Restated Gas Sale and Purchase Agreement, dated March 30, 2023, by and between OPAL Fuels Inc. and purchasers named therein August 11, 2023 (incorporated by reference to Exhibit 10.1, 10.5 to the registrant's Current registrant's Quarterly Report on Form 8-K 10-Q filed with the SEC on April 5, 2023), August 14, 2023)
10.2†**	Landfill Gas Purchase and Sale Agreement, dated April 13, 2023 (effective as August 28, 2023 with Waste Management of March 13, 2023) California, Inc. (incorporated by reference to 10.2 Exhibit 10.1 to the registrant's Quarterly registrant's Current Report on Form 10Q 8-K filed with the SEC on May 15, 2023 August 31, 2023)
10.3†**	Piggyback Lease Agreement, for, dated August 28, 2023 with Waste Management of California, Inc. (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on August 31, 2023)
10.4†**	Landfill Gas Purchase and Sale Agreement, dated May 2, 2023 August 28, 2023 with Guadalupe Rubbish Disposal Co., Inc. (incorporated by reference to Exhibit 10.3 to the registrant's Quarterly registrant's Current Report on Form 10-Q 8-K filed with the SEC on May 15, 2023 August 31, 2023)
10.4* 10.5†#	Amended and Restated Credit and Guaranty Lease Agreement, dated May 30, 2023 August 28, 2023 with Guadalupe Rubbish Disposal Co., Inc. (incorporated by reference to Exhibit 10.4 to the registrant's Current Report on Form 8-K filed with the SEC on August 31, 2023)
10.6*	Credit Agreement, dated September 1, 2023, by and among Paragon RNG LLC Intermediate HoldCo as Borrower, the Guarantors, guarantors, the lenders party thereto, Bank of Montreal America, N.A. as the administrative agent, Wilmington Trust as collateral administration agent, and BMO Apterra Infrastructure Capital Markets Corp. LLC, Barclays Bank PLC, BofA Securities, Inc., Celtic Bank Corporation, JP Morgan Chase Bank, N.A. and Investec Inc. and Comerica Bank, as joint lead arrangers (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on June 2, 2023), September 5, 2023)
10.5†# 10.7*	Third Amended Pledge Agreement, dated September 1, 2023, by OPAL Fuels Parent Holdco 3 LLC in favor of Bank of America, N.A. (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed with the SEC on September 5, 2023)
10.8*	Security Agreement, dated September 1, 2023, by OPAL Fuels Intermediate HoldCo LLC and Restated Gas the other grantors listed on the signature pages thereto in favor of Bank of America, N.A. (incorporated by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K filed with the SEC on September 5, 2023)
10.9*	Note (Term), dated September 1, 2023, between OPAL Fuels Intermediate HoldCo LLC and BankUnited, N.A. (incorporated by reference to Exhibit 10.4 to the registrant's Current Report on Form 8-K filed with the SEC on September 5, 2023)
10.10*	Note (Revolving), dated September 1, 2023, between OPAL Fuels Intermediate HoldCo LLC and BankUnited, N.A. (incorporated by reference to Exhibit 10.5 to the registrant's Current Report on Form 8-K filed with the SEC on September 5, 2023)
10.11*	Agreement, dated September 14, 2023, by and among OPAL L2G and SJL (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed with the SEC on September 20, 2023)
10.12#	Base Contract for Sale and Purchase Agreement, of Natural Gas (San Diego), dated August 11, 2023, September 15, 2023
10.13#	Base Contract for Sale and Purchase of Natural Gas (Richmond), dated September 15, 2023
31.1	Certification of Co-Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2	Certification of Co-Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Co-Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Co-Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

- * Previously filed.
- ** This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.
- † Certain of the schedules and exhibits to this exhibit have been omitted pursuant to Regulation S-K Item 601(a)(5). The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon its request.
- # Certain confidential information contained in this document has been redacted in accordance with Item 601(b)(10)(iv) of Regulation S-K.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 14, 2023 November 14, 2023

OPAL Fuels Inc.

By: /s/ Jonathan Maurer
Name: Jonathan Maurer
Title: Co- Chief Executive Officer

OPAL Fuels Inc.

By: /s/ Adam Comora
Name: Adam Comora
Title: Co- Chief Executive Officer

OPAL Fuels Inc.

By: /s/ Ann Anthony
Name: Ann Anthony
Title: Chief Financial Officer

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PORTIONS OF INFORMATION CONTAINED IN THIS AGREEMENT HAVE BEEN
EXCLUDED FROM THIS AGREEMENT BECAUSE THEY ARE BOTH NOT MATERIAL AND
THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL

EXCLUDED INFORMATION IS MARKED AS [***] BELOW

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: September 15, 2023.

The parties to this Base Contract are the following:

Execution Version

THIRD AMENDED AND RESTATED

GAS SALE AND PURCHASE AGREEMENT

[***]

and

Fall River Renewable Power LLC

PARTY A MM San Diego LLC	1 PARTY NAME	PARTY B [***]
c/o OPAL Fuels Inc. One North Lexington Avenue White Plains, NY 10601	ADDRESS	[***]
www.opalfuels.com	BUSINESS WEBSITE	[***]
	CONTRACT NUMBER	
	D-U-N-S® NUMBER	
0001842279-23-000092image_0.jpg FEDERAL OTHER: Delaware	TAX ID NUMBERS	0001842279-23-000092image_3.jpg US FEDERAL: <input type="checkbox"/> OTHER: [***]
0001842279-23-000092image_2.jpg 0001842279-23-000092image_3.jpg Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership 0001842279-23-000092image_3.jpg Partnership <input type="checkbox"/> LLP Other:	COMPANY TYPE	0001842279-23-000092image_6.jpg 0001842279-23-000092image_6.jpg Corporation <input type="checkbox"/> LLC Limited Partnership <input type="checkbox"/> Partnership 0001842279-23-000092image_3.jpg LLP <input type="checkbox"/> Other: private limited company
	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
ATTN: [***] TEL#: [***] EMAIL: [***]	COMMERCIAL	ATTN: [***] TEL#: FAX#: N/A EMAIL: [***]
ATTN: [***] TEL#: [***] EMAIL: [***]	SCHEDULING	ATTN: TEL#: FAX#: EMAIL:
ATTN: General Counsel TEL#: N/A FAX#: N/A EMAIL: noticeofficer@opalfuels.com	CONTRACT AND LEGAL NOTICES	ATTN: Legal Department TEL#: N/A FAX#: N/A EMAIL: [***]
ATTN: TEL#: FAX#: EMAIL:	CREDIT	ATTN: TEL#: FAX#: EMAIL:
ATTN: [***] TEL#: [***] EMAIL: [***]	TRANSACTION CONFIRMATION	ATTN: [***] TEL#: FAX#: N/A EMAIL: [***]
ACCOUNTING INFORMATION		

THIRD AMENDED AND RESTATED
GAS SALE AND PURCHASE AGREEMENT

THIS THIRD AMENDED AND RESTATED GAS SALE AND PURCHASE AGREEMENT (this “Agreement”), dated as of August 11, 2023 (the “Effective Date”), is entered into by and between [***] (“Seller”), and **Fall River Renewable Power LLC** (formerly known as Fall River RNG LLC), a Delaware limited liability company (“Buyer”).

RECITALS

A. Seller is the owner of the Collection System (as defined in Article 1) and the owner/operator of the Landfill (as defined in Article 1) and extracts, collects, and has the right to sell Landfill Gas (as defined in Article 1).

B. Seller and GRS executed and delivered the Second Amended and Restated GSPA (as defined in Article 1) and the Second Amended and Restated Site Lease (as defined in Article 1) to process, generate and sell renewable natural gas from the Facility (as defined in Article 1).

C. Due to certain permitting and/or approval issues with respect to the Facility processing and generating renewable natural gas, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, Landfill Gas available for use in the Facility for the purpose of combusting such Landfill Gas to generate electricity for sale to creditworthy third parties, in accordance with the terms and conditions set forth herein.

D. Seller and Buyer desire to execute and deliver this Agreement and the Site Lease (as defined in Article 1) to establish that the purpose of the Facility will be to combust Landfill Gas to generate electricity in accordance with this Agreement, rather than to process, generate and sell renewable natural gas as was contemplated by the Second Amended and Restated GSPA and the Second Amended and Restated Site Lease.

TERMS AND CONDITIONS

NOW, THEREFORE, for valuable consideration, the parties hereto agree as follows:

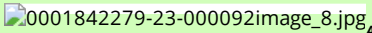
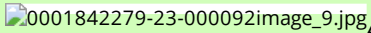
Article 1 Definitions

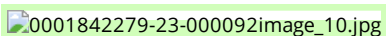
The following words and terms shall have the meanings specified in this Article 1 when used in this Agreement, unless a different meaning is apparent from the context. The meanings specified are applicable to both the singular and the plural and to the masculine and feminine forms.

1.1 “Affiliate” means any person that controls or is controlled by, or is under common control with, a party hereto, with the word “control” (and correspondingly, “controlled by” and “under control with”), as used with respect to any Person, meaning (a) ownership of more than fifty percent (50%) of all the voting stock of any corporation, or more than fifty percent (50%) of all of the legal and equitable interest in any other business entity, or (b) the possession of the power to direct or cause the direction of the day-to-day management and policies of such Person.

1.2 “Agreement” shall have the meaning set forth in the preamble to this Agreement.

1.3 “Applicable Laws” means any and all applicable federal, state, county and local laws, statutes, rules, regulations, licenses, ordinances, judgments, orders, decrees, directives,

ATTN: [***] TEL#: [***] EMAIL: [***]	2 INVOICES PAYMENTS SETTLEMENTS	ATTN: [***] TEL#: FAX#: N/A EMAIL: [***]
BANK: [***] ABA: [***] ACCT: [***] OTHER DETAILS: [***]	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: ABA: ACCT: OTHER DETAILS:
BANK: ABA: ACCT: OTHER DETAILS:	ACH NUMBERS (IF APPLICABLE)	BANK: [***] ABA: ACCT: [***] OTHER DETAILS: [***]
 ATTN: ADDRESS:	CHECKS (IF APPLICABLE)	 ATTN: ADDRESS:



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Base Contract for Sale and Purchase of Natural Gas
(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

guidelines or policies (to DocuSign Envelope ID: 3B7EF782-2D4B-4907-8852-773EE4FC4166

Section 1.2 Transaction Procedure	Oral (default) OR <input type="checkbox"/> Written	Section 10.2 Additional Events of Default	<input type="checkbox"/> No Additional Events of Default (default) Indebtedness Cross Default Party A: Party B: Transactional Cross Default
Section 2.7 Confirm Deadline	<input type="checkbox"/> 2 Business Days after receipt (default) OR Business Days after receipt		
Section 2.8 Confirming Party	Seller (default) OR Buyer <input type="checkbox"/> Buyer and Seller		
Section 3.2 Performance Obligation	<input type="checkbox"/> Cover Standard (default) OR Spot Price Standard	Section 10.3.1 Early Termination Damages	<input type="checkbox"/> Early Termination Damages Apply (default) OR Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.			
Section 2.31 Spot Price Publication	Gas Daily Midpoint (default) OR 	Section 10.3.2 Other Agreement Setoffs	<input type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Bilateral (default) Triangular OR Other Agreement Setoffs Do Not Apply
Section 6 Taxes	Buyer Pays At and After Delivery Point (default) OR Seller Pays Before and At Delivery Point		
Section 7.2 Payment Date	<input type="checkbox"/> 25th Day of Month following Month of delivery (default) OR Day of Month following Month of delivery	Section 15.5 Choice Of Law	<u>New York</u>
Section 7.2 Method of Payment	Wire transfer (default) Automated Clearinghouse Credit (ACH) Check	Section 15.10 Confidentiality	<input type="checkbox"/> Confidentiality applies (default) OR Confidentiality does not apply
Section 7.7 Netting	<input type="checkbox"/> Netting applies (default) OR Netting does not apply		
Addendum(s):	Special Provisions Number of sheets attached: None		

IN WITNESS WHEREOF, the (extent mandatory), permits, licenses and other governmental and regulatory approvals and authorizations, including, without limitation, any and all environmental laws, or any similar form of decision or determination by, or any interpretation or administration of, any of the foregoing by any Government Entity with jurisdiction over Seller, the Collection System, Buyer,

the Facility, the Site, the Landfill, or a party's performance under parties hereto have executed this Agreement and the transactions contemplated Base Contract in this Agreement.

