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RIPUC Use Only	
Date Application Received:	___/___/___
Date Review Completed:	___/___/___
Date Commission Action:	___/___/___
Date Commission Approved:	___/___/___

GIS Certification #:	_____
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PUBLIC UTILITIES COMMISSION
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RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM
The Standard Application Form
Required of all Applicants for Certification of Eligibility of Renewable Energy Resources
(Version 8 – December 5, 2012)

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
Pursuant to the Renewable Energy Act
Section 39-26-1 et. seq. of the General Laws of Rhode Island

NOTICE:
 When completing this Renewable Energy Resources Eligibility Form and any applicable Appendices, please refer to the State of Rhode Island and Providence Plantations Public Utilities Commission Rules and Regulations Governing the Implementation of a Renewable Energy Standard (RES Regulations, Effective Date: January 1, 2006), and the associated RES Certification Filing Methodology Guide. All applicable regulations, procedures and guidelines are available on the Commission's web site: www.ripuc.org/utilityinfo/res.html. Also, all filings must be in conformance with the Commission's Rules of Practice and Procedure, in particular, Rule 1.5, or its successor regulation, entitled "Formal Requirements as to Filings."

- Please complete the Renewable Energy Resources Eligibility Form and Appendices using a typewriter or black ink.
- Please submit one original and three copies of the completed Application Form, applicable Appendices and all supporting documentation to the Commission at the following address:
 Rhode Island Public Utilities Commission
 Attn: Luly E. Massaro, Commission Clerk
 89 Jefferson Blvd
 Warwick, RI 02888

In addition to the paper copies, electronic/email submittals are required under Commission regulations. Such electronic submittals should be sent to RES@puc.ri.gov.

- In addition to filing with the Commission, Applicants are required to send, electronically or electronically and in paper format, a copy of the completed Application including all attachments and supporting documentation, to the Division of Public Utilities and Carriers and to all interested parties. A list of interested parties can be obtained from the Commission's website at www.ripuc.org/utilityinfo/res.html.
- Keep a copy of the completed Application for your records.
- The Commission will notify the Authorized Representative if the Application is incomplete.
- Pursuant to Section 6.0 of the RES Regulations, the Commission shall provide a thirty (30) day period for public comment following posting of any administratively complete Application.
- Please note that all information submitted on or attached to the Application is considered to be a public record unless the Commission agrees to deem some portion of the application confidential after consideration under section 1.2(g) of the Commission's Rules of Practice and Procedure.
- In accordance with Section 6.2 of the RES Regulations, the Commission will provide prospective reviews for Applicants seeking a preliminary determination as to whether a facility would be eligible prior to the formal certification process described in Section 6.1 of the RES Regulations. Please note that space is provided on the Form for applicant to designate the type of review being requested.
- Questions related to this Renewable Energy Resources Eligibility Form should be submitted in writing, preferably via email and directed to: Luly E. Massaro, Commission Clerk at RES@puc.ri.gov.

SECTION I: Identification Information

1.1 Name of Generation Unit (sufficient for full and unique identification):
Chaput Family Farms Anaerobic Digester

1.2 Type of Certification being requested (check one):
 Standard Certification Prospective Certification (Declaratory Judgment)

1.3 This Application includes: (Check all that apply)¹

- APPENDIX A: Authorized Representative Certification for Individual Owner or Operator
- APPENDIX B: Authorized Representative Certification for Non-Corporate Entities Other Than Individuals
- APPENDIX C: Existing Renewable Energy Resources
- APPENDIX D: Special Provisions for Aggregators of Customer-sited or Off-grid Generation Facilities
- APPENDIX E: Special Provisions for a Generation Unit Located in a Control Area Adjacent to NEPOOL
- APPENDIX F: Fuel Source Plan for Eligible Biomass Fuels

1.4 Primary Contact Person name and title: Reg Chaput - Owner/Partner

1.5 Primary Contact Person address and contact information:
Address: 2473 RT 105 East
North Troy, VT 05859
Phone: 802-988-2844 Fax: 802-988-9660
Email: eff1991@hotmail.com

1.6 Backup Contact Person name and title: Michael Chaput - Owner/Partner

1.7 Backup Contact Person address and contact information:
Address: 2473 RT 105 East
North Troy, VT 05859
Phone: 802-988-2844 Fax: 802-988-9660
Email: eff1991@hotmail.com

¹ Please note that all Applicants are required to complete the Renewable Energy Resources Eligibility Standard Application Form and all of the Appendices that apply to the Generation Unit or Owner or Operator that is the subject of this Form. Please omit Appendices that do not apply.

1.8 Name and Title of Authorized Representative (i.e., the individual responsible for certifying the accuracy of all information contained in this form and associated appendices, and whose signature will appear on the application):

Reg Chaput - Owner/Partner

Appendix ~~A~~ B (as appropriate) completed and attached? Yes No N/A

1.9 Authorized Representative address and contact information:

Address: 2473, RT 105 East
North Troy, VT 05859

Phone: 802-988-2844 Fax: 802-988-9660
Email: CF1991@hotmail.com

1.10 Owner name and title: ~~Reg~~ Chaput Family Farms

1.11 Owner address and contact information:

Address: 2473, RT 105 East
North Troy, VT 05859

Phone: 802-988-2844 Fax: 802-988-9660
Email: CF1991@hotmail.com

1.12 Owner business organization type (check one):

- Individual
- Partnership
- Corporation
- Other: _____

1.13 Operator name and title: Chaput Family Farms

1.14 Operator address and contact information:

Address: 2473 RT 105 East
North Troy, VT 05859

Phone: 802-988-2844 Fax: 802-988-9660
Email: CF1991@hotmail.com

1.15 Operator business organization type (check one):

- Individual
- Partnership
- Corporation
- Other: _____

SECTION II: Generation Unit Information, Fuels, Energy Resources and Technologies

2.1 ISO-NE Generation Unit Asset Identification Number or NEPOOL GIS Identification Number (either or both as applicable): ISO: 8528-3

2.2 Generation Unit Nameplate Capacity: 300 MW

2.3 Maximum Demonstrated Capacity: 300 MW

2.4 Please indicate which of the following Eligible Renewable Energy Resources are used by the Generation Unit: (Check ALL that apply) – *per RES Regulations Section 5.0*

- Direct solar radiation
- The wind
- Movement of or the latent heat of the ocean
- The heat of the earth
- Small hydro facilities
- Biomass facilities using Eligible Biomass Fuels and maintaining compliance with all aspects of current air permits; Eligible Biomass Fuels may be co-fired with fossil fuels, provided that only the renewable energy fraction of production from multi-fuel facilities shall be considered eligible.
- Biomass facilities using unlisted biomass fuel
- Biomass facilities, multi-fueled or using fossil fuel co-firing
- Fuel cells using a renewable resource referenced in this section

2.5 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility’s aggregate capacity does not exceed 30 MW. – *per RES Regulations Section 3.32*

- ← check this box to certify that the above statement is true
- N/A or other (please explain) _____

2.6 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility does not involve any new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand or less. – *per RES Regulations Section 3.32*

- ← check this box to certify that the above statement is true
- N/A or other (please explain) _____

2.7 If you checked one of the Biomass facilities boxes in Section 2.4 above, please respond to the following:

A. Please specify the fuel or fuels used or to be used in the Unit: methane biogas

B. Please complete and attach Appendix F, Eligible Biomass Fuel Source Plan.
Appendix F completed and attached? Yes No N/A

2.8 Has the Generation Unit been certified as a Renewable Energy Resource for eligibility in another state's renewable portfolio standard?

Yes No If yes, please attach a copy of that state's certifying order.

Copy of State's certifying order attached? Yes No N/A

SECTION III: Commercial Operation Date

Please provide documentation to support all claims and responses to the following questions:

3.1 Date Generation Unit first entered Commercial Operation: D 8 / 0 6 / 1 0 at the site.

If the commercial operation date is after December 31, 1997, please provide independent verification, such as the utility log or metering data, showing that the meter first spun after December 31, 1997. This is needed in order to verify that the facility qualifies as a New Renewable Energy Resource.

Documentation attached? Yes No N/A

3.2 Is there an Existing Renewable Energy Resource located at the site of Generation Unit?

Yes

No

3.3 If the date entered in response to question 3.1 is earlier than December 31, 1997 or if you checked "Yes" in response to question 3.2 above, please complete Appendix C.

Appendix C completed and attached? Yes No N/A

3.4 Was all or any part of the Generation Unit used on or before December 31, 1997 to generate electricity at any other site?

Yes

No

3.5 If you checked "Yes" to question 3.4 above, please specify the power production equipment used and the address where such power production equipment produced electricity (attach more detail if the space provided is not sufficient):

SECTION IV: Metering

4.1 Please indicate how the Generation Unit's electrical energy output is verified (check all that apply):

ISO-NE Market Settlement System

Self-reported to the NEPOOL GIS Administrator

Other (please specify below and see Appendix D: Eligibility for Aggregations):

Appendix D completed and attached?

Yes No N/A

SECTION V: Location

5.1 Please check one of the following that apply to the Generation Unit:

- Grid Connected Generation
- Off-Grid Generation (not connected to a utility transmission or distribution system)
- Customer Sited Generation (interconnected on the end-use customer side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the end-use customer)

5.2 Generation Unit address: 2473 RT 105 East
North Troy, VT 05859

5.3 Please provide the Generation Unit's geographic location information:

A. Universal Transverse Mercator Coordinates: _____

B. Longitude/Latitude: 44°58'28.49" N 72°20'28.39" W

5.4 The Generation Unit located: (please check the appropriate box)

- In the NEPOOL control area
- In a control area adjacent to the NEPOOL control area
- In a control area other than NEPOOL which is not adjacent to the NEPOOL control area ← *If you checked this box, then the generator does not qualify for the RI RES – therefore, please do not complete/submit this form.*

5.5 If you checked "In a control area adjacent to the NEPOOL control area" in Section 5.4 above, please complete Appendix E.

Appendix E completed and attached?

Yes No N/A

SECTION VI: Certification

6.1 Please attach documentation, using one of the applicable forms below, demonstrating the authority of the Authorized Representative indicated in Section 1.8 to certify and submit this Application.

Corporations

If the Owner or Operator is a corporation, the Authorized Representative shall provide **either**:

- (a) Evidence of a board of directors vote granting authority to the Authorized Representative to execute the Renewable Energy Resources Eligibility Form, **or**
- (b) A certification from the Corporate Clerk or Secretary of the Corporation that the Authorized Representative is authorized to execute the Renewable Energy Resources Eligibility Form or is otherwise authorized to legally bind the corporation in like matters.

Evidence of Board Vote provided? Yes No N/A

Corporate Certification provided? Yes No N/A

Individuals

If the Owner or Operator is an individual, that individual shall complete and attach APPENDIX A, or a similar form of certification from the Owner or Operator, duly notarized, that certifies that the Authorized Representative has authority to execute the Renewable Energy Resources Eligibility Form.