1.4 "Btu" means a British thermal Unit.

1.5 "Buyer" shall have the meaning set forth in the preamble to this Agreement.

1.6 "Buyer Collateral" means all of Buyer's personal property and fixtures, wherever located, whether now or hereafter owned, existing or acquired or hereafter arising, including, without limitation, the following: all accounts, inventory, equipment, Renewable Energy Credits/Certificates, general intangibles (including, without limitation, trade names, permits, licenses and other intangible property rights), fixtures, goods, real property, leasehold improvements, documents, instruments, chattel paper, money, deposit accounts, accounts receivable, rights to draw on letters and advances of credit and the cash or noncash proceeds (including insurance or other rights to receive payment with respect thereto) of any of the foregoing and all accessions and additions to and replacements of the foregoing, and all books and records pertaining to any of the foregoing; provided, however, for purposes of determining the value of the Buyer Collateral as provided in Section 6.8(b) of this Agreement, the Buyer Collateral shall exclude the value of any rights to utilize the Landfill Gas provided in this Agreement.

1.7 "Buyer Security" shall have the meaning set forth in Section 6.8.

1.8 "Collection System" means the fixtures, equipment and assets of Seller, whether owned or leased by Seller, that are either used by Seller in the performance of Seller's business or are currently or may be in the future located on the Landfill up to and including the Delivery Point and includes, without limitation, the wells, pipes, headers and gathering systems, flares, vacuum pipelines, blowers, condensate knockout vessels or systems, and all other fixtures, equipment and assets that are used for the purpose of collecting, producing and delivering or facilitating the collection, production and delivery of Landfill Gas, as such exists as of the Effective Date or as the same is modified, expanded and replaced.

1.9 "Commercial Operations Date" means the date that is ten (10) days after Buyer provides written notice to Seller that the Pre-Commercial Operations Period has commenced.

1.10 "Condensate" means any liquids that condense or otherwise separate from the Landfill Gas during collection, transporting or processing by the Collection System or the Facility.

1.11 "Confidential Information" shall have the meaning set forth in Section 12.15.

1.12 "Deemed Assignment" shall have the meaning set forth in Section 12.11(d).

1.13 "Delivery Point" means the designated interconnection point where Seller shall deliver Landfill Gas to Buyer, which term has the more particular meaning assigned thereto in Section 4.1.

1.14 "Effective Date" shall have the meaning set forth in the preamble to this Agreement.duplicate.

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MM San Diego LLC	3 PARTY NAME	***
By: /s/ Jonathan Maurer	SIGNATURE	By: By:
Jonathan Maurer	PRINTED NAME	***
CO-CEO	TITLE	***

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General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.15 1.1. "These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. "Energy Customer" means any Person with which Buyer enters into an agreement for If a sending party's Transaction Confirmation is materially different from the purchase by such Person receiving party's understanding of the electricity produced agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Facility following Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the Pre-Commercial Operations Period sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract,

(iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

1.16 SECTION 2. "DEFINITIONSEvent of Default"

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

NAESB Standard 6.3.1

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September 5, 2006 (Revised by R15003/R15007, April 4, 2016)

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2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.

2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.

2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.

2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

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September 5, 2006 (Revised by R15003/R15007, April 4, 2016)

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2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set

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forth in Section 8.1 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

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The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a

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breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

1.17 4.2. "Facility" means The parties shall coordinate their nomination activities, giving sufficient time to meet the equipment, facilities, deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and associated structures, including any controls, fuel treatment equipment, and similar equipment installed purchased each Day. Should either party

become aware that actual deliveries at the Site Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and easements heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.
Buyer Pays At and After Delivery Point:
Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.
Seller Pays Before and At Delivery Point:
Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

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7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

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7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed

without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the Site Lease terms of any Credit Support Obligation or by written easement pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, executed the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next

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following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

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9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

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The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

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10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties hereto for have executed a separate netting agreement with close-out netting provisions, the purpose of generating terms and conditions therein shall prevail to the extent inconsistent herewith.

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SECTION 11. electricity following the Pre-Commercial Operations Period, together with the Interconnection Equipment installed on the Site, but not including the Collection System. **FORCE MAJEURE**

11.1. "Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure" Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of and without the fault or negligence of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe;

(iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of its duties hereunder and that by the exercise of such covenants or obligations with reasonable diligence such party is unable dispatch; or (iii) economic hardship, to prevent or overcome, including, but not limited to, acts of God, acts of war or conditions attributable to war, labor disputes, sudden actions of the elements, sabotage, civil commotion, thermal reactions within the Landfill, action by federal, state, municipal or regulatory courts, and actions of legislative bodies, include, without limitation, under any circumstances, financial Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to perform use or Buyer's resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure to obtain of Seller's gas supply or maintain a purchaser for any electricity or any Renewable Energy Credits/Certificates. For the purposes depletion of this Agreement, the requirement that "Force Majeure" be a cause not within the control of the affected reserves, except, in either case, as provided in Section 11.2. The party that by the exercise of due diligence such party is unable to prevent or overcome claiming Force Majeure shall not require be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, and lockouts by acceding to the demands of third parties directly or indirectly involved in such strikes or lockouts when such course is deemed inadvisable in other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT

ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

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SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may

(i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such strikes requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure.

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September 5, 2006 (Revised by R15003/R15007, April 4, 2016)

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and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or lockouts similar restraints with respect to such disclosure at the expense of the other party.

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15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

1.19 15.12. "Government Entity" means any court Any original executed Base Contract, Transaction Confirmation or tribunal other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any jurisdiction judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any federal, state, municipal, or other governmental body, agency, authority, department, commission, board, bureau or instrumentality objection to the admissibility of such evidence.

1.20 "GRS" shall have

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TRANSACTION CONFIRMATION EXHIBIT A FOR IMMEDIATE DELIVERY

Letterhead/Logo	Date: , Transaction Confirmation #:
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated . The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.	
SELLER: 0001842279-23-000092image_42.jpg 0001842279-23-000092image_42.jpg 0001842279-23-000092image_42.jpg Attn: Phone: Fax: Base Contract No. Transporter: Transporter Contract Number:	BUYER: 0001842279-23-000092image_42.jpg 0001842279-23-000092image_42.jpg 0001842279-23-000092image_42.jpg Attn: Phone: Fax: Base Contract No. Transporter: Transporter Contract Number:
Contract Price: \$/MMBtu or	
Delivery Period: Begin: , End: ,	
Performance Obligation and Contract Quantity: (Select One) Firm (Fixed Quantity): Firm (Variable Quantity): Interruptible: 0001842279-23-000092image_44.jpg MMBtus/day MMBtus/day Minimum Up to MMBtus/day EFP MMBtus/day Maximum subject to Section 4.2. at election of 0001842279-23-000092image_44.jpg 0001842279-23-000092image_44.jpg Buyer or Seller	
Delivery Point(s): (If a pooling point is used, list a specific geographic and pipeline location):	
Special Conditions:	
Seller: By: Title: Date:	Buyer: By: Title: Date:

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Exhibit 10.13

PORTIONS OF INFORMATION CONTAINED IN THIS AGREEMENT HAVE BEEN
EXCLUDED FROM THIS AGREEMENT BECAUSE THEY ARE BOTH NOT MATERIAL AND
THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.
EXCLUDED INFORMATION IS MARKED AS [***] BELOW

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the meaning set forth in the preamble following date:
September 15, 2023.

The parties to this Agreement, Base Contract are the following:

- 1.21 "Indemnified Parties" shall have the meaning set forth in Section 6.7.
- 1.22 "Indemnifying Parties" shall have the meaning set forth in Section 6.7.
- 1.23 "Interconnection Equipment" means all of the equipment and facilities required to be constructed to interconnect with and deliver electricity produced by the Facility following the Pre-Commercial Operations Period, to an Energy Customer.
- 1.24 "Landfill" means the real property commonly known as the Fall River landfill located in or near Fall River, Massachusetts, which is more particularly described on Exhibit A, attached hereto and incorporated herein by reference, as now constituted and as may be expanded from time to time; provided that expansions shall not include the combination of the Landfill with a separate, stand-alone landfill.
- 1.25 "Landfill Gas" means all gas generated from the decomposition of refuse and other solid wastes deposited or located on the Landfill and collected by the Collection System.
- 1.26 "Leachate" means the liquid produced at the Landfill from the decomposition of waste materials in the Landfill.

PARTY A Richmond Energy LLC	4 PARTY NAME	PARTY B [***]
c/o OPAL Fuels Inc. One North Lexington Avenue White Plains, NY 10601	ADDRESS	[***]
www.opalfuels.com	BUSINESS WEBSITE	[***]
	CONTRACT NUMBER	
	D-U-N-S® NUMBER	
0001842279-23-000092image_01.jpg FEDERAL OTHER:	TAX ID NUMBERS	0001842279-23-000092image_110.jpg US FEDERAL: OTHER: [***]
Delaware	JURISDICTION OF ORGANIZATION	Amsterdam, The Netherlands
0001842279-23-000092image_210.jpg 0001842279-23-000092image_110.jpg Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> 0001842279-23-000092image_110.jpg Partnership LLP <input type="checkbox"/> Other: <input type="checkbox"/>	COMPANY TYPE	0001842279-23-000092image_51.jpg 0001842279-23-000092image_51.jpg Corporation <input checked="" type="checkbox"/> LLC Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> 0001842279-23-000092image_110.jpg LLP <input type="checkbox"/> Other: private limited company <input type="checkbox"/>
	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
ATTN: [***] TEL#: [***] EMAIL: [***]	COMMERCIAL	ATTN: [***] TEL#: FAX#: N/A EMAIL: [***]
ATTN: [***] TEL#: [***] EMAIL: [***]	SCHEDULING	ATTN: TEL#: FAX#: EMAIL:
ATTN: General Counsel TEL#: N/A FAX#: N/A EMAIL: noticeofficer@opalfuels.com	CONTRACT AND LEGAL NOTICES	ATTN: Legal Department TEL#: N/A FAX#: N/A EMAIL: [***]
ATTN: TEL#: FAX#: EMAIL:	CREDIT	ATTN: TEL#: FAX#: EMAIL:
ATTN: [***] TEL#: [***] EMAIL: [***]	TRANSACTION CONFIRMATION	ATTN: [***] TEL#: FAX#: N/A EMAIL: [***]
ACCOUNTING INFORMATION		

1.27 "Letter of Credit" means an irrevocable standby letter of credit for the Letter of Credit Amount, designating Seller as beneficiary, in form and substance reasonably satisfactory to Seller, issued by a financial institution reasonably acceptable to Seller, including, without

limitation, having at least Five Hundred Million Dollars (\$500,000,000.00) in capital.

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1.28 "Letter of Credit Amount" means Five Million Dollars (\$5,000,000.00) for each year between the Effective Date and for each remaining year that this Agreement is in effect.

1.29 "MMBTu" means one million British Thermal Units.

1.30 "Nonmonetary Default" shall have the meaning set forth in Section 8.1(b).

1.31 "Notice of Default" shall have the meaning set forth in Section 8.1(b).

1.32 "Payment" means any and all amounts owing to any Seller Indemnified Party pursuant to this Agreement or the Site Lease, including, without limitation, any costs, losses, expenses, penalties, fines or damages resulting from a claim, third party claim, damages, obligations to pay the Royalty or otherwise.

1.33 "Person" means any natural person or any association, firm, partnership, limited liability company, joint venture, corporation or other legally recognized entity, whether for profit or not for profit.

1.34 "Pre-Commercial Operations Period" means the period beginning with the first production of electricity by the Facility and ending on the Commercial Operations Date, as specified by the Buyer, during which period Buyer shall be entitled to use, and shall accept from Seller, that amount of Landfill Gas that Buyer determines is necessary for the purpose of startup and testing of the Facility.