Appendix A completed and attached? Yes No N/A

Non-Corporate Entities

(Proprietorships, Partnerships, Cooperatives, etc.) If the Owner or Operator is not an individual or a corporation, it shall complete and attach APPENDIX B or execute a resolution indicating that the Authorized Representative named in Section 1.8 has authority to execute the Renewable Energy Resources Eligibility Form or to otherwise legally bind the non-corporate entity in like matters.

Appendix B completed and attached? Yes No N/A

6.2 Authorized Representative Certification and Signature:

I hereby certify, under pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and punishment. My signature below certifies all information submitted on this Renewable Energy Resources Eligibility Form. The Renewable Energy Resources Eligibility Form includes the Standard Application Form and all required Appendices and attachments. I acknowledge that the Generation Unit is obligated to and will notify the Commission promptly in the event of a change in a generator's eligibility status (including, without limitation, the status of the air permits) and that when and if, in the Commission's opinion, after due consideration, there is a material change in the characteristics of a Generation Unit or its fuel stream that could alter its eligibility, such Generation Unit must be re-certified in accordance with Section 9.0 of the RES Regulations. I further acknowledge that the Generation Unit is obligated to and will file such quarterly or other reports as required by the Regulations and the Commission in its certification order. I understand that the Generation Unit will be immediately de-certified if it fails to file such reports.

Signature of Authorized Representative:

SIGNATURE:

DATE:

Reg Chagnon
Owner/Partner
(Title)

11-1-13

GIS Certification #:

APPENDIX B
(Required When Owner or Operator is a Non-Corporate Entity
Other Than An Individual)

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM
Pursuant to the Renewable Energy Act
Section 39-26-1 et. seq. of the General Laws of Rhode Island

RESOLUTION OF AUTHORIZATION

Resolved: that Reg Chaput, named in
Section 1.8 of the Renewable Energy Resources Eligibility Form as Authorized Representative,
is authorized to execute the Application on the behalf of Chaput Family Farms,
the Owner or Operator of the Generation Unit named in section 1.1 of the Application.

SIGNATURE: Michael B Chaput

DATE: 11-4-13

State: Vermont
County: Orleans

(TO BE COMPLETED BY NOTARY) I, Denise Dwyer as a
notary public, certify that I witnessed the signature of the above named Michael Chaput
and that said person stated that he/she is authorized to execute this resolution, and the individual
verified his/her identity to me, on this date: 11/4/13.

SIGNATURE: Denise Dwyer

DATE: 11-4-13

My commission expires on: 2-10-15

NOTARY SEAL:

APPENDIX F
(Revised 6/11/10)
Eligible Biomass Fuel Source Plan
(Required of all Applicants Proposing to Use An Eligible Biomass Fuel)

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
Part of Application for Certificate of Eligibility
RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM
Pursuant to the Renewable Energy Act
Section 39-26-1 et. seq. of the General Laws of Rhode Island

Note to Applicants: Please refer to the RES Certification Filing Methodology Guide posted on the Commission's web site (www.ripuc.org/utilityinfo/res.html) for information, templates and suggestions regarding the types and levels of detail appropriate for responses to specific application items requested below. Also, please see Section 6.9 of the RES Regulations for additional details on specific requirements.

The phrase "Eligible Biomass Fuel" (per RES Regulations Section 3.7) means fuel sources including brush, stumps, lumber ends and trimmings, wood pallets, bark, wood chips, shavings, slash, yard trimmings, site clearing waste, wood packaging, and other clean wood that is not mixed with other unsorted solid wastes⁵; agricultural waste, food and vegetative material; energy crops; landfill methane⁶ or biogas⁷, provided that such gas is collected and conveyed directly to the Generation Unit without use of facilities used as common carriers of natural gas; or neat bio-diesel and other neat liquid fuels that are derived from such fuel sources.

In determining if an Eligible Biomass Generation Unit shall be certified, the Commission will consider if the fuel source plan can reasonably be expected to ensure that only Eligible Biomass Fuels will be used, and in the case of co-firing ensure that only that proportion of generation attributable to an Eligible Biomass Fuel be eligible. Certification will not be granted to those Generation Units with fuel source plans the Commission deems inadequate for these purposes.

⁵ Generation Units using wood sources other than those listed above may make application, as part of the required fuel source plan described in Section 6.9 of the RES Regulations, for the Commission to approve a particular wood source as "clean wood." The burden will be on the applicant to demonstrate that the wood source is at least as clean as those listed in the legislation. Wood sources containing resins, glues, laminates, paints, preservatives, or other treatments that would combust or off-gas, or mixed with any other material that would burn, melt, or create other residue aside from wood ash, will not be approved as clean wood.

⁶ Landfill gas, which is an Eligible Biomass Fuel, means only that gas recovered from inside a landfill and resulting from the natural decomposition of waste, and that would otherwise be vented or flared as part of the landfill's normal operation if not used as a fuel source.

⁷ Gas resulting from the anaerobic digestion of sewage or manure is considered to be a type of biogas, and therefore an Eligible Biomass Fuel that has been fully separated from the waste stream.

This Appendix must be attached to the front of Applicant's Fuel Source Plan required for Generating Units proposing to use an Eligible Biomass Fuel (per Section 6.9 of RES Regulations).

- F.1 The attached Fuel Source Plan includes a detailed description of the type of Eligible Biomass Fuel to be used at the Generation Unit.

Detailed description attached? Yes No N/A

Comments: _____

- F.2 If the proposed fuel is "other clean wood," the Fuel Source Plan should include any further substantiation to demonstrate why the fuel source should be considered as clean as those clean wood sources listed in the legislation.

Further substantiation attached? Yes No N/A

Comments: _____

- F.3 In the case of co-firing with ineligible fuels, the Fuel Source Plan must include a description of (a) how such co-firing will occur; (b) how the relative amounts of Eligible Biomass Fuel and ineligible fuel will be measured; and (c) how the eligible portion of generation output will be calculated. Such calculations shall be based on the energy content of all of the proposed fuels used.

Description attached? Yes No N/A

Comments: _____

- F.4 The Fuel Source Plan must provide a description of what measures will be taken to ensure that only the Eligible Biomass Fuel are used, examples of which may include: standard operating protocols or procedures that will be implemented at the Generation Unit, contracts with fuel suppliers, testing or sampling regimes.

Description provided? Yes No N/A

Comments: Engine is designed to run
on biogas & propane only

- F.5 Please include in the Fuel Source Plan an acknowledgement that the fuels stored at or brought to the Generation Unit will only be either Eligible Biomass Fuels or fossil fuels used for co-firing and that Biomass Fuels not deemed eligible will not be allowed at the premises of the certified Generation Unit. And please check the following box to certify that this statement is true.

← check this box to certify that the above statement is true

N/A or other (please explain) _____

- F.6 If the proposed fuel includes recycled wood waste, please submit documentation that such fuel meets the definition of Eligible Biomass Fuel and also meets material separation, storage, or handling standards acceptable to the Commission and furthermore consistent with the RES Regulations.

Documentation attached? Yes No N/A

Comments: _____

- F.7 Please certify that you will file all reports and other information necessary to enable the Commission to verify the on-going eligibility of the renewable energy generators pursuant to Section 6.3 of the RES Regulations. Specifically, RES Regulations Section 6.3(i) states that Renewable Energy Resources of the type that combust fuel to generate electricity must file quarterly reports due 60 days after the end of each quarter on the fuel stream used during the quarter. Instructions and filing documents for the quarterly reports can be found on the Commissions website or can be furnished upon request.

← check this box to certify that the above statement is true

N/A or other (please explain) _____

- F.8 Please attach a copy of the Generation Unit's Valid Air Permit or equivalent authorization.

Valid Air Permit or equivalent attached? Yes No N/A

Comments: _____

- F.9 Effective date of Valid Air Permit or equivalent authorization:

4, 29, 09

- F.10 State or jurisdiction issuing Valid Air Permit or equivalent authorization:

Vermont Department of Environmental Conservation



State of Vermont
Department of Environmental Conservation

Agency of Natural Resources

Air Pollution Control Division
103 South Main Street, 3 South
Waterbury, VT 05671-0402

Tel: 802-241-3851
Fax: 802-241-2590

April 29, 2009

Reg Chaput
Chaput Family Farms
2473 VT Route 105
North Troy, VT 05859

Subject: Biogas-to-Energy Project – Air Permit not Required

Dear Mr. Chaput:

The Vermont Agency of Natural Resources, Air Pollution Control Division ("Agency") received a letter from Chaput Family Farms on March 16th, 2009 on behalf of the farm located on Route 105 in North Troy, Vermont. The letter requests approval for the installation and operation of a 335 kilowatt biogas to energy facility at the Chaput Family Farm. The Agency requested documentation to ensure adequate stack height, presence of a back-up flare and clean combustion technology. On April 28, 2009 the requested documentation was received from Chaput Family Farms. The Agency has determined that the proposed engine, back-up flare and exhaust stack configuration meet the Agency's requirements and consequently, an Air Pollution Control Permit is not required for the Facility at this time. This determination is based on the information submitted and provided the following conditions are met:

- (1) The Chaput Family Farm shall only install and operate a Guascor model SFGLD 240 modified natural gas engine. The Chaput Family Farm shall not install an alternative engine without prior written approval from the Agency. The engine shall be maintained in good working order at all times and operated and maintained in accordance with the manufacturer's operation and maintenance recommendations.
- (2) The Chaput Family Farm shall design and operate the biogas-to-energy Facility in such a manner that any biogas which is not combusted in the engine is routed to a flare that is designed and operated in accordance with 40 CFR Part 60, Subpart A, §60.18. The flare shall also be equipped with a properly sized windscreen to prevent blowout of the flame. All elements of the flare system shall be maintained in good working order at all times and operated and maintained in accordance with the manufacturer's operation and maintenance recommendations.

Chaput Family Farms
Page 2 of 2

- (3) The flare shall be equipped and operated with an automatic ignition system, such as a spark ignition system or a continuous pilot light, to ensure immediate and continuous combustion of any biogas that is routed to it. Spark igniters may be powered by the grid or an acceptable alternative power source.
- (4) The Chaput Family Farm shall register its air emissions with the Agency annually in accordance with Subchapter VIII of the *Vermont Air Pollution Control Regulations*. Annual registration is required for all facilities that emit more than five (5) tons of emissions annually. Your facility is estimated to exceed five (5) tons if the engine is operated for more than 1,700 hours per year.

Should the Chaput Family Farm alter the proposed biogas-to-energy project in any way from that presented to the Agency, such as by combusting an alternate fuel, altering the proposed engine or flare, or increasing the system capacity, the farm shall notify the Agency prior to making such changes so that a new determination for the need for an Air Permit can be made. If you have any questions, feel free to contact me at any time.