1.35 "Process" means to accept into the Facility and use Landfill Gas for purposes of generating electricity following the Pre-Commercial Operations Period for sale, and specifically excludes flaring of Landfill Gas.

1.36 "Prohibited Transferee" shall have the meaning set forth in Section 12.11(a).

1.37 "Recipients" shall have the meaning set forth in Section 12.15.

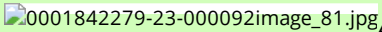
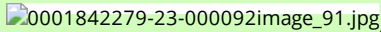
1.38 "Renewable Energy Credits/Certificates" means credits or certificates issued for the economic value of any benefit resulting from the generation of electricity from a renewable fuel source under state or federal law.

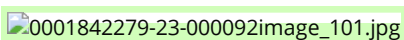
1.39 "Royalty" means the payments to Seller described in Section 5.1.

1.40 "Second Amended and Restated GSPA" means that certain Second Amended and Restated Gas Sale and Purchase Agreement by and between Seller and GRS dated as of August 8, 2022.

1.41 "Second Amended and Restated Site Lease" means that certain Second Amended and Restated Site Lease Agreement by and between Seller and GRS effective as of August 8, 2022.

1.42 "Security Agreement" means a Security Agreement by and between Buyer and Seller, as contemplated pursuant to Section 6.8, in the form of Exhibit C attached hereto.

ATTN: [***] TEL#: [***] EMAIL: [***]	5 INVOICES PAYMENTS SETTLEMENTS	ATTN: [***] TEL#: FAX#: N/A EMAIL: [***]
BANK: [***] ABA: [***]ACCT: [***] OTHER DETAILS: [***]	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: ABA: ACCT: OTHER DETAILS:
BANK: ABA: ACCT: OTHER DETAILS:	ACH NUMBERS (IF APPLICABLE)	BANK: [***] ABA: ACCT: [***] OTHER DETAILS: [***]
 ATTN: ADDRESS:	CHECKS (IF APPLICABLE)	 ATTN: ADDRESS:



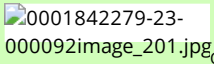
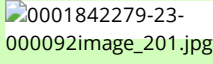
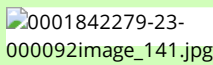
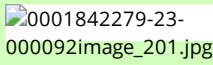
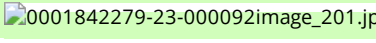
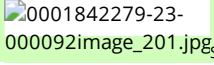

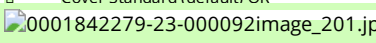
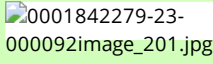
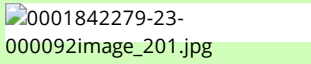
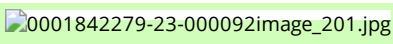
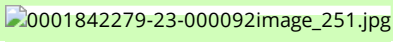
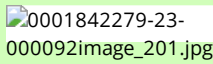


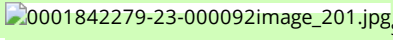
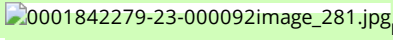
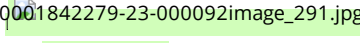
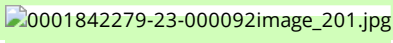
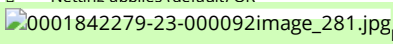
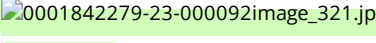
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NAESB Standard 6.3.1
September 5, 2006 (Revised by R15003/R15007, April 4, 2016)

Base Contract for Sale and Purchase of Natural Gas
(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

1.43 "Seller" shall DocuSign Envelope ID: 30E2A0D7-50C2-4407-B2AC-EAB1CA882E30

<p>Section 1.2 Transaction Procedure</p> <p> Oral (default) OR <input type="checkbox"/> Written</p>	<p>Section 10.2 Additional Events of Default</p> <p><input type="checkbox"/> No Additional Events of Default (default)  Indebtedness Cross Default</p> <p> Party A: Party B:</p> <p> Transactional Cross Default</p>
<p>Section 2.7 Confirm Deadline</p> <p><input type="checkbox"/> 2 Business Days after receipt (default) OR  Business Days after receipt</p>	
<p>Section 2.8 Confirming Party</p> <p> Seller (default) OR  Buyer <input type="checkbox"/> Buyer and Seller</p>	
<p>Section 3.2 Performance Obligation</p> <p><input type="checkbox"/> Cover Standard (default) OR  Spot Price Standard</p>	<p>Section 10.3.1 Early Termination Damages</p> <p><input type="checkbox"/> Early Termination Damages Apply (default) OR  Early Termination Damages Do Not Apply</p>
<p>Note: The following Spot Price Publication applies to both of the immediately preceding.</p>	
<p>Section 2.31 Spot Price Publication</p> <p> Gas Daily Midpoint (default) OR  </p>	<p>Section 10.3.2 Other Agreement Setoffs</p> <p><input type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Bilateral (default)  Triangular OR  Other Agreement Setoffs Do Not Apply</p>
<p>Section 6 Taxes</p> <p> Buyer Pays At and After Delivery Point (default) OR  Seller Pays Before and At Delivery Point</p>	
<p>Section 7.2 Payment Date</p> <p><input type="checkbox"/> 25th Day of Month following Month of delivery (default) OR  Day of Month following Month of delivery</p>	<p>Section 15.5 Choice Of Law</p> <p><u>New York</u></p>
<p>Section 7.2 Method of Payment</p> <p> Wire transfer (default) Automated Clearinghouse Credit (ACH) Check</p>	<p>Section 15.10 Confidentiality</p> <p><input type="checkbox"/> Confidentiality applies (default) OR  Confidentiality does not apply</p>
<p>Section 7.7 Netting</p> <p><input type="checkbox"/> Netting applies (default) OR  Netting does not apply</p>	
<p> Special Provisions Number of sheets attached: None</p> <p>Addendum(s):</p>	

IN WITNESS WHEREOF, the parties hereto have the meaning set forth executed this Base Contract in the preamble to this Agreement.

1.44 "Seller Indemnified Parties" shall have the meaning set forth in Section 6.7.

1.45 "Site" means the real property leased to Buyer as identified in, and pursuant to the terms and conditions of, the Site Lease and on which the Facility is operated.

1.46 "Site Lease" means the Third Amended and Restated Site Lease Agreement dated as of the Effective Date under which Buyer, as lessee, leases from Seller, as lessor, the Site located at the Landfill or obtains easement rights to the portion of the surface acreage on which the Facility is located.

1.47 "Unused Landfill Gas" means any Landfill Gas that Buyer does not accept or take delivery of at the Delivery Point.

Article 2
Purchase and Sale

1.1 Purchase, Sale and Use of Landfill Gas.

(a) Subject to the terms, conditions and limitations contained in this Agreement, and for the consideration described in Article 5, Seller agrees to make available to Buyer, on a first priority basis, before any other uses by Seller (but subject to the Flare Turndown Requirement), all of the Landfill Gas collected by the Collection System that Seller is capable of delivering to the Delivery Point and, subject to the remaining provisions of this Section 2.1, Buyer agrees to purchase and receive from Seller all such Landfill Gas; provided, however, that: (a) nothing in this Agreement shall be deemed to be a guaranty of any quantity of Landfill Gas to be made available to Buyer; and (b) Buyer agrees to use reasonable efforts to Process all of the Landfill Gas made available to Buyer at the Delivery Point. Buyer agrees to use reasonable efforts after the Pre-Commercial Operation Period to sell the electricity produced by the Facility.

(b) Buyer agrees not to own or lease any flare at the Landfill without Seller's prior written consent, which consent may be withheld in Seller's sole and absolute discretion. Seller agrees to make its flare available to combust Unused Landfill Gas. Buyer shall provide Seller with as much advance notice as possible of its required use of Seller's flare and shall describe the reasons for such use in any such notice, and Buyer shall install equipment to start Seller's flare automatically if necessary, to flare Landfill Gas not processed by Buyer at the Facility.

1.2 Credits/Benefits.

(a) Retained by Seller. Seller shall retain all rights to any tax, emission or other credits, certificates or similar benefits with respect to any and all activities relating (i) to the operations or ownership of the Landfill or (2) to the collection, processing, transportation, delivery, management or control of Landfill Gas prior to transfer of title to Landfill Gas to Buyer at the Delivery Point, including, without limitation, to any voluntary or mandated activities of Seller at the Landfill resulting in any carbon credits, greenhouse gas credits or similar credits or certificates or other economic benefits; provided, further, that notwithstanding anything to the contrary in this Agreement, Seller shall be entitled to retain all rights to any tax, emission or other credits or certificates derived from or relating to flared Landfill Gas produced or generated prior to the Delivery Point, regardless of whether title to the Landfill Gas has technically passed to Buyer.duplicate.

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Richmond Energy LLC	PARTY NAME	***
By: /s/ Jonathan Maurer	SIGNATURE	By: *** By: ***
Jonathan Maurer	PRINTED NAME	***
CO-CEO	TITLE	***

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General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

(b) 1.1. **Retained by Buyer** These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. **Buyer shall retain all rights to any tax, emission, or other credits, certificates or similar benefits related to (i)** If a sending party's Transaction Confirmation is materially different from the operation receiving party's understanding of the Facility and agreement referred to in Section 1.2, such receiving party shall notify the sale sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of electricity generated therefrom the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the processing oral agreement of Landfill Gas from the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and after Buyer takes title thereto at (iv) these General Terms and Conditions, the Delivery Point, including, terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without limitation, Renewable Energy Credits/Certificates, RINs, e-RINs, carbon credits, greenhouse gas credits any special or similar credits further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or certificates, enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

(c) SECTION 2. Jointly Retained DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. **To "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the extent any tax, emission or other credits, certificates or similar benefits that do not exist as of the Effective Date come into existence, and the allocation of the benefit**

therefrom cannot be readily determined parties pursuant to the provisions of Sections 2.2(a) and (b) above, the benefit of such tax, emission or other credits, certificates or similar benefits shall be shared equally by Seller and Buyer, unless otherwise mutually agreed in writing by Seller and Buyer. Notwithstanding the foregoing, neither party shall claim tax, emission or other credits under this Section 2.2(c) if obtaining such tax, emission or other credits would require the other party to lose or reduce any of the tax, emission or other credits or certificates referenced in Section 2.2(a) or 2.2(b) above or require the party not receiving such tax, emission or other credits or certificates to purchase, trade, or otherwise acquire tax, emission or other credits or certificates related to the operation of the Landfill or of the Facility to comply with any mandatory scheme or system under which such tax, emission or other credits or certificates could be obtained.

1.3 **Landfill Gas Only.** This Agreement and all rights granted to Buyer hereunder apply exclusively to Landfill Gas, as purchased from Seller and as may be processed by Buyer to generate and sell electricity following the Pre-Commercial Operations Period. Other than such electricity production and sale, Buyer shall not generate or sell any products, byproducts or constituents of the Landfill Gas. Buyer shall have no right or interest in or relating to any other activities at the Landfill in which Seller may be involved. Notwithstanding anything to the contrary set forth in this Agreement, Seller shall have the right to utilize Unused Landfill Gas for any purpose, including commercial purposes.