Sincerely,



Richard Valentinetti, Director
Air Pollution Control Division
(Dick.Valentinetti@state.vt.us)

Enclosure

cc: Mike Raker, Agricultural Energy Consultants, 781 Holt Road Plainfield, VT 05667

RAV/JH:jh
A1: town file - North Troy

Chaput Family Farms
2473, Rt. 105 East
North Troy, VT. 05859
Tel: 802-988-2844
Fax: 802-988-9660
E-mail: cff1991@hotmail.com

January 5, 2013

Ms. Susan Hudson, Clerk
State of Vermont Public Service Board
112 State Street, 4th Floor
Montpelier, VT 05620-2701

Re: Existing ag-methane project compliance with Standard Offer Program.

Dear Ms. Hudson:

This letter is intended to meet the requirements of the PSB as identified in its letter to John Spencer dated June 10, 2010 and John's follow-up letter to me dated June 15, 2010 regarding the use of off-farm resources in farm-based anaerobic digesters.

During calendar year 2012, we pumped approximate 9,108,000 gallons of manure and wash water into our digester. In addition we pumped a total 297,500 gallons of off-farm resources into the digester. This material consisted of liquid residuals from the production of frozen fish products.

If you require further information regarding our use of off-farm resources please do not hesitate to contact me at the addresses listed above.

Sincerely,

Reg Chaput



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

DOCKET NO. 09-12-09 APPLICATION OF CHAPUT FAMILY FARMS FOR A
DECLARATORY RULING FOR AGRICULTURAL
METHANE FACILITY

May 5, 2010

By the following Commissioners:

Anthony J. Palermino
Amalia Vazquez Bzdyra
Kevin M. DelGobbo

DECISION

I. INTRODUCTION

A. SUMMARY

By Petition dated December 11, 2009, pursuant to the General Statutes of Connecticut (Conn. Gen. Stat.) § 4-176 and the Regulations of Connecticut State Agencies §§ 16-1-113, et seq., Chaput Family Farms (CFF or Applicant) requested that the Department of Public Utility Control (Department) issue a declaratory ruling that the proposed development of a 0.30 MW agricultural methane electrical generating facility that is to be located in North Troy, Vermont would qualify as a Class I Renewable Energy Source as defined in Conn. Gen. Stat. § 16-1(a)(26).

II. PETITIONER'S EVIDENCE

CFF proposes to construct a 0.30 MW agricultural methane on-site generating facility (Project). Pursuant to Conn. Gen. Stat. § 16-1-113 et. Seq., CFF requests that the Department issue a declaratory ruling determining that the Project, as proposed, would qualify as a Class I Renewable Energy Source within the meaning of Conn. Gen. Stat. § 16-1(a)(26) as an energy derived from "methane gas from landfills."

The proposed Project will be located on Route 5, in North Troy, Vermont, the location of CFF's dairy farm. The Project will be constructed within the existing farmstead.

The Project will consist of the following components:

1. A circular concrete manure digester tank, 98 feet in diameter and 16 feet high.
2. A 30' x 50' utility building and a 40' x 70' building to house a separator and for storage of post-digester solids.
3. An effluent tank and two scrubber tanks.
4. One new power pole.
5. A Guascor MGG-475 combustion engine designed specifically to burn biogas.
6. A 300 kW generator.
7. Interconnection hardware to connect the generator to the grid.

The Project will interconnect with Vermont Electrical Cooperative distribution system.

The digester will hold various types of substrate, but mostly unprocessed cow manure from the farm. The substrate will be pumped directly from a receiving pit into the enclosed digester, where it will be mixed and heated to a temperature of about 100°F. In a two-stage process lasting about 24 days from start to finish, the degradation of the substrate will produce methane biogas and biosolids. The methane will be collected and used to fuel the engine, which will run the generator set and produce electricity. The biosolids will be pumped from the effluent pit at the end of the digester to a mechanical separator. The liquid and solids, with their pathogens and odor

characteristics now greatly reduced by the digestion process, will be separated out. The solids will be used for farm and commercial functions. CFF hopes to be able to use most of it as bedding for its cows, realizing considerable savings on sawdust. One environmental advantage to reducing the use of sawdust for bedding is that this should reduce CFF's total phosphorous import. The liquid waste will be spread on the fields as fertilizer, with the advantage that much of the organic nitrogen will have been converted to ammonia during the digestion process, so the liquid will be better for crops and less of an environmental hazard. There will also be an avoidance of lagoon methane which would otherwise be released into the atmosphere as a greenhouse gas which is twenty times more powerful than carbon dioxide. Application, p. 2.

The digester will hold various types of methane-producing substrates. CFF intends to primarily use manure produced on the farm, and other materials, both on-farm and off-farm, depending on needs and availability of such additional materials. The most likely substrates, in addition to manure produced on the farm, would be manure from other farms, including manure from farm animals besides cows; waste grain; food waste; waste dairy products (such as whey); and waste crops or crops grown specifically to use in the digester. These substrates would all be "agricultural-based," meaning any material in raw or processed form which originates from a farming operation in 10 V.S.A. § 6001(22)(A)(B)(C)(D), and which is consumed at a harvest rate at or below its natural regeneration rate. Specifically included in this definition are examples cited above. Id., pp. 2 and 3.

According to the Applicant, the Project is most analogous to the category "methane gas from landfills." The fuel (methane gas) is the same. CFF states that the only difference is the organic matter used to produce the methane gas; however, in either case the organic matter is waste. The Applicant contends that a farm-based methane plant offers greater environmental benefits than a landfill-methane plant because of the added value of converting manure from a pathogen-rich to a pathogen-free substance, while at the same time preserving its nutrients, so that it can still be spread as fertilizer yet without the danger of leachate causing harm to ground or surface waters, and without the accompanying odor when the manure is spread. In addition, use of the digested solids as bedding will replace sawdust as bedding, reducing the farm's total phosphorous load and reducing trucking of large amounts of sawdust to and from the farm. CFF states that these benefits of the Project are far greater than the benefits derived from a simple landfill methane operation, which captures methane, yet offers fewer ancillary environmental benefits. Application, p. 3.

CFF provided a copy of the Petition of Chaput Family Farms for a Declaratory Ruling for Qualification of CFF as a Class I Renewable Energy Source, approved by the State of Vermont, dated September 18, 2009, and the Power Purchase Agreement between CFF and the Vermont Sustainable Priced Energy Development (SPEED) facilitator, VEPP, Inc., dated December 17 and 23, 2009, documenting that the CFF Project meets the qualifications to sell its output through the SPEED program.¹ Late Filed Exhibit Nos. 1 and 2.

¹ CFF also provided a copy of Vermont Statutes Annotated (V.S.A.) §§ 8005 and 8001, which describes the Vermont SPEED program.

III. DEPARTMENT ANALYSIS

A. LEGAL STANDARDS

Conn. Gen. Stat. § 16-1(a)(26), defines a Class I renewable energy source as:

(A) energy derived from solar power, wind power, a fuel cell, **methane gas from landfills**, ocean thermal power, wave or tidal power, low emission advanced renewable energy conversion technologies, a run-of-the-river hydropower facility provided such facility has a generating capacity of not more than five megawatts, does not cause an appreciable change in the river flow, and began operation after July 1, 2003, **or a sustainable biomass facility with an average emission rate of equal to or less than .075 pounds of nitrogen oxides per million BTU of heat input for the previous calendar quarter, except that energy derived from a sustainable biomass facility with a capacity of less than five hundred kilowatts that began construction before July 1, 2003, may be considered a Class I renewable energy source**, or (B) any electrical generation, including distributed generation, generated from a Class I renewable energy source. (Emphasis added).

Further, sustainable biomass as defined in Conn. Gen. Stat. § 16-1(a)(45):

means **biomass that is cultivated and harvested in a sustainable manner. "Sustainable biomass" does not mean construction and demolition waste as defined in section 22a-208x, finished biomass products from sawmills, paper mills or stud mills, organic refuse fuel derived separately from municipal solid waste, or biomass from old growth timber stands** (Emphasis added).

B. NO_x EMISSIONS

CFF states that the Project's NO_x annual emissions are estimated to exceed five tons if the engine is operated for more than 1700 hours per year. Currently, CFF has no plans or protocol in place to measure and report emissions. Response to Interrogatory No. EL-5. CFF indicated that the Project is not capable of meeting the NO_x requirement as a Class I biomass facility and is requesting qualification as a methane gas from landfill facility. Because of its NO_x emissions, CFF has requested RPS qualification as a "methane gas from landfill" facility, a category that does not require compliance with NO_x emission standards established in Conn. Gen. Stat. § 16-1(a)(26) and Section 22a-174-22(e) of the Regulations of State Agencies. Response to Interrogatory No. EL-6.

C. METHANE GAS FROM LANDFILLS

Conn. Gen. Stat. 16-1(a)(26) does not include a definition that specifically qualifies methane gas from agricultural waste as a Class I energy source.

CFF states that its proposed project creates energy utilizing technology that is most closely related to the "methane gas from landfills" statutory definition of Class I energy source. Manure and organic waste will be placed into an anaerobic digester where it will be allowed to decompose under anaerobic conditions. The methane gas given off by the decomposing manure and organic waste will be captured and used as the primary fuel for the 150 kW generator. Application, p. 3; Response to Interrogatory EL-7.

Virtually all of the fuel source will be manure and organic waste. CFF's 950 mature cows and 400 heifers will generate approximately 19,300 gallons of manure per day. In addition, CFF may use organic waste such as waste grain, pre-consumer food waste, waste dairy products and waste crops or crops grown specifically to use in the digester. CFF may also use animal manure from other farms. CFF cannot make any representations as to the specific percentage from each type of substrate. Response to Interrogatories EL-2 and EL-4.

The Project will use manure as the start-up fuel. However, the initial batch of manure must be heated with a fossil fuel until the system produces enough biogas to run the engine and thereby become self-sustaining as a heat source for the digester. Once the manure is heated and biogas is produced, the biogas will power the engine that will drive the generator, which will generate waste heat that will be passed back through into the digester to maintain the digester temperature. Response to Interrogatory EL-3.

In Docket 07-06-22, the Department determined that Cushman dairy farm project, which would generate electricity from farm manure and organic waste would qualify as a Class I energy source as a facility utilizing methane gas from a landfill. In that Decision, the Department stated:

The commonly accepted definition of a landfill is "[a] method of waste disposal in which garbage and trash are buried in low lying ground."² The manure and organic wastes used by Cushman are certainly within the realm of garbage and trash, which are simply waste materials. The Cushman project will combust methane, which is released from the organic decomposition process, to produce electricity. This is the same mechanism whereby municipal landfill methane based generators derive their fuel source; the only difference is that, in Cushman's case, the waste material is not buried. While this is a variation on the traditional definition of landfill, the Department does not believe that it is a material difference. Rather, the material facts are that methane is the ultimate fuel source for

² Webster's New College Dictionary.

the facility, and that methane is produced by the decomposition of organic waste material.