1.4 **Priority of Landfill Operations.** Notwithstanding anything herein to the contrary, Buyer understands and agrees that Seller's primary interest and obligation are the safe and efficient operation of the Landfill and the Collection System, in compliance with Applicable Laws and permit conditions, and that any interest of Buyer in any Landfill Gas shall remain secondary to the operation of the Landfill and the Collection System. For the sole purpose of this Section 2.4, the operation of the Landfill shall be deemed to include, without limitation, the operations of [***], any Affiliate of [***] and any contractor of [***] or its Affiliates (or any affiliated or successor entity engaged in similar or related activities) at the Landfill. Buyer's rights and interests hereunder shall not interfere with Seller's compliance with any permits, authorizations, licenses or Applicable Laws related to the Landfill or the Collection System, or with the lawful and safe operation of the Landfill and the Collection System, including, without limitation, the design, division, construction, operation, expansion (vertical or horizontal), maintenance, and monitoring of the Collection System or the Landfill, or the closure, and post-closure of the Landfill; provided that Seller shall, to the extent reasonably possible considering the circumstances and the priority of the operations of the Landfill under this Section 2.4, utilize reasonable efforts to attempt to maintain Buyer's priority to the delivery of Landfill Gas provided by Section 2.1(a). Seller shall be free at all times during the Term to take any action Seller deems necessary or desirable, in Seller's reasonable judgment, in connection with the Landfill, including, without limitation, any action required to comply with any Applicable Law or to respond to community concerns, without regard to the effect of such action on the quantity or quality of Landfill Gas extracted from the Landfill. Seller may operate its blowers and flares independent of Buyer if Seller deems it necessary with respect to the priority of the operations of the Landfill under this Section 2.4. **Base Contract.**

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Article 3.2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

Term

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2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

- 1.2.4. **Term** "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of **Agreement** provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. **The term of this Agreement** "British thermal unit" or "Btu" shall **commence** mean the International BTU, which is also called the Btu (IT).
- 2.6. **"Business Day(s)"** shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. **"Confirm Deadline"** shall mean 5:00 p.m. in the receiving party's time zone on the **Effective Date** and, unless terminated second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in whole or part earlier as the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in **Section 3.2 or Article 8** the receiving party's time zone, it shall **continue and remain until** be deemed received at the **earlier** opening of the **twentieth (20)** next Business Day.
- 2.8. **th** "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. **) anniversary** "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the **Commercial Operations Date**, Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 1.2.2.10. **Early Termination** "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. **Notwithstanding** "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. **"Cover Standard"**, as referred to in Section 3.13.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either **Party may terminate this Agreement prior to** case, at a price reasonable for the **end** delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the **term** Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by **providing written notice to the non-terminating Party;** nonperforming party.
- (a) 2.13. **at** "Credit Support Obligation(s)" shall mean any **time if Buyer has been unable** obligation(s) to **achieve the Commercial Operations Date by the third (3rd)** anniversary of the Effective Date, and such failure is not the result **provide or establish credit support for, or on behalf of, a Seller** Event party to this Contract such as cash, an irrevocable standby letter of **Default** credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or **an event** other good and sufficient security of **Force Majeure**, in each case for which written notice thereof has been provided to Seller pursuant to **Section 12.3;** or a continuing nature.
- (b) 2.14. **if, following the Commercial Operations Date, the Facility fails to produce any electricity for "Day"** shall mean a period of **more than one hundred twenty (120)** 24 consecutive **days** hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. **"Delivery Period"** shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. **"Delivery Point(s)"** shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. **"EDI"** shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. **"EFP"** shall mean the purchase, sale or **three hundred forty (340)** cumulative days (whether **consecutive** exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or **non-consecutive days** receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. **"Firm"** shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in **Section 4.3** related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. **"Gas"** shall mean any **period** mixture of **One Thousand Eight Hundred Twenty-Five (1,825)** days, including, without limitation, hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. **"Guarantor"** shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. **"Imbalance Charges"** shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. **"Indebtedness Cross Default"** shall mean if selected on the Base Contract by the parties with respect to **damage** a party, that it or **destruction** its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the **Facility**, and such failure is not the result of **[***] Event of Default or an event of Force Majeure**, in each

case for which written notice thereof pursuant to Section 12.3 has been provided to Seller pursuant to the terms and conditions of this Agreement.

The termination right provided for in Section 3.2(b) shall not apply threshold specified in the event that the interruption Base Contract with respect to such party or its Guarantor, if any, which results in production of electricity is the result of catastrophic damage to or destruction of the Facility such indebtedness becoming immediately due and (A) Buyer notifies Seller in writing of its intent to rebuild the Facility within sixty (60) days of such damage or destruction, uses reasonable efforts to rebuild the Facility and provides monthly written updates to Seller of its progress toward the rebuild of the Facility, and (B) Buyer continues to pay Seller pursuant to Section 5.1 of this Agreement; provided, further, regardless of clauses (A) and (B), Seller may terminate this Agreement upon the second (2nd) anniversary of the date such damage or destruction of the Facility occurred.

Article 4 Delivery

1.1 Delivery Point. All Landfill Gas extracted from the Landfill and made available to Buyer pursuant to this Agreement shall be made available at the Delivery Point described in writing and attached to this Agreement as Exhibit B.

1.2 Title/Risk of Loss. Title to Landfill Gas extracted from the Landfill and made available to Buyer pursuant to this Agreement shall pass to and be absolutely vested in Buyer at the Delivery Point and liability for and the risk of loss of such Landfill Gas shall follow title.

1.3 Flow. Buyer and Seller shall meet regularly, but in any event not less than semi- annually, as required to review the output, including quality and quantity, of Landfill Gas and the capacity of the Facility.

1.4 Deleterious Substances. The parties recognize that Landfill Gas may contain or be delivered with corrosive, deleterious, or otherwise harmful substances of all types. Seller shall have no obligation to pay costs for repair or replacement of the Facility caused by such substances and Buyer shall accept the risk of such substances. payable.

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1.5 No Guaranty of Quality or Quantity of Landfill Gas. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall be deemed to be a guaranty by Seller of the quality or quantity of any Landfill Gas to be made available to Buyer.

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Article 5 2.24.

Royalty

1.1 Royalty Amount. Starting on the first day of the Pre-Commercial Operations Period, Buyer "Interruptible" shall pay to Seller, for each calendar quarter for the term of this Agreement and prorated mean that either party may interrupt its performance at any time for any partial calendar quarters, the amount reason, whether or not caused by an event of [***] in immediately available funds (the "Royalty").

1.2 Time Force Majeure, with no liability, except such interrupting party may be responsible for Royalty Payments. Following the first Royalty payment made by Buyer to Seller pursuant to Section 5.1, Buyer shall, before the fifteenth (15th) day of the first month next succeeding the end of the calendar quarter following such payment and each subsequent calendar quarter payment, pay to Seller the Royalty due pursuant to Section 5.1 above.

1.3 Interest. All sums payable hereunder that are not timely paid any Imbalance Charges as set forth herein shall bear interest calculated from the date when due until such sums are paid at one percent (1.0%) per annum above the fluctuating rate of interest announced publicly by Wells Fargo Bank, N.A., from time to time as its reference rate. Interest shall be calculated on the basis of a thirty (30) day month and a three hundred sixty (360) day year. In no event shall the rate of interest charged hereunder exceed the maximum rate allowed by the Applicable Law.

Article 6 General Obligations, Warranties, and Covenants

1.1 Permits and Approvals.

(a) Promptly after execution of, and pursuant to, this Agreement, Buyer shall obtain, at its sole cost and expense, all necessary environmental impact studies, statements or reports, zoning and land use approvals, permits, licenses and utilities for the installation and construction of the Facility and shall comply with all Applicable Laws; provided that all applications and filings with Government Entities, and all material communications with Government Entities with respect to any such applications and filings, shall be subject to Seller's prior written approval, such approval Seller shall not unreasonably delay or withhold. At all times during the term of this Agreement, Buyer shall, at its sole cost and expense, obtain and maintain in effect all permits, authorizations, easements, and rights of way required in connection with the installation, construction, expansion, modification or addition to, or the operation, repair or maintenance of the Facility, and Buyer shall comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Buyer's use of the Facility.

(b) Buyer shall provide Seller with reasonable advance notice of any hearings or other proceedings regarding Buyer's permits, authorizations, easements and rights of way, and Seller may elect, at its sole cost and expense, to participate in any such hearings, or proceedings, so long as Seller does not take any position adverse to Buyer or the Facility, in written comments submitted to, or verbal comments made at, such hearing or proceeding; provided Seller may take any position adverse to Buyer or the Facility, in written comments submitted to, or verbal comments made at, such hearing or proceeding, if Buyer is not in compliance with the terms and conditions of this Agreement or the Site Lease.

(c) Buyer shall provide Seller with a reasonable opportunity to comment upon any draft environmental impact reports or studies required in connection with any permits,

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provisions of this Section 12.11; provided, however, that within fifteen (15) business days of any request by Seller, Buyer shall provide reasonable evidence of OPAL Fuels LLC or an Affiliate of OPAL Fuels LLC possession of the power to direct or cause the direction of day-to-day management and policies of the Buyer, such as a copy of a management services agreement, operating agreement or similar documentation between Buyer or a Buyer Affiliate concerning the Facility. In submitting such information, Buyer may redact any information that is confidential to other party or parties to such agreements, valent to or operation, repair or maintenance one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the Facility. Buyer shall consider any comments submitted by Seller before the finalization of any such 1.12 Interpretation. The terms and provisions are not to be construed more liberally in favor of, nor more strictly against, either party. To the extent the mutual covenants of the parties under this Agreement create obligations that extend beyond the termination or expiration of this Agreement, the applicable provisions of this Agreement shall be deemed to survive such termination or expiration for the limited purpose of enforcing such covenants and obligations in accordance with the terms of this Agreement. All schedules and exhibits attached hereto are incorporated herein by this reference the terms of this Agreement.

1.13. Design and Construction of the Facility. Buyer shall design, construct and operate the Facility on the Site. Prior to the commencement of construction, Buyer shall provide Seller with a copy of the design and construction documents. Further Assurances. The parties shall perform all such acts (including, without limitation, executing and delivering instruments and documents) as reasonably may be necessary to fully effectuate the intent and each and all of the purposes of this Agreement, including in appearance first Day of the Facility, next calendar month.

1.14. No Partnership. Nothing contained in this Agreement shall be construed to create any association, trust, partnership, or joint venture or impose a trust or partnership, duty, obligation, or liability or an agency relationship on, or with regard to, either party. Neither party hereto shall have the right to bind or obligate the other in any way or manner unless otherwise provided for herein. g Gas at a

Delivery Point.

1.15. Confidential Information. Except as required by Applicable Law, neither party shall, without the prior written consent of the disclosing party, disclose (regardless of the form of disclosure) any Confidential Information (as hereinafter defined) to any third parties other than consultants, agents, representatives, actual or potential financiers, or employees of the receiving party ("Recipients") who (a) shall keep such Confidential Information confidential, and (b) need access to such Confidential Information to assist the receiving party in the exercise of its rights and the performance of its obligations under this Agreement. The receiving party shall notify any Recipients of the confidential nature of the Confidential Information, and the receiving party hereby agrees to be responsible for any breach of the terms of this Section by any Recipients of Confidential Information from the receiving party. "Confidential Information" shall mean this Agreement and the terms and conditions hereof and all data developed or collected by one party and provided to the other party or its agents (i) in connection with the Landfill, Seller's facilities and/or operation, or the Facility and/or operations, or (ii) as a result of any of the rights granted to, or obligations undertaken by, either party pursuant to this Agreement, whether or not designated as confidential, but shall not include

information to the extent such information (1) is in the public domain at the time of disclosure, or (2) following disclosure, becomes generally known or available through no action or omission on the part of the receiving party, or (3) is known, or becomes known to the receiving party from a source other than the disclosing party or its representatives provided that disclosure by such source is not in breach of a confidentiality agreement with the disclosing party, or (4) is legally required to be disclosed by judicial or other governmental action; provided, however, that the receiving party shall make reasonable efforts to resist disclosure of such information, and further provided, that prompt notice of any judicial or other governmental action shall have been given to the disclosing party and that the disclosing party shall be afforded the opportunity (consistent with the legal obligations of the receiving party) to exhaust all reasonable legal remedies to maintain the Confidential Information in confidence. In no way limiting the foregoing, Buyer acknowledges and agrees that data collected or extrapolated by Buyer pursuant to its duties and obligations hereunder with respect to the Facility or operations. Notwithstanding Seller's right to review and comment on the plans for the Facility, all proprietary data, drawings, plans, specifications and reports developed by Buyer and related to the Facility shall remain the

intellectual property of Buyer. Buyer shall provide Seller with copies of all permits, licenses or approvals granted to Buyer relating to the Facility and planned business operations as of the Commencement Date and thereafter upon the request of Seller.	Date: _____
1.3 Seller's Maintenance of Collection System. At its own expense and regardless of who may be the operator or maintainer of the Collection System, Seller shall maintain, operate, and preserve the Collection System in good working order and condition, and wear and tear excepted, and in conformity with Applicable Laws.	Transaction Confirmation #:

1.4 Buyer's Maintenance of Facility. In no way limiting the provisions of Section 2.4, Buyer shall, at its own expense and regardless of who may be the operator or maintainer of the Facility, maintain, operate, improve and preserve the Facility and the related leased premises at all times in good working order and a neat and clean condition, ordinary wear and tear excepted, in conformity with Applicable Laws, rules, regulations, and permitting requirements; provided further, that Buyer's operation of the Facility will also address any environmental impact. Collection System, the Landfill, or Seller's operations shall remain confidential for all purposes of this Agreement other than the limited disclosure required by Buyer or Seller for regulatory purposes. In the event that there is a breach by either party of the provisions of this Section, the disclosing party shall be entitled to a temporary and permanent injunction to restrain the receiving party from disclosing in whole or in part any Confidential Information, as prohibited hereunder, and the disclosing party shall be entitled to reimbursement for all costs and expenses, including reasonable attorney's fees, in connection therewith. Nothing in this Section shall be construed as prohibiting the disclosing party from pursuing such other remedies available to it for such breach including the recovery of damages from the receiving party.