As in Docket 07-06-22, in the instant Docket, the Department concludes that since the CFF facility utilizes the same process to produce energy using methane gas as is utilized by a landfill, it qualifies as a Class I renewable energy source.

The Department has created an electronic application process for generation owners to apply for a Connecticut Renewable Portfolio Standards registration. The application is available on the Department's website @ <http://www.dpuc.state.ct.us/CTRPSGeneratorApplication.nsf>. The application should be submitted electronically along with a single hard-copy filing. In the application, include a reference to the instant docket that indicates that this project was approved before becoming operational. While the Department concludes in this Decision that the CFF Project would qualify as a Class I renewable energy source pursuant to Conn. Gen. Stat. 16-1(26), the Applicant must still apply for registration in the aforementioned system once operational and registered in the New England Generation Information System.

V. CONCLUSION

Based upon the project as described herein, the Department finds that, as proposed, the CFF Project would qualify as a Class I renewable energy source for energy derived from landfill methane gas.

**DOCKET NO. 09-12-09 APPLICATION OF CHAPUT FAMILY FARMS FOR A
DECLARATORY RULING FOR AGRICULTURAL
METHANE FACILITY**

This Decision is adopted by the following Commissioners:

Anthony J. Palermino

Amalia Vazquez Bzdyra

Kevin M. DelGobbo

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.

K. Santopietro

Kimberley J. Santopietro
Executive Secretary
Department of Public Utility Control

May 7, 2010

Date

Manure Digester Production

Years: 2010 to 2013

Actual – 2010

<u>Prod. Month</u>	<u>avg. Kwh</u>	<u>total Kw</u>
August (27 days)	174 Kwh	112,480
September	154 Kwh	110,766
October	117 Kwh	87,485
November	126 Kwh	90,892
December	<u>140 Kwh</u>	<u>104,100</u>
2010 Average	141 Kwh	505,723

Actual - 2011

<u>Prod. Month</u>	<u>avg. Kwh</u>	<u>total Kw</u>
January	138 Kwh	103,026
February	180 Kwh	121,274
March	234 Kwh	174,222
April	204 Kwh	146,716
May	202 Kwh	150,481
June	198 Kwh	142,207
July	161 Kwh	119,648
August	115 Kwh	82,615
September	149 Kwh	107,496
October	184 Kwh	137,097
November	174 Kwh	125,429
December	<u>158 Kwh</u>	<u>117,871</u>
2011 Average	174.42 Kwh	1,528,082

Actual - 2012

<u>Prod. Month</u>	<u>avg. Kwh</u>	<u>total Kw</u>
January	194 Kwh	144,484
February	201 Kwh	139,695
March	183 Kwh	136,480
April	197 Kwh	141,734
May	174 Kwh	129,447
June	146 Kwh	105,040
July	170 Kwh	126,138
August	167 Kwh	124,566
September	158 Kwh	113,925
October	176 Kwh	130,835
November	187 Kwh	135,545
December	<u>198 Kwh</u>	<u>147,441</u>
2012 Average	179.34 Kwh	1,575,330

Actual - 2013

<u>Prod. Month</u>	<u>avg. Kwh</u>	<u>total Kw</u>
January	188 Kwh	140,192
February	192 Kwh	128,886
March	228 Kwh	169,705
April	223 Kwh	160,508
May	201 Kwh	149,723
June	168 Kwh	120,653
July	125 Kwh	92,864
August	171 Kwh	127,113
September	220 Kwh	158,102
October	185 Kwh	137,822

Application for period
Oct 1, 2012 to Oct 1, 2013

Form RD 4288-1
(3-11)

Gives to Cheryl Ducharme
on Oct 13, 2012

Form Approved
OMB No. 0570-0063

U.S. DEPARTMENT OF AGRICULTURE Rural Development – Rural Business- Cooperative Service	Contract Number (for Agency use only)
ADVANCED BIOFUEL PAYMENT PROGRAM ANNUAL APPLICATION	
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a) and the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), as amended. The authority for requesting the following information is Section 9001 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-234). The information will be used to complete the terms of a contract between the Advanced Biofuel Producer and the Agency. Information on the number of jobs saved and created will be used to assess the economic impact of the program. Furnishing the requested information is voluntary; however, without the information (other than the number of jobs saved and created), eligibility to enter into a Contract with the Agency cannot be determined. This information may be provided to other agencies, the Internal Revenue Service, the U.S. Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 U.S.C. 286, 287, 371, 641, 1001, 1014; 15 U.S.C. 714m; and 31 U.S.C. 3729, may be applicable to the information provided.</p> <p>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0063. The time required to complete this information collection is estimated to average 1.4 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO THE USDA RURAL DEVELOPMENT STATE OFFICE IN THE STATE IN WHICH THE PRODUCER'S PRINCIPAL PLACE OF BUSINESS IS LOCATED.</p>	

1. Name of Advanced Biofuel Producer Chaput Family Farms	2. Fiscal Year for which payment is sought 2013
3. Mail Address (Headquarters of Advanced Biofuel Producer regular mail) 2473. RT 105 East, North Troy, VT 05859	
4. IRS Tax Identification Number of Producer 03-0341078	5A. Contact Person Reg Chaput
5B. Contact Person's Title Owner / Partner	6. Telephone No. (Include Area Code) 802-988-2844
7. FAX No. (Include Area Code) 802-988-9660	8. E-Mail Address chf1991@hotmail.com
9. DUNS Number (do not complete if the applicant is an individual): 878135417	10. Are the Certification(s) required by the applicable Notice or regulations attached? (Check one) <input type="checkbox"/> yes <input checked="" type="checkbox"/> no
11. Provide a description of the Advanced Biofuel facility and the type(s) of output (attached additional pages if necessary). This facility generates electricity from biogas captured from dairy manure through the process of anaerobic digestion	

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

Part A – All Advanced Biofuel Producers shall complete Tables A1 and A2. Advanced Biofuel Producers who did not participate in the Advanced Biofuel Payment Program in the Fiscal Year preceding the Fiscal Year for which payment is sought shall also complete Table B.

1. Complete Tables A1 and A2 reporting each of the Producer’s Advanced Biofuel Facilities. Attach an additional listing if the Producer has more than 5 Advanced Biofuel Facilities.

Table A1. Advanced Biofuel Facility Information

Number	A. Advanced Biofuel Facility Name	B. Registration Number (AFT, ASTM, State Registration #)	C. Number of Jobs		D. Location	
			Created	Saved	Address	County
1	Chaput Family Farms Digester		1	0	North Troy, VT	Orleans
2						
3						
4						
5						

Table A2. Advanced Biofuel Facility Production and Capacity Information

Number	A. Advanced Biofuel Facility Name	B. Production Start-up Date	C. Capacity at Facility to produce Advanced Biofuels (include units)	For the Fiscal Year preceding the Fiscal Year for which payment is sought	
				D. Quantity of Eligible Advanced Biofuels Produced and Sold (include units)	E. Number of days during which no eligible Advanced Biofuels were produced (do not include weekends)
1	Chaput Family Farms Digester	August, 2010	300 kW _h	1,541,906 kW _h	0
2					
3					
4					
5					
Totals					

Note 1: When entering the capacity of the facility, include capacity for all Advanced Biofuels produced at the site regardless of whether they are eligible for payment under the Advanced Biofuel Payment Program.

Note 2: When entering the quantity of eligible Advanced Biofuels produced and sold, enter only the quantity that is sold as an Advanced Biofuel through an arm’s length transaction to a third party. Do not include any Advanced Biofuel that is used on-site.

2. Complete Table B only if you did NOT participate in the Advanced Biofuel Payment Program in the Fiscal Year preceding the Fiscal Year for which payment is sought. Attach an additional Table B as necessary.

Table B. Advanced Biofuel Facility Production and Feedstock Information

Number	A. Advanced Biofuel Facility Name	B. Name of Advanced Biofuel	C. Is Advanced Biofuel a Liquid (L), Solid (S), or Gas (G)?	For the Fiscal Year preceding the Fiscal Year for which payment is sought			G. What percentage of the Quantity Produced (as reported in D) was produced from forest biomass?
				D. Quantity Produced (include units)	E. Feedstock(s) Used	F. Quantity of Feedstock Used (include units)	
Ex.	Facility Production	Biodiesel A	L	10,000,000 gallons	Soy bean		0 percent
1	Chyput Family Farms Digester	Methane	L	1,541,906 kw	Dairy Cow manure	7,260,000 gallons	0 percent
							percent
							percent
							percent
							percent
							percent
							percent
							percent
							percent

NOTE 1: If an Advanced Biofuel was produced in multiple forms, enter the Advanced Biofuel on multiple rows so that only one type (L,S,G) is shown per row.

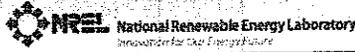
NOTE 2: Forest biomass means "Any plant or tree material produced by forest growth, such as trees, wood, brush, thinning, chips, and slash."

Part B - Additional Provisions

This form is subject to the definitions and policies of 7 CFR part 4288, subpart B and any successor regulation.

Part C - Certification and Acceptance

CERTIFICATION AND ACCEPTANCE	
I certify that, to the best of my knowledge and belief, the information included with this Application, including all attachments, is true and correct, that the Advanced Biofuel reported is an eligible Advanced Biofuel under the Advanced Biofuel Payment Program, and that the Renewable Biomass feedstock is an eligible Renewable Biomass feedstock under the Advanced Biofuel Payment Program.	
1. ADVANCED BIOFUEL PRODUCER	
A.	<u>Chaput Family Farms</u> <small>(PRODUCER NAME)</small>
B. By:	<u>Reg Chaput</u> <small>(Officer, Member, Partner, Proprietor)</small>
C. Title:	<u>Owner/Partner</u>
D. Date	<u>10-12-12</u>



NREL HOME

U.S. Department of the Treasury

Application for Section 1603 - Payments for Specified Renewable Energy Property in Lieu of Tax Credits

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jblackmore@gravesishea.com logged in as Applicant. Session time: 59:53

Application for Section 1603: Payments for Specified Renewable Energy Property in Lieu of Tax Credits (Property that has already been placed in service)

Applicants who place a qualified property in service during 2009 or 2010 must submit this application form and the Terms and Conditions before October 1, 2011. Applicants who have begun construction of a qualified property during 2009 or 2010 but did not place the property in service by the end of 2010 must use this form to update a Begun Construction application that was submitted before October 1, 2011. This updated application form along with the Terms and Conditions must be submitted within 90 days after the property is placed in service.

While there are directions in this application, they are not a substitute for reading and understanding the Program Guidance, Terms and Conditions, Section 1603 of the American Recovery and Reinvestment Tax Act of 2009, and Sections 45 and 48 of the Internal Revenue Code.

*All fields are required unless otherwise noted. Fill out the form in order, as lower sections are affected by upper section choices. Allowed values are *marked in italics*, items in square brackets [] are optional.

The numbering of questions in this application form is not sequential. Some numbers are skipped intentionally.

[View checklist for properties already placed in service](#)

Section 1: Applicant Eligibility

1A. Type of Applicant — indicate which choice best describes the applicant. Governments, 501(c) organizations, 54(j)(4) entities, partnership or pass-thru entities with any government /501(c)/54(j)(4) entity as a partner (or other holder of an equity or profits interest), and in some cases foreign persons and entities are not eligible for Section 1603 payments.

Federal, State, or local government or any political subdivision, agency, or instrumentality thereof - **do not continue with application**

Organization described in section 501(c) of the Internal Revenue Code and exempt from tax under section 501(a) of such Code - **do not continue with application**

Entity referred to in paragraph (4) of section 54(j) of the Internal Revenue Code - **do not continue with application**

Partnership or pass-thru entity with a government or any political subdivision, agency, or instrumentality thereof, 501(c) organization, or 54(j)(4) entity as a direct or indirect partner (or other direct or indirect holder of an equity or profits interest) - **do not continue with application** (Note: If such entity only owns an indirect interest in the applicant through a taxable C corporation, do not choose this selection.)

Foreign person or entity *not* qualifying for the exception in section 168(h)(2)(B) of the Internal Revenue Code with respect to the property - **do not continue with application**

Foreign person or entity qualifying for the exception in section 168(h)(2)(B) of the Internal Revenue Code with respect to the property

Sole proprietorship

Joint venture

o Partnership

Domestic C corporation

Domestic S corporation

Cooperative organization described in section 1381 of the Internal Revenue Code

Real Estate Investment Trust (REIT)

Other (specify here):

1B. Applicant's Interest in the Property — indicate the applicant's interest in the property.

o Applicant is owner of the property.

Applicant is lessee of the property (include waiver from owner, as described in the Program Guidance and in Section 6 of this Application).

Applicant is not the owner or lessee of the property - **do not continue with application**

Section 2: Property Information

2A. Depreciation and Use of Property — indicate which choice best describes the property.

Property is *not* depreciable or amortization is not allowed - **do not continue with application**

o Property is depreciable or amortization is allowed in lieu of depreciation.

Property is *both* depreciable or amortization is allowed in lieu of depreciation and is a public utility property within the meaning of section 168(i)(10) of the Internal Revenue Code.

2B. Property Identification — enter information about the location of the property. *City or County required.

Property is located outside the United States during more than 50% of the year - **do not continue with application**. (Note: If such property meets the requirements described in section 168(g)(4) of the IRC, do not choose this selection.)

o Property is located predominantly within the United States.

Name: Chapur Farms, Farms Partner

Street Address 1: 2473 U.S. Route 105 East

*City: North Troy

Street Address 2 (optional):

*County: Orleans

State: Vermont

Zip Code: 05859

00000[-0000]

2C. Property Placed in Service — enter the date on which the property was placed in service. See Program Guidance for a definition of placed in service date. If applying for multiple units of property that the applicant is treating as a single, larger unit of property and the units have different placed in service dates, enter the date the first and last units were placed in service.

Date (for multiple units, first property): 08/03/2010 mm/dd/yyyy

Date (optional - for multiple units, last property): mm/dd/yyyy

Section 3: Applicant Information

3A. Applicant — enter information about the entity that placed the property in service.

Business name: Chaput Family Farms Partner

Street address 1: 2475 U.S. Route 105 East

Phone: 802 388 2844 000 000 0000 [()-

Street address 2 (optional):

Employer Identification Number (EIN): 030341038 00000000

City: North Troy

Do not enter a Social Security number

DUNS Number: 878135417 00000000

State: Vermont

Website address (optional):

Zip code: 05859 00000[-0000]

3B. Contact Person — enter information for the person to be contacted about this application.

First name: Jeanne

Last name: Blackmore

Organizational affiliation: Legal Counsel

E-mail address: jblackmore@gravelishea.com

Phone: 802 658 9230 000 000 0000 [()-

Fax: 802 658 1456 000 000 0000 [()-

3C. Previous Applications — indicate whether an application has previously been submitted for Section 1603 payments for this property or property at this same location. (This does not include an application previously submitted for this property to show that construction began in 2009 or 2010).

No applications submitted previously for Section 1603 payments for this property.

Application(s) have been submitted previously for this property or property at this same location.

Section 4: Property Description

4A. Specified Energy Property — indicate which choice best describes the type of specified energy property. See Program Guidance for a further explanation of each type.

Specified properties eligible under section 45 of Internal Revenue Code

Wind facility — uses wind to produce electricity (wind turbines with capacity of 100kW or less may also qualify below as small wind energy property but only one payment is allowed with respect to the property).

Closed-loop biomass facility (other than a facility described in the choice below) — uses organic material from a plant grown exclusively for purposes of being used to generate electricity. If a portion of fuel is not closed-loop biomass, give the percentage of fuel, on an annual basis, that is closed-loop biomass: %.

Facility modified to use closed-loop biomass to co-fire with coal, other biomass, or both. Modification must be approved under the Biomass Power for Rural Development Program or be part of a pilot project of the Commodity Credit Corporation. Give the percentage of fuel, on an annual basis, that is closed-loop biomass: %.

Open-loop biomass facility (cellulosic waste material) — uses solid, non-hazardous, cellulosic waste material or any lignin material derived from qualified sources described in section 45(c)(3)(ii) of the Internal Revenue Code to produce electricity. If a portion of fuel is not open-loop biomass of this type, give the percentage of fuel, on an annual basis, that is open-loop biomass of this type: %.

Open-loop biomass facility (livestock waste nutrients) — uses agricultural livestock waste nutrients to produce electricity and has a nameplate capacity rating of not less than 150 kW. If a portion of fuel is not agricultural livestock waste nutrients, give the percentage of fuel, on an annual basis, that is agricultural livestock waste nutrients: 100 %.

Geothermal facility — uses geothermal energy to produce electricity.

Landfill gas facility — uses gas derived from the biodegradation of municipal solid waste to produce electricity.

Trash facility — uses municipal solid waste to produce electricity and is not a landfill gas facility.

Hydropower facility (incremental hydropower) — produces incremental hydropower production as a result of efficiency improvements and additions to capacity to which the incremental hydropower production is attributable. The baseline and incremental increase in energy production must be certified by FERC.

Hydropower facility — hydropower producing facility installed on a qualifying nonhydroelectric dam. The property must be licensed by FERC and meet all other applicable environmental, licensing, and regulatory requirements.

Marine and hydrokinetic renewable energy facility — uses marine and hydrokinetic renewable energy to produce electricity and has a nameplate capacity rating of at least 150 kW.

Specified properties eligible under section 48 of Internal Revenue Code

Solar electricity property — uses solar energy to generate electricity.

Solar thermal property — uses solar energy to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat (property used to generate energy for heating a swimming pool ineligible).

Solar lighting property — uses solar energy to illuminate the inside of a structure using fiber optic distributed sunlight.

Geothermal property — equipment used to produce, distribute, or use energy derived from a geothermal deposit.

Fuel cell property — fuel cell power plant that has a nameplate capacity of at least 0.5 kW of electricity using an electrochemical process **and** an electricity-only generation efficiency greater than 30%.

Microturbine property — stationary microturbine power plant that has a nameplate capacity of less than 2,000 kW **and** an electricity-only generation efficiency of not less than 26% at International Standard Organization conditions.

Combined heat and power system property — system that uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other form of useful thermal energy and that meets all of the following requirements:

1. System produces at least 20% of total useful energy in the form of thermal energy which is not used for electrical or mechanical power (report thermal production in Section 4D of this application).
2. System produces at least 20% of total useful energy in the form of electrical or mechanical power (or combination) (report electrical and/or mechanical production in Section 4D of this application).
3. System energy efficiency percentage exceeds 60% [unless system uses open- or closed-loop biomass (see Guidance) for at least 90% of the energy source]. Specify energy efficiency percentage: % and, if applicable, percentage of energy source from open- or closed-loop biomass: %.
4. System does not exceed 50 MW or a mechanical energy capacity in excess of 67,000 horsepower or an equivalent combination of electrical and mechanical energy capacities (report system capacity in Section 4D of this application).

Small wind energy property — uses a turbine with nameplate capacity of not more than 100 kW to generate electricity.

Geothermal heat pump property — uses the ground or ground water as a thermal energy source to heat a structure or as a thermal energy sink to cool a structure.

4B. Narrative Description of Property — give a summary description of the property that is suitable for publication. Limit the summary to 2500 characters. If applying for multiple units of property that are being treated as a single, larger property, so indicate in the narrative.

On August 31st 2010, Output from Farm Partnership was 0.1 kw for an anaerobic digestion system. The System's digester mixture from an existing dairy herd produces methane, combats the process of generating renewable electricity on a combined cycle and CHP system efficient as our solar and for low emitting material. The System also uses 1000000 kwh of renewable electricity energy on a combined cycle. See Event 1 for a more detailed description of the System.

4C. Use of Energy — enter information in one of the two boxes to describe how the energy produced is being/will be used.

• Energy produced has been/will be sold. Enter the name and address of the buyer. Limit to 500 characters:

Vermont Electric Co. Inc
42 Westport Road
Johnson, Vermont 05636-9717

Energy produced has not been/will not be sold. Describe how it is/will be used. Limit to 2500 characters:

4D. Energy Generated by the Property — fill in the appropriate column depending on whether the property generates electrical, mechanical, or thermal energy (or combination) for the capacity and production of the property. This section is not applicable to solar illumination properties and geothermal heat pump properties. Enter the estimated production. kW=kilowatt(s), kWh=kilowatt hour(s), MMBTU=one-million British Thermal Units, hp=horsepower.

	Electrical		Mechanical			Thermal	
		kW	kW	hp	MMBTU/hr	MMBTU/hr	
Installed nameplate capacity:	399						
Estimated annual production:	2000000	kWh			MMBTU	MMBTU	

4E. Jobs Created/Retained by the Property — enter the estimated number of direct jobs created/retained by the property. Direct jobs are those created/retained in the project, not by suppliers who make the materials used in the project.

	Construction Stage	Operational Stage
Full-time jobs (at least 35 hours per week):	1	1
Part-time jobs (less than 35 hours per week):	2	0

Section 5. Cost Basis and Request for Payment

5A. Cost Basis and Applicable Percentage — enter the qualified cost basis of the property and the applicable percentage to calculate the request for payment. The applicable percentage is either 10% or 30% depending on the type of energy property. See Program Guidance to determine the applicable percentage. Fuel cell property formula — if the applicable percentage times the qualified cost basis exceeds an amount equal to \$1,500 for each 0.5 kW of capacity, maximum request for payment amount cannot exceed \$1,500 times each 0.5 kW of capacity. Microturbine property formula — if the applicable percentage times the qualified cost basis exceeds an amount equal to \$200 for each kW of capacity, maximum request for payment cannot exceed \$200 times the number of kW of capacity.