1.16 Third Party Beneficiaries. This Agreement is intended to be solely for the benefit of the parties hereto and their successors and permitted assignees and is not intended to and shall not confer any rights or benefits on any other third party not a signatory hereto, except as provided in Section 6.7.

3. This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated: The terms of this Transaction Confirmation are binding, unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties. 1.17 WAIVER OF DAMAGES; NON-RELIANCE. EXCEPT IN CONNECTION WITH CLAIMS BY THIRD PARTIES THAT ARE NOT AFFILIATES OF ANY PARTY HERETO OR THE FRAUD OR WILLFUL MISCONDUCT OF EITHER PARTY HERETO OR ITS RESPECTIVE AFFILIATES, NEITHER PARTY HEREUNDER SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, LOSS OF USE, LOST PROFITS, INCIDENTAL OR CONSEQUENTIAL (OTHER THAN ACTUAL AND DIRECT) DAMAGES ARISING UNDER OR OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN. NEITHER PARTY HERETO HAS RELIED UPON, AND SHALL NOT ASSERT THAT IT HAS RELIED UPON, ANY INFORMATION REGARDING BUYER, THE FACILITY, SELLER, THE LANDFILL, THE LANDFILL GAS OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND NONE OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES SHALL HAVE OR BE SUBJECT TO ANY LIABILITY TO BUYER, SELLER OR ANY RESPECTIVE AFFILIATE OF A PARTY HERETO RESULTING FROM THE FURNISHING OF SUCH INFORMATION TO THAT PARTY OR AN AFFILIATE OF SUCH PARTY OR ANY RELIANCE ON, ANY SUCH INFORMATION OR ANY INFORMATION, DOCUMENTS OR MATERIALS MADE AVAILABLE TO A PARTY HERETO, A RESPECTIVE AFFILIATE OF SUCH PARTY IN ANY FORM IN EXPECTATION OF, OR IN CONNECTION WITH, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

1.18 Publicity and Corporate Identity. Neither party may use the name, trade name, trademarks, service marks, or logos of the other party or the existence of this Agreement or the project described herein or any likeness, photo, film or similar like kind reproduction of the other's facilities or property in any publicity releases, news releases, annual reports, signage, stationery, print literature, advertising, or websites without securing the prior written consent of the other party, which consent shall not be unreasonably withheld. Neither party shall issue any publicity or news releases regarding the Facility or project at the Landfill without the written consent of the other party, which consent shall not be unreasonably withheld. The parties shall not, without prior written consent of the other party, represent, directly or indirectly, that any product or service offered by the party has been approved or endorsed by the other party.

Signature page to follow

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.		
Cover Standard:		
3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer on such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice.		
SELLER: [***] 0001842279-23-000092image_401.jpg	BUYER: FALL RIVER RENEWABLE POW 0001842279-23-000092image_401.jpg	
By: [***] 0001842279-23-000092image_401.jpg		
Spot Price Standard:		
Name: Attn: [***] Phone: [***] 0001842279-23-000092image_401.jpg		
Title: Fax: [***] Base Contract No. of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the difference between the Contract Quantity and the actual quantity received by Buyer and delivered by Seller for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (iii) in the event of a breach by either party, if the parties have agreed to Alternative Damages in a Transaction Confirmation executed in writing by both parties, the Transaction Confirmation shall govern. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the details of the Alternative Damages. The parties may agree to dispose Alternative Damages in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation shall govern. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the details of the Alternative Damages.		
Date Signed: Transporter: August 10 Transporter Contract Number: 2023		
multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a		
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		LLC Attn: Phone: Fax
		Base Contract No
		Transporter:
		Transporter Contract
		Number:
Contract Price: \$/MMBtu or MMBtus/day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the difference between the Contract Quantity and the actual quantity received by Buyer and delivered by Seller for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (iii) in the event of a breach by either party, if the parties have agreed to Alternative Damages in a Transaction Confirmation executed in writing by both parties, the Transaction Confirmation shall govern. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the details of the Alternative Damages.		
Performance Obligation and Contract Quantity: (Select One)		
interfere with Seller's ability 3.3. Notwithstanding Section 3.2, the parties may agree to dispose Alternative Damages in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation shall govern. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the details of the Alternative Damages.		
Firm (Fixed Quantity): Firm (Variable Quantity): Interruptible:		
0001842279-23-000092image_441.jpg By: MMBtus/day err/s/ J. G. Maurer MMBtus/day Minimum Up to executed in writing by both parties. The Transaction Confirmation shall govern. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the details of the Alternative Damages.		
Name: MMBtus/day EFP Jonathan Maurer MMBtus/day Maximum of its Leachate or Condensate, (b) all such materials disposed of by nonperformance triggering the Termination Option and the procedures for exercise thereof. Title: Co-Chief Executive Officer subject to Section 4.2. at election of costs will be calculated.		
SECTION I 0001842279-23-000092image_441.jpg 0001842279-23-000092image_441.jpg Date Signed: August 11, 2023 Buyer or Seller		
4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).		
(If a pooling point is used, list a specific geographic and pipeline location):		
4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the disposal parameters applicable deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to Seller's Leachate meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be nominated to the Leachate/Condensate disposal system. The parties shall promptly notify the other party.		
[Signature Page to Third Amended and Restated Gas Sale and Purchase Agreement] Special Conditions: If the Leachate/Condensate disposal system is greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.		
4.3. Condensate, and (c) The parties shall use commercially reasonable efforts to avoid imposition of any added incremental costs Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred by Seller as a result of Buyer's utilization receipt of Seller's Leachate/Condensate disposal system shall be borne by Buyer, including, without limitation, disposal fees and capital costs incurred to accommodate such Condensate.		
1.6 Taxes.		
(a) All taxes now quantities of Gas greater than or hereafter imposed upon less than the production, severance, gathering, sale or delivery of Landfill Scheduled Gas, or upon the business or privilege of producing, severing, gathering, selling or delivering Landfill		

7.2. Buyer shall have no obligation pursuant to this Agreement for any odor to remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or emission not emanating from American Site or the Facility.

1.8 **Buyer's Security.** At least thirty (30) Energy prior to the first day later of the Pre- Commercial Operations Period, Buyer shall provide and maintain security in favor of Seller, at Standardsense, to secure Payment (the "Buyer Security"). Buyer Security may either be in the form of a Security Agreement Date or the Letter Board, dit. **TABLE OF CONTENTS**

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(a) If Buyer elects to provide a Security Agreement, Seller shall provide Seller with a first priority lien and security interest in the Buyer Collateral as provided by the Security Agreement. Buyer shall notify Seller promptly upon gaining knowledge (i) of any event causing loss or significant change in circumstances causing material reduction in the value 10 Days after receipt of the Buyer Collateral and invoice by Buyer; provided that if the amount of such loss or reduction, or (ii) that the fair market value of the Buyer Collateral in an arm's length sale to a third party is reasonably likely to be less than Five Million Dollars (\$5,000,000.00). If the Buyer Security is in the form of a security interest in Buyer Collateral and Seller has a reasonable belief that the value of the Buyer Collateral is less than Five Million Dollars (\$5,000,000.00), Buyer shall provide, after notice from Seller and within no later than ten (10) days of such notice, reasonable assurances of the value of the Buyer Collateral. If Seller, acting reasonably, Payment Date is not satisfied with a Business Day, payment is due on the assurances of value provided by next Business Day following that date. In the event any payments are due Buyer Seller may engage a third party, neutral, appraiser hereunder, payment to conduct an appraisal of the Buyer Collateral and Buyer shall cooperate in connection therewith. If such appraisal confirms that the value of the Buyer Collateral is equal to or greater than Five Million Dollars (\$5,000,000.00), Seller shall be solely responsible for the costs of the appraisal conducted by such third party. If the appraisal finds that the Buyer Collateral has a value less than Five Million Dollars (\$5,000,000.00), Buyer shall be solely responsible for the cost of the appraisal, Buyer shall pay or reimburse Seller within ten (10) days of request for the cost of the appraisal and Buyer shall modify and/or enhance the Buyer Security to provide a value of at least Five Million Dollars (\$5,000,000.00) and provide Seller evidence thereof within ten (10) days thereof. made in accordance with this Section 7.2.

(b) If Buyer elects not to provide a Security Agreement, then:

(i) it shall provide a Letter of Credit to Seller in the Letter of Credit Amount.

(ii) The issuer of the Letter of Credit shall have and maintain a credit rating equivalent to BBB- (or better) from Standard & Poors and Baa3 (or better) from Moodys. If such credit rating is BBB- or Baa3, the issuer must not be on credit watch by any rating agency. If the issuer of the Letter of Credit fails to maintain such credit ratings or is on such credit watch, Buyer shall promptly notify Seller in writing and provide a Letter of Credit from a new issuer satisfying the requirements of this section.

(iii) The Letter of Credit must be for a minimum term of three hundred sixty (360) days. Buyer shall give Seller at least thirty (30) days advance written notice prior to any expiration or earlier termination of the Letter of Credit. Buyer shall cause the renewal or extension of the Letter of Credit for additional consecutive terms of three hundred sixty (360) days or more (or, if shorter, the remainder of the Term) more than thirty (30) days prior to each expiration date of the Letter of Credit. If the Letter of Credit is not renewed or extended at least thirty (30) days prior to its expiration date or otherwise is terminated early, Seller shall have the right to draw immediately upon the Letter of Credit and to place the amounts so drawn in an escrow account until and unless Buyer provides a substitute Letter of Credit or until utilized to satisfy such amounts due as contemplated by this section.

(iv) Assuming there are no requests for Payment that have not been fully satisfied, no later than thirty (30) days following written notice from Buyer it has the

removed the Facility and restored the Site pursuant to the terms and conditions of this Agreement and the Site Lease: (Y) Seller shall return the Buyer Security to Buyer if it is a Letter of Credit; or (Z) make any and all necessary filings, to the reasonable satisfaction of Buyer, to terminate its security interest in the Buyer Collateral. The Letter of Credit shall not be returned, or

the security interest terminated, if Seller has the Letter of Credit prior to removal of the Facility or within such thirty (30) days.

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(v) In any payments owing from Buyer or any of their Affiliates to any Seller Indemnified Party pursuant to the Lease, resulting in an Event of Default hereunder or in an Event of Default (as defined in the Site Lease) that, to the extent an opportunity to cure is applicable, has not been cured within the applicable time periods permitted under this Agreement, as applicable, Seller may in its discretion as a non-exclusive remedy: (Y) take any actions allowed under the Security Agreement, or (Z) draw from the Letter of Credit.	3
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in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

Annex 1 - Organization and Chief Executive Office of Grantor

7.6. A party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or collection made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived. If invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a specified time, single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions of this Agreement therein shall prevail to account for the increased burden of such regulatory activity on the parties. In the event such renegotiations are unsuccessful, Seller may terminate this Agreement effective upon ten (10) days written notice to Buyer; provided, if within such ten (10) day period Buyer agrees in writing to pay Seller all cost and expenses Seller incurs with respect to such treatment as a combined or single source, such termination shall be null and void, extent inconsistent herewith.