Qualified cost basis (as shown in supporting documentation): \$ 1,807,962.00
 Applicable percentage: 10% 30%
 For fuel cell property: If property has less than _____ kW of capacity, enter capacity here:
 For microturbine property: If property has less than _____ kW of capacity, enter capacity here:

5B. Request for Payment — from the calculation in 5A, the amount of request for payment.

Amount of request for payment: \$ 542,269 (Based on calculations in 5A.) [Recalculate](#)

5C. Assignment — Indicate if the 1603 payment has been assigned to a financial institution in accordance with Federal Assignment of Claims Act (31 U.S.C. 3727)

- The 1603 payment has not been assigned to a financial institution.
- The 1603 payment has been assigned to a financial institution.

Section 6. Documentation

6A. Documentation for Properties Placed In Service — for properties placed in service attach documentation: to establish that the property has been placed in service as claimed in Section 2C of this application; to demonstrate that the property has met the requirements shown in Section 4 of this application; and to support costs claimed in Section 5 of this application. See Program Guidance for information on acceptable documentation to establish a property is placed in service and meets the eligibility requirements and to support costs. If the applicant is a lessee (as indicated in Section 1B), attach a waiver, as described in the Program Guidance, from the owner. For properties not yet placed in service. NOTE: You may add additional documents or replace these as needed using the "Add/modify supporting documentation" option in the main menu for up to 3 days after submitting this application.

ACCEPTED FILE TYPES: Office (doc, docx, xls, xlsx), postscript (pdf), and plain text (txt) formats. Limit total size of all files to 100 MB or less.

Supporting documents requested for properties placed in service (This is provided as guidance for all applicants. However, eligibility decisions by the Department of Treasury will be based ultimately on applicant's eligibility under Section 45 or Section 48 of the US Tax Code.)

ELIGIBLE PROPERTY:

- Design Plans - final engineering design documents, stamped by a licensed professional engineer.
- Nameplate Capacity - design plans, commissioning reports, or OEM/equipment vendor specification sheets demonstrating that the property meets the required minimum or maximum nameplate capacity (see Section 4A of the Application for properties with minimum or maximum nameplate capacity requirements).

PLACED IN SERVICE:

- Commissioning Report - report provided by the project engineer, equipment vendor or independent third party that certifies that the equipment has been installed, tested, and is ready and capable of being used for its intended purpose.
- Interconnection Agreement - a formal document between the applicant and the local utility that establishes the terms and conditions under which the utility agrees to interconnect with the applicant's system. Applicants must also submit any subsequent documentation to demonstrate that the interconnection agreement has been placed in effect. Systems not connected to a utility will be required to submit additional documentation, including approval from a building department official or other local agency with jurisdiction.
- Power Purchase Agreement - applicants with property installed on a site which they do not own, where the site owner is purchasing electricity or other energy from the applicant, should submit a copy of the Power (Energy) Purchase Agreement to substantiate ownership and placed in service eligibility.

COST BASIS:

- Detailed Cost Breakdown of all costs included in the cost basis. A detailed cost breakdown should separately itemize costs for equipment, labor, installation, engineering, permits, and other project cost items to be included as the eligible cost basis.
- For properties that have a cost basis in excess of \$500,000.00, attach the Independent Accountant Certification attesting to the accuracy of all costs claimed as part of the basis of the property.

APPLICANT THAT IS A LESSEE

- If applicant is a lessee, attach the Owner's Waiver containing "all the information necessary to determine the amount of the lessee's Section 1603 payment."

APPLICANT THAT IS A LESSEE, LLC, PARTNERSHIP or PASS-THROUGH ENTITY

- If the applicant is a lessee, LLC of a parent company, partnership, or a pass-through entity please attach supporting documentation indicating the applicant's interest in the Property which indicates the business structure as well as the applicant's relationship to any other parties with a direct interest in the property (i.e. property owner or parent company).

OTHER:

- Please attach any additional supporting documents to support your application. If you require more uploads than this form provides, supplement these with the "Add/Modify Supporting Documentation" function under the Application Package Control Panel for this application when finished.

Attached is documentation to support eligibility of the specified energy property:

[Browse...](#)

File uploaded: Exhibit 3 - Design Plans and Nameplate Capacity, Chaput Family Farms.PDF

Attached is documentation to support costs:

[Browse...](#)

File uploaded: Exhibit 8 - Detailed Cost Breakdown, Chaput Family Farms.PDF

Attached is documentation to establish property is placed in service:

[Browse...](#)

File uploaded: Exhibit 4 - Commissioning Report, Chaput Family Farms.PDF

Attached is owner's waiver, if applicant is a lessee (as indicated in Section 1B):

[Browse...](#)

Section 7. Signature of Applicant

7A. Under penalties of perjury, I declare that I have examined this application, which includes any application submitted using the same Treasury Identification Number for the purpose of demonstrating that construction began on the property in 2009 or 2010, and to the best of my knowledge and belief, it is true, correct, and complete. I declare that I am the applicant or an authorized official for the applicant. Further, I agree the information in this application can be disclosed to the Internal Revenue Service.

First Name: Jeanne

Last Name: Blackmore

Title: legal Counsel

Phone: 902 558 0220
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Email: jblackmore@gravel/shear.com

Signature (enter your password):

Entering your password has the same legal effect as your handwritten signature.

The National Renewable Energy Laboratory is providing technical assistance for Section 1603 applications on behalf of the U.S. Treasury Department

NREL is a national laboratory of the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, operated by the Alliance for Sustainable Energy, LLC

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CHAPUT FAMILY FARMS PARTNERSHIP OPEN LOOP BIOMASS PROJECT DESCRIPTION

Background

On August 3rd, 2010, Chaput Family Farms Partnership ("CFFP" or the "Farm") placed in service an anaerobic digester system (the "System") with a nameplate capacity rating of 300 kW. The System constitutes an open-loop biomass facility under Section 45 of the Internal Revenue Code, and therefore is specified energy property eligible for the Treasury Grant.

The System digests manure from an existing dairy herd; produces biogas; combusts the biogas to generate renewable electrical energy on a continuous basis; and utilizes digester effluent as crop fertilizer and for cow bedding material. The System was designed and installed by RCM International LLC ("RCM") of Berkeley California. RCM provided guidance throughout the entire installation of the System, from construction through commissioning. The engine and generator were installed by Martin Machinery of Latham, Missouri. The engine was provided by Guascor S.A. of Spain and is specifically designed to run on biogas.

Detailed System Description

The System collects manure from cows into a large airtight concrete tank with a flexible HDPE plastic cover and holds it there for about three weeks. Bacteria present in the manure "digest" the manure much like a cow's stomach digests feed. Biogas, produced by the bacterial breakdown of the manure, builds up in the tank and a pipe delivers it to the Guascor engine where it is burned to make electricity.

The feedstock for the system is the manure produced by the cows. CFFP's dairy operation currently milks about 830 cows and has 165 dry cows. The Farm also has approximately 650 young stock for future growth. The digester was designed to accommodate future expansion and therefore has the capacity to handle manure from 1600 mature cows plus young stock. Cow manure is a renewable resource and is available as feedstock 24 hours per day for as long as the Farm's dairy remains in operation. The energy contained in the manure is that which remains from the feed given to the cows after they have extracted what they need to produce milk, and for their own growth and sustenance. The energy in the feed is captured solar energy - hence the renewable nature of the electricity produced in the process.

As noted, manure is available as feedstock for the System on a continuous basis. Unprocessed manure scraped from the dairy barns is diverted to a reception pit where it is mixed, pumped through a "crusher" to reduce particle size and then pumped to the digester. The manure is pumped to the digester on a regular basis throughout the day so as to avoid any potential shocks to the system.

Manure in the circular concrete digester tank is mixed and heated to a temperature of 100 degrees Fahrenheit, about the same temperature as a cow's stomach, and therefore the optimum temperature for the growth of beneficial bacteria. Note that reclaimed heat from the electrical cogeneration system provides more than enough heat necessary to raise the manure to 100 degrees so no additional energy input is required. The first stage of the two-stage digestion

process is designed to facilitate the growth of acid forming bacteria. These bacteria break down the complex organic plant wastes found in the raw manure into volatile fatty acids and acetic acid.

During the second digestion stage, the colonization of slower growing methanogenic (or methane producing) bacteria is encouraged with continued digester heating. Methanogenic bacteria convert the volatile fatty acids and acetic acid produced in the first stage of the digester into biogas. Digester biogas typically consists of 60% methane (CH₄) and 40% carbon dioxide (CO₂).

The optimum storage time for the methanogenic process to occur is 20 days, and the digester is sized accordingly. Digester effluent gravity flows to an effluent pit and is then pumped to a mechanical liquid/solid separator.

The Farm will use separated solids from the mechanical separator as bedding material, thereby reducing costs for sawdust for cow bedding. Any unused solids will either be land applied, sold to other farms for use as bedding, or sold as soil amendment to nurseries and landscapers. Some of the liquid from the mechanical separator gravity flows to the existing manure storage lagoon and will be land applied using current Farm practices; the rest of the liquid is pumped back to the start of the digestion process to facilitate the flow of the manure to the pump and digester. In this way, the mechanical separator minimizes the environmental impacts of the storage lagoon, increases the efficiency of the digestion process, and reduces the overall cost of Farm operations.

The methane rich biogas is collected from the digester vessel, cooled to precipitate out excess moisture, and utilized to fuel the Guascor combined heat and power genset. The System is designed to generate 300kW of renewable electrical energy on a continuous basis.

Commissioning Procedure

Chaput Family Farms, Cow-Methane Generator

LOCATION:

Chaput Family Farms
2473 VT ROUTE 105 E
North Troy, VT 05859

CONTACT PHONE NUMBERS:

Owners: Reg & Mike Chaput, 802-988-2844 day; 802-334-1787 evening.

Equipment Manufacturer: Jason Hoover, Gen Tech - Martin Machinery: 660-458-7000

Generator Tech Support: Linford Siebel, 717-587-3009

Interconnecting Utility: Vermont Electric Cooperative, Inc.
Operations Control Center, 802-730-1219

COMMISSIONING PROCEDURE: (To take place at generator site)

- 1) Safety Tailboard conducted by Utility and Resource to point out unique safety precautions of both electrical systems for the attendees.
- 2) Witness automatic-synchronizing of D1 generator breaker (systems in parallel).
- 3) Witness D1 generator breaker transfer trip when 3F6 opened.
- 4) Witness D1 generator breaker won't close on dead-bus.
- 5) Witness D1 generator breaker will close with 1-D1 opened (utility dead-bus).
- 6) Witness disable transfer trip between 3F6 and D1 generator breaker.
- 7) Witness D1 generator breaker will open with 1-D1 closed (utility dead-bus).
- 8) Witness time delay D1 generator breaker synch-check and close.

DATE of COMMISSIONING: 8-3-10

ATTENDANCE:

Chris Lawson VEC
Dave Young VEC

Jim Dini VEC Engineering
Mark Beckenmark Gen Tech
Linford Siebel Martin Machinery
Derek Poyes Electrician

CHAPUT FAMILY FARMS
AMENDED AND RESTATED PARTNERSHIP AGREEMENT

AGREEMENT between REG CHAPUT and MICHAEL CHAPUT (referred to as "Partner" or "Partners" as the context hereafter requires), both of the Town of Newport, in the County of Orleans and State of Vermont, effective as of January 1, 2003, who enter into this Amended and Restated Partnership Agreement under the following terms and conditions:

1. **Name and History.** The name of the partnership is Chaput Family Farms (the "Partnership"). The Partnership was established by Leo Chaput, Reg Chaput and Michael Chaput on January 1, 1986. Leo Chaput's interest in the Partnership was purchased in 1993 by Reg Chaput and Michael Chaput. Christopher Dutton became a Partner on January 1, 1997. The Partnership acquired Christopher Dutton's interest effective January 1, 2003.
2. **Nature of Business.** The business of the Partnership shall be operation of a dairy farm (the "Dairy Farm") located in the Towns of Troy and Newport, in the County of Orleans and State of Vermont, and ownership and management of such other real estate and all personal property, of whatever nature and description and wherever located, as the Partnership may now own or hereafter acquire in the future pertaining to the Dairy Farm or utilized in furtherance of its operation.
3. **Equity Ownership.** Effective as of January 1, 2003, each Partner owns an undivided fifty percent (50 %) interest in the Partnership. In the event an additional Partner or Partners are admitted to membership in the Partnership in the future, the undivided percentage interest of the present Partners shall be reduced equally unless otherwise agreed or unless an additional Partner or Partners are admitted pursuant to the terms of Paragraph 11 of this Agreement.
4. **Partnership Amendments; Interests Non-Assignable.** The Partners acknowledge and agree that the division of ownership, responsibility and authority embodied in this Agreement is entered into by the parties for the purpose of ensuring the stability of the operation of the Dairy Farm and the personal and business affairs of the parties. In order to accomplish this purpose, this Agreement shall not be amended or terminated as long as the Partners remain active in the Partnership except as provided in this Agreement. The rights, benefits, privileges and obligations of a Partner as described in this Agreement cannot and shall not be assigned or transferred to any third party without the express written consent of the other Partner.
5. **Voting Rights.** Each Partner shall have an equal vote in any major decision which may come before them concerning the operation of the Dairy Farm. In the case of a tie vote, outside consultants may be brought in to enlighten all Partners and aid in breaking the impasse, if deemed necessary and important by any Partner. If the tie remains after this action, then no change will be made in current operations of the Dairy Farm. The amount that each Partner shall draw from the Dairy Farm shall be decided during the first week of January of each and every year by majority vote of all Partners and shall be treated as guaranteed payment to the Partners. This draw will be fixed for the remainder of the year unless cash flow of the Dairy Farm cannot maintain such level of draw. Any yearly bonuses will be paid only if all current obligations, including all principal and interest payments of the Partnership have been met at the end of each year, and will be considered and distributed in the same respect as the wage distribution.

6. Partners' Equity Accounts. For the purpose of determining values where applicable in this Agreement, the values at any point in time shall be determined by using fair market value of all Partnership assets reduced by all Partnership liabilities. For the purpose of any increases and decreases of values, the net worth as presented in the Business Financial Statement as of January 1, 2004, allocated to each Partner's capital account shall be the beginning factor.

The assets and liabilities of the Partnership shall be set forth in the Business Financial Statement which will be completed during the month of January each and every year and shall be signed by all Partners in the presence of a witness and shall be comprised of the fair market value of the assets and liabilities which the Partnership owns as of that date. If there is disagreement on the amounts used in the updated Business Financial Statement, then the Partnership shall continue business as usual using the last agreed on Business Financial Statement as the basis. If after one year a settlement has not yet been reached in this matter, then all Partners shall make every effort to come to an agreement within one month thereafter. Tools utilized to accomplish final agreement shall include the use of professional appraisals and the current rate of inflation using the Consumer Price Index as the basis. Possible buyout(s) of dissatisfied Partner(s) will also be a last option.

Each Business Financial Statement shall become part of this Agreement and shall be the basis for determining changes in the Partners' equity accounts. Said valuation shall be modified pursuant to the terms of Paragraph 8 of this Agreement in the event of death, disability or incapacity of a Partner as more specifically described therein.

7. Death, Disability or Incapacity. Upon the death, disability or incapacity of any Partner, the Partnership shall be continued by the surviving Partner and the Partnership shall purchase from the estate of the deceased Partner or the disabled or incapacitated Partner the Partnership interest of the deceased, disabled or incapacitated Partner, upon payment by the Partnership of the purchase price as computed in Paragraph 8 of this Agreement. The purchase price shall be paid in accord with the terms set forth in Paragraph 9. Upon the completion of such purchase and sale, the selling Partner, his heirs, executors, administrators, successors and assigns shall not have any further interest in the Partnership or any of its assets, except as provided in this Paragraph 8. Simultaneous with closing on purchase of the Partnership interest of a deceased, disabled or incapacitated Partner, general releases shall be exchanged. The general release from the selling Partner or his estate shall except only the seller's rights to collect the remaining balance of the purchase price not paid at closing pursuant to the terms of the closing documents executed in accord with Paragraph 9 of this Agreement and to indemnification for any Partnership liabilities for which the selling Partner is not released from personal liability or for which personal assets of the selling Partner serve as collateral, or both. The general release from the Partnership shall except only the rights of the Partnership and remaining Partner or Partners to seek indemnification for any liability known only to the selling Partner and not disclosed to the partnership.

For the purpose of this Paragraph 7, a Partner shall be disabled or incapacitated if the Partner is unable to participate in his normal areas of responsibility and duties as defined by this Agreement for a period of six months. It is expressly understood that the Partnership does not maintain insurance for the purpose of buyout in the case of disability or incapacity of a Partner.

In order to fund the purchase of a deceased Partner's interest in the Partnership, the Partnership shall maintain life insurance policies on each Partner in face amounts that may be adjusted from time to time to reflect the value of his interest in the Partnership, subject to the Partnership's ability to fund

premium payments for such insurance. The face value of such policies at the date of this Agreement is \$1,500,000.00 on Reg Chaput's life and \$1,500,000.00 on Michael Chaput's life. The face amount of life insurance coverage on any additional Partner shall be determined at the time of his entry into the Partnership. Coverage levels shall be reviewed during the first week of January of each and every year and adjusted, if necessary, upon unanimous consent of the Partners. The Partnership shall be the named beneficiary on said policies. Unless otherwise required by contractual obligation of the Partnership, policy proceeds shall be applied first to pay such sums on account of any Partnership obligation or obligations secured by the deceased Partner's personal assets as are required by the secured party or mortgagee in consideration of release of such personal assets, second to settlement of the Partnership's obligations to the deceased Partner's estate and third to settle any pledges or assignments of insurance proceeds to any lending institution to which the Partnership is indebted. Policy proceeds shall be used only for business purposes and not for any direct personal use.

As both Partners have mortgaged or otherwise encumbered their personal assets to secure loans for the Partnership, the remaining Partner shall make all efforts to obtain as soon as practicable releases of such mortgages, pledges or security interests insofar as the same encumber the selling Partner's assets. The Partnership and the remaining Partner shall indemnify the selling Partner, his heirs, executors, administrators, successors and assigns and to make whole any loss which may be incurred by the selling Partner, his heirs, executors, administrators, successors and assigns due to the existence of any such mortgage or other encumbrance against personal assets of the selling Partner which remains in effect after closing upon sale of the selling Partner's interest in the Partnership.

8. The Purchase Price for Death and Disability Purposes. The purchase price for the purpose of the buyout of a deceased or incapacitated Partner shall be established by the Partner's equity account calculated as described in Paragraph 6, except as modified by the terms of this Paragraph. The value of all assets as determined from the Business Financial Statement shall be the value of the assets as of the date of death or incapacitation buyout except that a) assets in excess of \$1,000 each acquired after the last such valuation shall be brought on at the acquisition price and b) any asset in excess of \$1,000 disposed of shall be deleted at the price included in the Business Financial Statement.

The net value of the Partnership shall be the value of such assets reduced by actual debts in existence on the date of death, disability or incapacitation. It is an express condition among the parties that the financial statements shall be determined at the date of death, disability or incapacitation. The Partner's share shall be such net value multiplied by his percentage of ownership on that date.

In case of death or disability, should insurance be obtained in the future, the percentage of a deceased or disabled partner's partnership ownership interest multiplied by any life or disability insurance proceeds on himself, shall be added to the purchase price of the deceased or disabled partner's equity as computed in the above paragraphs.

9. Payment of Purchase Price. In the case of a deceased Partner, the purchase price shall be paid from insurance proceeds consistent with the terms of Paragraph 7. The deceased Partner's estate also shall be entitled to and shall receive that portion of the life insurance proceeds gained because of that death. The amount to be paid to the estate shall be the amount of the life insurance times the percentage of the deceased Partner's holdings in the Partnership. Any balance owed to the estate of the deceased Partner not paid at the time of closing shall be paid in level monthly payments of principal and interest over a term of twenty years. The interest rate shall be eight percent (8 %) per annum on the

unpaid principal balance. The principal balance due shall be evidenced by the execution and delivery of a promissory note secured by a mortgage on all of the real estate or interests in real estate owned by the Partnership which shall be subject and subordinate to prior mortgages of record.

In the case of a disabled Partner, the balance owed to him shall be paid in level monthly payments of principal and interest over a term of ten years. The interest rate shall be eight percent (8 %) per annum on the unpaid principal balance. The principal balance due shall be evidenced by the execution and delivery of a promissory note secured by a mortgage on all of the real estate or interests in real estate owned by the Partnership which shall be subject and subordinate to prior mortgages of record.

In neither instance shall there be any penalty or restriction as to prepayment.