SECURITY AGREEMENT

This SECURITY AGREEMENT (this "Agreement"), dated as of _____, 20____ is made by and between FALL RIVER RENEWABLE POWER LLC, a Delaware limited liability company (together with its permitted successors and assigns, "Grantor"), and [***], a Massachusetts corporation ("Secured Party"), for the purpose of securing the performance by Grantor of its obligations under the terms of the Landfill for the production of electricity to the public generally at the Landfill, or in the exercise of a public franchise, or in the exercise of a public utility function.

ARTICLE I RECITALS: Measurement

A. Pursuant to that certain Third Amended and Restated Gas Sale and Purchase Agreement dated as of _____, 2023, by and between Secured Party and Grantor (as amended, restated, supplemented or otherwise modified from time to time, the "GSPA"), Secured Party will sell to Grantor, and Grantor will purchase from Secured Party, Landfill Gas collected at the Landfill for use in the Facility for processing and generation of electricity utilizing a new processing, and generating facility to be built, owned and operated by Grantor on the Landfill.

1.2 Calibration its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to the delivery of the Gas to the Buyer at the Delivery Point(s).

B. Pursuant to that certain Third Amended and Restated Site Lease Agreement dated as of _____, 2023, by and between Secured Party and Grantor (as amended, restated, supplemented or otherwise modified from time to time, the "Site Lease"), Secured Party will lease the Site to Grantor for the purpose of constructing, maintaining and operating the Facility.

C. Secured Party has agreed to enter into the GSPA and sell to Grantor such Landfill Gas collected at the Landfill on the condition that Grantor provide certain Buyer Security, and this Agreement is being delivered in satisfaction of such requirement.

(d) Each party shall have the right to have its representatives convey and agents present at any installing, reading, cleaning, or repairing of the meter(s). NOW, THEREFORE, in consideration of the foregoing covenants and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor hereby agrees with Secured Party as follows: r, free and clear of Section 7.1 all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE, ARE DISCLAIMED.

DEFINITIONS

(c) 8.3. If, for Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court to satisfy the terms of Section 7.1 is out of service and all persons, arising from or out of repair so that the quantity of Landfill Gas delivered through the meter(s) is less than the quantity of Landfill Gas so delivered during the period such equipment is out of service all claims, from any and all persons, arising from or out of repair shall be estimated and agreed upon by the parties.

(a) Each capitalized term used and not otherwise defined herein shall have the meaning assigned to such term (whether directly or by reference to another agreement or document) in the GSPA. The rules of interpretation set forth in the GSPA are hereby incorporated by reference as if fully set forth herein. In addition to the terms defined in the GSPA, the preamble and the recitals, the following terms shall have the following respective meanings: ific Metering Issues. For purposes of this Agreement, atmospheric pressure is assumed, unless otherwise established by the standard gas measurement procedures in the industry, to be 14.74 psia. In addition, the specific gravity and the gross heating value of the gas flowing through the meter(s) may be determined by "on-site" sampling and laboratory analysis claims regarding payment, personal injury (including death) or by any other method that is of standard industry practice. The unit of measurement is one cubic foot at a pressure base of 14.74 psia and at a temperature base of sixty (60) degrees Fahrenheit. Meter measurements shall be computed by Buyer into standard cubic feet (SCF) for volume variations due to metered pressure and corrected for deviation using average values of recorded specific gravity and flowing temperature.

Article 8

"Discharge Date" shall mean earlier of (a) the date on which all of the Secured Obligations of Grantor under the GSPA shall have been indefeasibly paid in full in immediately available funds and (b) the date, as long as a foreclosure action has not been commenced against Grantor, Grantor has provided to Secured Party a Letter of Credit in the Letter of Credit Amount in accordance with the terms and conditions of Sections 6.8(b) and (c) of the GSPA. If a foreclosure action has been commenced against Grantor and Grantor wishes to provide to Secured Party a Letter of Credit in the Letter of Credit Amount, Grantor must obtain Secured Party's prior written consent, which may be granted or withheld in Secured Party's sole and absolute discretion.

"GSPA" has the meaning assigned to the term in the recitals of this Agreement.

"Lien" means any assignment (including an assignment for security purposes), mortgage or deed of trust encumbering an interest in real property, lien, charge, pledge, security interest or other encumbrance on property, on within sixty (60) days after written notice to the defaulting party ("Notice of Default") specifying the nature of the failure. Notwithstanding the foregoing, if the failure is beyond the reason:

"Permitted Liens" means (a) any Liens arising under this Agreement, the GSPA, or the Site Lease; (b) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; (c) materialmen's, mechanics', workers', repairmen's, employees' or other like Liens arising in the ordinary course of business or in the construction, restoration, repair or replacement of the Facility, in each case either for obligations not delinquent for a period of more than sixty (60) days or being contested in good faith by appropriate proceedings; (d) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance, social security and other applicable laws and regulations for obligations not delinquent for a period of more than sixty (60) days or being contested in good faith by appropriate proceedings; (e) Liens arising out of judgments or awards so long as an appeal or proceeding for review is being prosecuted in good faith; (f) easements, zoning restrictions, rights-of-way or other encumbrances on real property imposed by law or arising in the ordinary course of business that do not materially interfere with the ordinary conduct of business of the Grantor or the development, construction or operation of the Facility or otherwise interfere with or impair the value of any Collateral; and (g) Liens that are subordinated to the Liens arising under this Agreement, the GSPA, or the Site Lease, to its permits said Gas or other authorizations. Any Notice of Default given pursuant to this Section shall include a specific reference to this subsection.

"Proceeds" has the meaning assigned to the term "proceeds" in the Uniform Commercial Code.

(d) (i) Either party becomes insolvent or unable to pay its debts when due; generally fails to pay its debts when due; files a petition for reorganization or liquidation; or (ii) either party becomes insolvent or unable to pay its debts when due; generally fails to pay its debts when due; files a petition for reorganization or liquidation; or (iii) any court order or judgment is entered confirming the bankruptcy or insolvency of Buyer or Seller, or approving any reorganization plan.

"Security Event of Default" means (a) an Event of Default pursuant to Section 8.1(a) of the GSPA has occurred and is continuing (which shall include the failure to satisfy any payment obligations of Grantor owing to Secured Party and its Affiliates, and their respective directors, officers, partners, shareholders, employees, agents, representatives, co-venturers, successors, permitted assigns, contractors or servants pursuant to the GSPA or the Site Lease), (b) an Event of Default as defined in the Site Lease has occurred and is continuing (which shall include the failure to make any payment), and/or (c) Grantor has breached a material covenant hereunder and failed to cure within thirty (30) days after receipt of written notice from Secured Party concerning such breach.

"Site Lease" has the meaning assigned to the term in the recitals of this Agreement.

(f) Any breach of a party's representations and warranties in this Agreement that is not cured to the other party's reasonable satisfaction within sixty (60) days after written notice to the breaching party.

Article II

THE COLLATERAL

(g) The failure of Buyer to timely provide the Buyer's

(h) The reasonable determination by Seller that Buyer's record of compliance with all Applicable Laws, regardless of the date, Section 1.01. Grant, as collateral security for the prompt payment of the Secured Obligations in full when due, Grantor hereby pledges and grants to Secured Party a first priority lien and security interest in and to all of the following property of Grantor (subject to any Permitted Liens), wherever located, whether now owned or in the future acquired by Grantor and whether now existing or in the future coming into existence (collectively, the "Collateral"); an Event of Default by Buyer has occurred and not been cured as provided in Section 8.1 (if applicable). Seller may, without obligation, do any one or more of the following (all such remedies being cumulative):

All of Grantor's personal property and fixtures, wherever located, whether now or hereafter owned, existing or acquired or hereafter arising, including, without limitation, the following: all accounts, inventory, equipment, general intangibles (including, without limitation, trade names, permits, licenses and other intangible property rights), fixtures, goods, leasehold improvements, documents, instruments, chattel paper, money, deposit accounts, accounts receivable, rights to draw on letters and advices of credit and the cash or noncash proceeds (including insurance or other rights to receive payment with respect thereto) of any of the foregoing and all accessions and additions to and replacements of the foregoing, and all books and records pertaining to any of the foregoing.

(d) Proceed to protect and enforce any or all its rights and remedies under this Agreement and to exercise any or all other Section 1.02. Financing Statements. Grantor authorizes Secured Party to file such financing statements and continuation statements in such offices as are or shall be necessary or as Secured Party may determine to be appropriate to create, perfect and establish the priority of the liens granted by this Agreement in any and all of the Collateral, to preserve the validity, perfection or priority of the liens granted by this Agreement in any and all of the Collateral or to enable Secured Party to exercise its remedies, rights, powers and privileges under this Agreement.

(a) Terminate this Agreement and cease to purchase Landfill Gas from Seller.

Section 1.03. Use and Defense of Collateral

(a) Remove and/or part of the facility and/or any additions, improvements, equipment and fixtures or property of Buyer on the property leased hereunder to the Site Lease.

(a) So long as no Security Event of Default has occurred and is continuing, Grantor shall be entitled to use and possess the Collateral.

(c) Remain on and in possession of the premises subject to the Site Lease through the term of the Site Lease and continue to operate and maintain the Facility.

(b) So long as no Security Event of Default has occurred and is continuing, Grantor is free and entitled to sell, transfer, assign, convey, distribute or otherwise dispose of any of the Collateral in the ordinary course of its business but only if such sale, transfer, assignment, conveyance, or distribution (i) has a fair market value of less than One Hundred Thousand Dollars (\$100,000.00), (ii) does not impair the ability of the Facility to operate as contemplated under the GSPA, or (iii) does not cause Grantor or the Collateral to fail to comply with the terms and conditions of Section 2.4 of the GSPA. Any sale, transfer, assignment, conveyance, distribution or disposal of the Collateral in excess of One Hundred Thousand (\$100,000.00) shall require (Y) Grantor to notify Secured Party in writing at least ten (10) Business Days prior to Grantor's sale, transfer, assignment, conveyance, distribution or disposal of the Collateral, and (Z) Grantor's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not sell, transfer, assign, convey, distribute or otherwise dispose of any of the Collateral in a series of transactions where such Collateral has a fair market value of less than One Hundred Thousand Dollars (\$100,000.00) with the intent of circumventing the notice and consent requirements of the immediately preceding sentence. For the avoidance of doubt, the restrictions contained in this Section 2.03(b) shall not apply to any sale, transfer, assignment, conveyance or distribution of Collateral that is being replaced with like-kind equipment;² dispute or claim arises, and in no event after it would be barred by an applicable statute of limitations. The requesting party shall

Exhibit C-5

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(c) Grantor shall not create, permit or suffer to exist and shall defend the Collateral against, and take such other action as is necessary to remove, any lien in respect of the Collateral (other than Permitted Liens) and shall defend, at their sole cost and expense, the right, title and interest of Secured Party and Grantor in and to any of their rights in, to and under the Collateral against the claims and demands of all persons whomsoever. Grantor shall notify Secured Party promptly upon gaining knowledge of any event causing loss or significant change in circumstances causing material reduction in the value of the Collateral and the amount of such loss or reduction and in no event shall take any action which may impair Secured Party's rights in the Collateral.² of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the Federal Rules event Seller took title to the Gas outside the Customs Territory of Civil Procedure applicable in the State of Arizona will

Section 1.04. Rights and Obligations. es and listing of witnesses and exhibits, initiation and completion of discovery, and dispositive motions. Judgment upon the award

rendered by the (a) Grantor Secured Party shall not be required to take steps necessary to preserve any rights against prior parties to any part of the Collateral. The periods set by the rules shall be adhered to by all parties and arbitrators. The arbitrators shall be expressly limited by any limitation on damages provided by this Agreement.

(b) Grantor shall remain liable to perform its duties and obligations under the contracts and agreements included in the Collateral in accordance with their respective terms to the same extent as if this Agreement had not been executed and delivered. The exercise by Secured Party of any right, remedy, power or privilege in respect of this Agreement shall not release Grantor from any of its duties and obligations under those contracts and agreements. Secured Party shall not have any duty, obligation or liability under those contracts, agreements, permits or licenses included in the Collateral by reason of this Agreement, nor shall Secured Party be obligated to perform any of the duties or obligations of Grantor under any such contract, agreement, permit or license or to take any action to collect or enforce any claim (for payment) under any such contract, agreement, permit or license.

(c) No lien granted by this Agreement in Grantor's right, title and interest in any contracts, agreements, permits or licenses shall be deemed to be a consent by Secured Party to any such contract, agreement, permits or licenses. Buyer has the power and lawful authority to enter into and perform its obligations under this Agreement and any other documents required by this

Section 1.05. Grantor's Covenants. In addition to the other covenants herein, Grantor agrees to not, during the term of this Agreement (and any extension thereto):

(a) its use or permit the use of any Collateral for any unlawful purpose or in any way that would void any insurance required to be carried in connection therewith; or result in a material breach of or constitute a material default under any agreement, indenture, or instrument of which it is a party or by which it or its properties may be bound or affected.

(b) waste, destroy or abandon the equipment or inventory or any part thereof except for equipment or inventory that, in the good faith judgment of the Grantor, is worn out, obsolete or without material economic value; and

(c) change their name, identity or corporate structure in any manner that might make financing statements filed in connection herewith misleading or ineffective.

contemplated addresses specified in writing by this Agreement, the respective parties from time to time.

Section 1.06. The Secured Party's Appointment as Attorneys-in-Fact. Effective upon the occurrence and continuance of a Security Event of Default, Grantor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as their true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Grantor upon notice thereto but without assent thereof, and in the name of Grantor or in their own names, from time to time, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action, in the Secured Party's reasonable discretion, and to execute any and all documents and instruments which may be reasonably necessary or desirable in the judgment of the Secured Party, and to take any of the actions permitted under Articles II and V hereof.

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Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and in no event shall the Secured Party or any of its officers, directors, employees or agents be responsible to Grantor for any act or failure to act, except for willful misconduct, unless a higher standard is imposed by law.

Section 1.07. Termination. Upon the occurrence of the Discharge Date, Secured Party shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect of the Collateral, to or on the order of Grantor. Secured Party shall also execute and deliver to Grantor, at Grantor's expense, upon such termination such Uniform Commercial Code termination statements and other documentation as shall be reasonably requested by Grantor to effect the termination and release of the liens created under this Agreement. The security interest created hereby shall also be released with respect to any portion of the Collateral that is sold, transferred or otherwise disposed of in compliance with the terms and conditions of this Agreement.

(d) **Execution.** Seller has duly executed and delivered this Agreement, and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes a legal, valid and enforceable obligation of Seller enforceable against Seller in accordance with its terms.

As of the date of this Agreement, Grantor represents and warrants to Secured Party as follows:

Section 1.01. Organization. Each party acknowledges that its representations and warranties as set forth above are relied upon by the other in entering into and performing under this Agreement. The representations and warranties contained in this Article shall survive the termination of this Agreement.

(a) Annex 1 correctly sets forth Grantor's full and correct legal name, type of organization, jurisdiction of organization, organizational identification number (if applicable), chief executive office and mailing address as of the date of this Agreement.

(b) Grantor has not (i) changed its location (as defined in Section 9-307 of the Uniform Commercial Code), (ii) previously changed its name except as set forth on Annex 1 and (iii) previously become a "new debtor" (as defined in the Uniform Commercial Code) with respect to a currently effective security agreement entered into by another Person except as set forth on Annex 1.

Section 1.02. Title. Grantor is the sole beneficial owner of the Collateral in which it purports to grant a lien pursuant to this Agreement, and the Collateral is free and clear of all liens (subject to any Permitted Liens).

Article 11

Article IV

COVENANTS; INDEMNITY

1.1 If either party is rendered unable, wholly or in part, by the occurrence of a Force Majeure event to carry out its obligations under this Agreement, that party shall give to the other party prompt written notice of the Force Majeure event, which notice shall include a description of the nature of the Force Majeure event, its cause and possible consequences, its direct impact on the party's inability to perform all or any part of its obligations under this Agreement, the expected duration of the event, and the steps being taken or proposed to be taken by the affected party to overcome the event; thereupon, the obligations of the party giving the notice shall be suspended (a) during, but no longer than, the continuance of the Force Majeure event, and (b) only with respect to the party's specific obligations hereunder affected by the Force Majeure

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Section 1.01. Further Assurances. Until the Discharge Date and upon a request from Secured Party, Grantor shall take all necessary action to permit Secured Party immediately to perfect its lien and security interest in the Collateral, except for such Collateral in which a lien or security interest can be perfected only by possession. Such filings shall be in form and substance reasonably required by Secured Party. At Secured Party's request, Grantor shall execute and deliver to Secured Party, at any time and from time to time hereafter, all supplemental documentation (including, without limitation, deeds, conveyances, mortgages, assignments, notices of assignments, financing statements and continuation statements) that Secured Party may deem desirable or necessary to maintain, preserve, continue or perfect security interest and liens granted Secured Party hereby, in form and substance reasonably acceptable to Secured Party.

event; provided that if the Force Majeure event continues for more than twelve (12) consecutive months, the party that has not asserted Force Majeure may terminate this Agreement without notice. **Section 1.02. Negative Pledge.** Grantor shall not create, incur, assume or suffer to exist any Lien with respect to any of the Collateral other than Permitted Liens. Force Majeure shall promptly notify the other party of the termination of such event.

Section 1.03. Indemnity. In no event shall the Secured Party be liable for any matter or thing in connection with this Agreement other than to account for monies actually received by it in accordance with the terms hereof. Grantor agree to indemnify and hold harmless the Secured Party from and against any and all claims, demands, losses, judgments and liabilities of whatsoever kind or nature, and to reimburse the Secured Party for all costs and expenses, including reasonable attorneys' fees, growing out of or resulting from the exercise by the Secured Party of any right or remedy granted to it hereunder.

Section 1.04. Records and Inspection. Grantor agrees that it will at all times keep accurate and complete records with respect to the Collateral and agrees that Secured Party or its agents or representatives (including, without limitation, accountants, appraisers or other persons retained by Secured Party) shall have the right upon reasonable advance written notice to call during regular business hours at Grantor's place or places of business or where the Collateral may be located or where records relating thereto may be kept and to inspect such Collateral and to examine or cause to be examined such records and to make extracts therefrom or copies thereof. Grantor will, with respect to the Collateral, deliver to Secured Party, at Grantor's expense, such papers as Secured Party may reasonably request, registered facsimile or certified with return receipt requested, by mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or by delivering the same in person to such party.

Article V

REMEDIES

Section 1.01. Events of Default, Etc. If any Security Event of Default shall have occurred and be continuing, after being absent of proof of the actual receipt date, the following presumptions will apply. Notices sent by overnight courier, subject to signature verification, and three (3) business days after the deposit in the United States. Secured Party in its discretion may require Grantor to, and Grantor shall, assemble the Collateral owned by it at such place or places, reasonably convenient to both Secured Party and Grantor, designated in Secured Party's request.

(b) ~~If to Secured Party in its discretion may make any reasonable compromise or settlement it deems desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, all or any part of the Collateral;~~

OPAL Fuels LLC
One North Lexington Ave., Suite 1450

(c) ~~Secured Party in its discretion may, in its name or in the name of Grantor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for all or any part of the Collateral, but shall be under no obligation to do so;~~ with a copy to:

OPAL Fuels LLC
5087 Junction Road
Lockport, NY 14094
Attn: General Counsel

Exhibit C-8

E-mail: noticeofficer@opalfuels.com

If to Seller, addressed to it at:

with copies to:

(d) ~~Secured Party in its discretion may, upon reasonable prior written notice to Grantor of the time and place, with respect to all or any part of the Collateral which shall then be or shall thereafter come into the possession, custody or control of Secured Party, or any of its Collateral Agents, sell, lease or otherwise dispose of all or any part of such Collateral, at such place or places as Secured Party deems best, for cash, for credit or for future delivery (without thereby assuming any credit risk) and at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place of any such sale (except such notice as is required above or by applicable statute and cannot be waived), and Secured Party or any other Person may be the purchaser, lessee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of Grantor, any such demand, notice and right or equity being hereby expressly waived and released. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned;~~

(e) ~~Secured Party shall have, and in its discretion may exercise, all of the rights, remedies, powers and privileges with respect to the Collateral of a secured party under the Uniform Commercial Code and such additional rights, remedies, powers and privileges to which a secured party is entitled under the laws in effect in any jurisdiction where any rights, remedies, powers and privileges in respect of this Agreement or the Collateral may be asserted, including the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if Secured Party were the sole and absolute owner of the Collateral (and Grantor agrees to take all such action as may be appropriate to give effect to such right); and~~

1.5 ~~Attorneys' Fees. In the event of any action at law or in equity between the parties arising from or in connection with this Agreement, (f) Secured Party in its discretion may enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Secured Party from pursuing any other or further remedy which it may have hereunder or by law, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Grantor until full and final payment of any deficiency has been made in cash. Grantor shall reimburse Secured Party upon demand for, or Secured Party may apply any proceeds of Collateral to, the costs and expenses (including reasonable attorneys' fees, transfer taxes and any other charges) incurred by Secured Party in connection with any sale, disposition, repair, replacement, alteration, addition, improvement or retention of any Collateral hereunder.~~ent offer is rejected and the judgment or award finally obtained is equal to or more favorable to the offeror than an offer made in writing to settle, the offeror is deemed to be the successful party from the date of the offer forward.

~~The proceeds of, and other realization upon, the Collateral by virtue of the exercise of remedies under this Section 5.01 shall be applied in accordance with Section 5.03.~~or omission to exercise any right or power shall be construed to be a waiver of any default or acquiescence therein or a waiver of any right or power, and every such right and power may be exercised from time to time and as often as may be necessary.

Section 1.02. ~~Private Sale. Secured Party shall incur no liability as a result of the sale, lease or other disposition of all or any part of the Collateral at any private sale pursuant to Section 5.01 conducted in a commercially reasonable manner.~~ Comply strictly with the terms hereof. shall not be deemed to be waived, have been received upon the sending party's receipt of any rights facsimile machine's confirmation of success.

Section 1.03. ~~Application of Proceeds. Except as otherwise expressly provided in this Agreement and except as provided below in this Section 5.03, the Proceeds of, or other realization upon, all or any part of the Collateral by virtue of the exercise of remedies under Section 5.01, and any other cash at the time held by Secured Party or under this Article V, shall be applied by Secured Party;~~

1.7 ~~First, to the payment of the costs and expenses of such exercise of remedies, including reasonable out-of-pocket costs and expenses of Secured Party, the fees and expenses of its collateral agents and counsel and all other expenses incurred and advances made by Secured Party in that connection,~~ which together shall constitute but one and the same instrument.

1.8 **Severability.** If any term or provision of this Agreement^{Exhibit C-1} shall be held invalid or unenforceable, the parties to this Agreement shall endeavor to replace such invalid terms or provisions by valid terms and provisions that correspond to the best of their original economic and general intentions. The invalidity or unenforceability of any term or provision hereof shall not be deemed to render the other terms or provisions hereof invalid or unenforceable.

1.9 **Entire Agreement.** This Agreement and the Site Lease are expressly acknowledged to constitute the entire agreement between Buyer and Seller relating to the subject matter hereof and to supersede all prior written and oral agreements and understandings and all contemporaneous oral representations or warranties in connection therewith; provided, however, and notwithstanding anything to the contrary set forth in this Agreement or the Site Lease, each of the parties hereto shall remain responsible and liable for any breach or default occurring prior to the Effective Date under the Second Amended and Restated GSPA and the Second Amended and Restated Site Lease. Next, to the payment in full of the remaining Secured Obligations equally and ratably in accordance with their respective amounts then due and owing and for amounts not yet due and owing, a reasonable reserve at least equal to the estimated amount to be due and owing in the future or as Secured Party may otherwise agree; and no such representations or warranties have been made by received on the other party.

Finally, subject to the rights of any other holder of any lien in the relevant Collateral, to the payment to Grantor, or its respective successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining. Laws that affect such party's duties, obligations and performance pursuant to this Agreement. Seller and Buyer shall timely make any necessary regulatory filings and make copies of such filings available to the other party.

Article VI MISCELLANEOUS PROVISIONS

20

NAESB
Standard

Section 1.01. **Notices.** All notices and other communications provided for herein (including, without limitation, any modifications of, or waivers or consents under, this Agreement) shall be given or made in writing (which may be by telecopier) delivered to the intended recipient at the address listed at Section 12.3 of the GSPA (*Notices*); or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

002-4407-B2AC-EAB1CA882E30

Section 1.02. **Amendments.** Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be amended or modified only by an instrument in writing signed by Grantor and Secured Party and any provision of this Agreement may be waived in writing only by Secured Party.

NAESB Standard 6.3.1

Page 12 of

Section 1.03. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns of the parties to this Agreement; provided, however, that Grantor may not assign or transfer any of its respective rights or interest in or under this Agreement or delegate any of its obligations under this Agreement without the prior written consent of Secured Party, which such consent shall be in the sole and absolute discretion of Secured Party.

Section 1.04. **Survival.** All agreements, statements, representations and warranties made by Grantor herein or in any certificate or other instrument delivered by Grantor or on its behalf under this Agreement shall be considered to have been relied upon by Secured Party and shall survive the execution and delivery of this Agreement until termination thereof regardless of any investigation made by or on behalf of Secured Party.

1.11 9.4.

Successors and Assigns. The party receiving a commercially acceptable Notice of change in payment instructions or other

Section 1.05. **Secured Party's Liability.** In no event shall Secured Party be liable for any matter or thing in connection with this Agreement other than to account for monies actually received by it in accordance with the terms hereof.

Section 1.06. **No Waiver; Remedies Cumulative.** No failure or delay on the part of Secured Party in exercising any right, power or privilege hereunder and no course of dealing between Grantor and Secured Party shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or thereunder. The letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and Exhibit C-10 hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In General the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or (ix) be the affected party with respect to any Additional Event of Default;

Section 1.07. Counterparts. This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts, by facsimile or electronic mail, and all of said counterparts taken together shall be deemed to constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signatures are physically attached to the same document. A facsimile or "pdf" signature page shall constitute an original for purposes hereof.

Section 1.08. Captions. The headings of the several articles and sections and sub sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1

Section 1.09. Severability. In case any provision contained in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. April 4, 2019 All Rights Reserved #NUM_PAGES#

Section 1.10. Governing Law; Submission to Jurisdiction and Venue; Waiver of Jury Trial.

(a) **Governing Law.** THIS AGREEMENT, AND ANY INSTRUMENT OR AGREEMENT REQUIRED HEREUNDER (TO THE EXTENT NOT EXPRESSLY PROVIDED FOR THEREIN), SHALL BE GOVERNED BY, AND CONSTRUED UNDER, THE LAWS OF THE STATE OF ARIZONA, APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE AND WITHOUT REFERENCE TO CONFLICTS OF LAWS RULES THEREOF.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.
(b) **Submission to Jurisdiction.** ANY DISPUTE SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS LOCATED IN MARICOPA COUNTY, ARIZONA. BY EXECUTION AND DELIVERY OF THIS AGREEMENT, WITH RESPECT TO LEGAL ACTIONS THAT MAY ARISE UNDER THIS AGREEMENT, EACH OF THE PARTIES KNOWINGLY, VOLUNTARILY AND IRREVOCABLY: (A) CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THESE COURTS; (B) WAIVES ANY IMMUNITY OR OBJECTION, INCLUDING ANY OBJECTION TO PERSONAL JURISDICTION OR THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY HAVE FROM OR TO THE BRINGING OF THE DISPUTE IN SUCH JURISDICTION; (C) WAIVES ANY PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS THAT MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE STATE OF ARIZONA; (D) WAIVES ANY RIGHT TO TRIAL BY JURY; (E) AGREES THAT ANY SUCH DISPUTE SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY; AND (F) AGREES THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS, WAIVERS AND AGREEMENTS OF THE PARTIES SET FORTH IN THIS SECTION. ch amount would have otherwise been due pursuant to the relevant Terminated Transactions)

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

(c) **EXCEPT IN CONNECTION WITH CLAIMS BY THIRD PARTIES THAT ARE NEITHER INDEMNIFIED PARTIES NOR INDEMNIFIED PARTIES, THE FRAUD OR WILLFUL MISCONDUCT OF THE OTHER PARTY, OR ANY OF ITS SUCCESSORS IN INTEREST OR THEIR AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS OR COLLATERAL AGENTS, NO CLAIM MAY BE MADE BY EITHER PARTY HERETO AGAINST THE OTHER PARTY, OR ANY OF SUCH PARTY'S SUCCESSORS IN INTEREST OR THEIR AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS OR COLLATERAL AGENTS OR ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATING TO, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE OTHER OPERATIVE DOCUMENTS AND EACH PARTY HERETO HEREBY WAIVES, RELEASES AND AGREES NOT TO SUE UPON ANY CLAIM FOR ANY SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.**

Section 1.11. Entire Agreement. This Agreement, together with any other agreement executed in connection with this Agreement, is intended by the parties as a final expression of their agreement as to the matters covered by this Agreement and is intended as a complete and exclusive statement of the terms and conditions of such agreement.

Section 1.12. Independent Obligations. Grantor's obligations under this Agreement are independent of those of Grantor or any other Person. Secured Party may bring a separate action against Grantor without first proceeding against Grantor or any other Person or any other security held by Secured Party and without pursuing any other remedy.

Section 1.13. Expenses. Grantor agrees to pay or to reimburse Secured Party for all costs and expenses (including reasonable attorney's fees and expenses) that may be incurred by Secured Party in any effort to enforce any of the provisions of Article V, or any of the

obligations of Grantor in respect of the Collateral or in connection with any actual or attempted sale, lease, disposition, exchange, collection, compromise, settlement or other realization in respect of, or care of, the Collateral, including all such costs and expenses (and reasonable attorney's fees and expenses) incurred in any bankruptcy, reorganization, workout or other similar proceeding, without limitation any

amounts owed under Section

3.2), for which payment has not yet been made by the party that owes such amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement between the parties.

[Signature page follows]

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

Exhibit C-12

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement; and/or (v) any Net Settlement Amount owed to the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Agreement Setoffs Do Not Apply:

FALL RIVER RENEWABLE POWER

LLC, a Delaware limited liability company

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement; and/or (v) any Net Settlement Amount owed to the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Date Signed: , 20__

Title:

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

Exhibit C-13

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3. 2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

Annex 1

Exhibit C-14

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10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Adam Comora, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OPAL Fuels Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots,
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - Force majeure and to resolve the event or occurrence once it has occurred in order to resume performance;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation,
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (or the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 - to use or resell gas purchased hereunder, except, in either case, as provided in Section 11.2, or (v) the loss or failure of seller's gas supply or depletion of reserves, except, in
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - With reasonably full particulars of the event or occurrence is required as soon as reasonably possible, upon providing written notice of Force Majeure to the other party, the
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
- 11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both

Date: August 14, 2023 November 14, 2023

By: /s/ Adam Comora

Co-Chief Executive Officer

(Co-Principal Executive Officer)

Each party consents to Section 7, Section 10, Section 10.4, the covenants to make payment hereunder, and the covenants of each party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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Form 10-Q (F-2006) (Rev. July 2016) (E-2006) (Rev. April 2016)

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I, Jonathan Maurer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OPAL Fuels Inc.;

DocuSign 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during period in which this report is being prepared;

Disruption Event means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

SECTION 15. MISCELLANEOUS

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

Neither party hereto obligations of this contract shall assign for the full term of this agreement, nor any interest, rights, Contract. No assignment of this Contract, in whole or obligations herein in part, will be made without first obtaining the

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

which consent shall will not be unreasonably withheld or delayed; provided, that Seller either party may

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

without the Landfill, (ii) Seller, or (iii) substantially all prior approval of the assets of Seller without the consent of Buyer (provided that with respect to (i) and (iii) other party. Upon

a b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

agrees that Seller's refusal to consent to a proposed assignment by Buyer shall not be deemed unreasonable if, among relieved of or discharged from any obligations

Date: August 14, 2023 November 14, 2023

By: /s/ Jonathan Maurer

Co-Chief Executive Officer

(Co-Principal Executive Officer)

15.3. No waiver or any breach of this contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of its Affiliates, either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a significant or material history of litigation or disputes involving the proposed assignee or any of its Affiliates; (X) the proposed assignee is, or is an Affiliate of, a competitor of Seller, its parent company or Affiliates, in the waste disposal or waste hauling business; (Y) the proposed assignee is not considered creditworthy by Seller in its reasonable judgment, which, at a minimum, means having financial capability that is not less than the financial capability of Buyer as of the Effective Date part of this Agreement; Contract between the parties and shall not be used to construe or (Z) interpret the proposed assignee does not, in Seller's reasonable judgment, have the requisite technical experience relating to the assumption provisions of Buyer's obligations hereunder (each a "Prohibited Transferee"). this Contract.

EXHIBIT 31.3

(b) 15.10. Collateral Assignment. Notwithstanding anything to the contrary set forth in make this Agreement, Buyer may not assign Section 15.10 applicable to this Agreement as collateral for financing from one Contract, neither party shall disclose directly or more lenders, or any security agent of such lender(s) indirectly without the prior written consent of Seller, the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party or prospective purchasers of all or substantially all of a party's assets or of any rights under this contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule;

1. I have reviewed this Quarterly Report on Form 10-Q of OPAL Fuels Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

guarantees subject to this confidentiality obligation. Subject to Section 13, the performance hereunder parties shall be entitled to all

remed a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that hereu material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(d) Change of Control. For purposes of this Agreement and except as provided in the immediately following sentence, a

chang c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the and st disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

required, but shall promptly notify the other party, prior to (i) an Affiliate of Buyer that is not a Prohibited Transferee, disclosure.

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

expense of Buyer or one or more of its Affiliates pursuant to the other party.

Date: August 14, 2023 November 14, 2023

By: /s/ Ann Anthony
Chief Financial Officer
(Principal Financial Officer)

Assignment of Buyer's rights and obligations and subject special provisions attached to the provisions of this contract, Base Contract or in a Transaction Confirmation executed in writing by both parties

(e) 15.12. For further clarity Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the avoidance of doubt, (i) Transaction Confirmation, if introduced as evidence in automated facsimile form, the assignment, sale or transfer recording, if introduced as evidence in its original form, and all computer records of the equity foregoing, if introduced as evidence in printed format, in any judicial,

arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any entity holding ownership interests of Buyer shall constitute a Deemed Assignment and shall be subject other objection to the provisions admissibility of this Section 12.11, and (ii) the assignment, sale or transfer of the equity of any entity that is publicly traded on a stock exchange in the United States or Europe and that indirectly holds ownership interests in Buyer through one or more subsidiaries, shall not constitute a Deemed Assignment and shall not be subject to the such evidence.

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EXHIBIT 32.1

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**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of OPAL Fuels Inc. (the "Company") on Form 10-Q for the three months ended June 30, 2023 September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Adam Comora, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2023 November 14, 2023

/s/ Adam Comora

Name: Adam Comora

Title: Co-Chief Executive Officer

(Co-Principal Executive Officer)

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of OPAL Fuels Inc. (the "Company") on Form 10-Q for the three months ended ~~June 30, 2023~~ September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan Maurer, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

-
- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
-
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: ~~August 14, 2023~~ November 14, 2023

/s/ Jonathan Maurer

Name: Jonathan Maurer

Title: Co-Chief Executive Officer

(Co-Principal Executive Officer)

EXHIBIT 32.3

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of OPAL Fuels Inc. (the "Company") on Form 10-Q for the three months ended ~~June 30, 2023~~ September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ann Anthony, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

-
- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
-
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.
-

Date: August 14, 2023 November 14, 2023

/s/ Ann Anthony

Name: Ann Anthony

Title: Chief Financial Officer

(Principal Financial Officer)

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