10. **Voluntary Withdrawal From Partnership.** A Partner may withdraw from the Partnership at any time upon not less than ninety days' notice, in writing, of his intent to withdraw from the Partnership. The notice shall state the effective date of withdrawal. Furthermore, in order to protect the integrity and stability of the Partnership and upon unanimous vote of all other Partners, any actions or inactions of a Partner considered reckless and careless by the remaining Partners, or actions by personal creditors against a Partner which could result in personal bankruptcy and present danger to the well-being of the Partnership, or the inability of a Partner to devote the time and effort needed to perform his responsibilities competently as expected of a person in his position, shall be cause to notify said Partner in writing of the decision of the remaining Partners to require his withdrawal from the Partnership within thirty days from the date of notification. In either circumstance, the remaining Partners shall have up to one hundred eighty days from the date of notification to arrange financing in order to purchase the departing Partner's interest in the Partnership. However, the remaining Partners shall not be forced to liquidate the assets of the Partnership in order to do so. If financing through a lending institution is not possible because of Partnership's financial position, then the sums due to the departing Partner shall be paid in level monthly payments of principal and interest over a period of twelve years starting one hundred eighty days after the date of notification. The interest rate shall be eight percent (8 %) per annum on the unpaid principal balance. There shall not be any penalty or restriction as to prepayment. The sums due to the departing Partner shall consist of his equity account as determined by the most recent Business Financial Statements. The departing Partner shall also be responsible for any and all legal and other fees associated with purchase of his Partnership interest pursuant to this Paragraph 10 only. Said fees will be deducted from the sums due to the departing Partner.

Upon the completion of such purchase and sale, the departing Partner, his heirs, executors, administrators, successors and assigns shall not have any further interest in the Partnership or any of its assets, except as provided in this Paragraph 10. Simultaneous with closing on purchase of the Partnership interest of a departing Partner, general releases shall be exchanged. The general release from the departing Partner shall except only the his rights to collect the remaining balance of the purchase price pursuant to the terms of the closing documents and to indemnification for any Partnership liabilities for which the departing Partner is not released from personal liability or for which personal assets of the departing Partner serve as collateral, or both. The general release from the Partnership shall except only the rights of the Partnership and remaining Partner or Partners to seek indemnification for any liability known only to the departing Partner and not disclosed to the partnership.

As the Partners have mortgaged or otherwise encumbered their personal assets to secure loans for the Partnership, the remaining Partner shall make all efforts to obtain as soon as practicable releases of

such mortgages, pledges or security interests insofar as the same encumber the departing Partner's assets. The Partnership and the remaining Partner shall indemnify the departing Partner, his heirs, executors, administrators, successors and assigns and to make whole any loss which may be incurred by the departing Partner, his heirs, executors, administrators, successors and assigns due to the existence of any such mortgage or other encumbrance against personal assets of the departing Partner which remains in effect after closing upon sale of the departing Partner's interest in the Partnership.

10a. **Division of Remaining Equity.** Upon the withdrawal of a Partner for any reason, then his interest in the Partnership shall be divided among the remaining Partners in proportion to their interest in the Partnership as of the date of the departing Partner's withdrawal.

10b. **Division of Liability Settlements.** If the Partnership ever settles a claim, suit at law or other action, or obtains a judgment or ruling in its favor, resulting in compensation to the Partnership, then such compensation shall be divided according to the equity distribution as described in Paragraph 3 of this Agreement.

10c. **Trial Term for New Partners.** The Partners shall require a trial partnership period of one year for any new partner ("Trial Partner") joining the Partnership. At the end of the first complete year of tenure of a Trial Partner, either the Partnership or the Trial Partner may end the relationship with each other upon thirty days' prior written notice. If the Trial Partner will remain a member of the Partnership, then his trial status shall cease and the Trial Partner thereafter shall be treated as a Partner for all purposes under the terms of this Agreement. If the Trial Partner will not continue as a member of the Partnership, then the Partnership shall compensate the departing Trial Partner, in addition to his regular draw through the year, with the sum of \$5,000 as complete and full satisfaction of any and all claims against the Partnership or other Partners individually. The departing Trial Partner shall also be compensated for any assets he brought into the Partnership at the beginning of his tenure (i.e. cash, cows, tools, etc.). An agreed value shall be placed on any such assets at the beginning of the Trial Partner's membership in the Partnership and set forth in writing by a document signed by all Partners, including the Trial Partner, and attached to this Agreement. Any equity generated by the departing Trial Partner during his tenure, either positive or negative, shall accrue to the Partnership. Simultaneous with closing upon buyout by the Partnership of a departing Trial Partner, general releases shall be exchanged. The general release from the Trial Partner shall except only his rights to collect the remaining balance, if any, due to him and not paid at closing pursuant to the terms of the closing documents. The general release from the Partnership shall except only the rights of the Partnership and remaining Partner or Partners to seek indemnification for any liability known only to the departing Trial Partner and not disclosed to the Partnership. The terms of this Paragraph supersede the terms of Paragraphs 8, 9, 10 and 10b of this Agreement.

11. **Preservation of Family Farm.** It is the hope and wish of the Partners that the Dairy Farm shall remain the lineage of Leo Chaput in whose memory it is dedicated. In order to reach this goal, the following steps shall be taken:

a. When the decision is made by a Partner or the present Partners to retire or disengage themselves from the Partnership, they will at that time approach the heirs of Reg and Michael Chaput to see if they are interested in continuing the farm in their Grandfather's name. If no interest is shown, then the children of any additional Partner or Partners will have next rights to purchase the farm; and if no interest is shown on their part, then the Partners may choose to liquidate the business by sale to the

highest bidder or bidders.

b. If there is a premature death of either Reg or Michael Chaput, then the remaining Partners will do their utmost to try to train the heir or heirs of the deceased Partner in order that they may one day be able to take over the deceased Partner's interest of the business, once the remaining Partners decide to retire.

12. **Responsibilities and Authorities.** In addition to their general duties and responsibilities to the Partnership and the Dairy Farm, the Partners shall have the following specific duties:

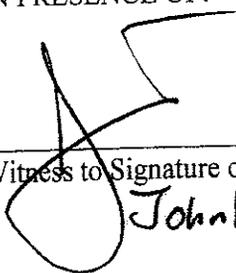
- a. Reg Chaput shall be in charge of all financial and administrative management.
- b. Michael Chaput shall be in charge of all crop and fertilizer/manure handling management.
- c. A third partner may be added at a later date to assist in management responsibilities.
- d. Decisions regarding labor management will be made by discussion and consensus of all Partners.
- e. Reg Chaput shall be granted a power of attorney by the Partnership and Partners for the sole purpose of convenience in matters of administration of the Partnership and the Dairy Farm. The power of attorney shall not be abused in any manner for the purpose of personal gain and may be revoked by a majority vote of the Partners if it is believed to be misused in any manner. Reg Chaput shall make every effort to keep all Partners informed of any agreements which he signs which will have a direct impact on the farm, prior to their being entered into, and will not enter into any transaction involving more than Two Hundred Fifty Thousand Dollars (\$250,000.00) in value without the prior knowledge and approval of the other Partners. However, the Partnership shall be responsible and liable for any agreements and contracts which Reg Chaput enter into on behalf of the Partnership pursuant to the Power of Attorney.
- f. Each Partner shall devote such time as is reasonably necessary to operate the Dairy Farm in a good husband-like manner.
- g. The Partners agree that if they should be in disagreement as to the operation of the Partnership, all such decisions shall be decided by a majority vote of the Partners.

13. **Amendment.** This Agreement may be altered or amended at any time as provided herein or by written agreement signed by all of the Partners.

DATED AT the Town of Derby, Vermont, this 23rd day of January, 2004, effective as of January 1, 2003.

IN PRESENCE OF:

Witness to Signature of RC


John P. Monette


REG CHAPUT

GENERAL POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that we, **REG CHAPUT** and **MICHAEL CHAPUT**, both individually and in our capacity as all of the partners of **CHAPUT FAMILY FARMS**, a partnership organized and existing under the laws of the State of Vermont (the "Partnership"), and all having a place of business with a physical and postal address of 2473 Rte. 105 East, North Troy, Vermont 05859 (collectively, the "Grantors"), do hereby jointly and severally make, constitute and appoint **REG CHAPUT**, presently resident of the Town of Newport, in the County of Orleans and State of Vermont, the Partnership's and Grantors' true and lawful Attorney-In-Fact ("Agent") for the Partnership and Grantors and in the Partnership and Grantors' names, place and stead, and on behalf of the Partnership and the Grantors, and for the use and benefit of the Partnership and Grantors:

1. To exercise or perform any act, power, duty, right or obligation whatsoever that the Partnership now has, or may hereafter acquire the legal right, power, or capacity to exercise or perform, in connection with, arising from, or relating to any person, item, transaction, thing, business property, real or personal, tangible or intangible, or matter whatsoever.
2. To request, ask, demand, sue for, recover, collect receive, and hold and possess all such sums of money, debts, dues, commercial paper, checks, drafts, accounts, deposits, notes, interests, stock certificates, bonds, dividends, certificates of deposit, annuities, pension and retirement benefits, insurance benefits and proceeds, any and all documents of title, chooses in action, personal and real property, intangible and tangible property and property rights, and demands whatsoever, liquidated or unliquidated, as now are, or shall hereafter become, owned by, or due, owing, payable, or belonging to, the Partnership or in which the Partnership has or may hereafter acquire an interest, to have, use, and take all lawful means and equitable and legal remedies, procedures, and writs in the Partnership's name for the collection and recovery thereof, and to adjust, sell, compromise, and agree for the same, and to make, execute, and deliver to the Partnership, on its behalf, and in its name, all endorsements, acquittances, releases, receipts, or other sufficient discharges for the same.
3. To lease, purchase, exchange, and acquire, and to agree, bargain, and contract for the lease, purchase, exchange, and acquisition of, and to accept, take, receive, and possess any real or personal property whatsoever, tangible or intangible, or interest thereon, on such terms and conditions, and under such covenants, as the Agent shall deem proper.
4. To maintain, repair, improve, manage, insure, rent, lease, sell, convey, subject to liens, mortgage, subject to deeds of trust, and hypothecate, and in any way or manner deal with all or any part of any real or personal property whatsoever, tangible or intangible, or any interest therein, that the Partnership now owns or may hereafter acquire, for it, in its behalf, and in its name and under such terms and conditions, and under such covenants, as the Agent shall deem proper.
5. To conduct, engage in, and transact any and all lawful business of whatever nature or kind for the Partnership, on its behalf, and in its name.
6. To make, receive, sign, indorse, execute, acknowledge, deliver, and possess such applications, contracts, agreements, options, covenants, conveyances, deeds, trust deeds, security agreements, bills of sale, leases, mortgages, assignments, insurance policies, bills of lading, warehouse receipts, documents of title, bills, bonds, debentures, checks, drafts, bills of exchange, letters of credit, notes, stock certificates, proxies, warrants, commercial paper, receipts, withdrawal receipts and deposit instruments relating to accounts or deposits in, or certificates of deposit of, banks, savings and loan or other institutions or associations, proofs of loss, evidences of debts, releases, and satisfaction of mortgages, liens, judgments, security agreements and other debts and obligations and such other instruments in writing of whatever kind and nature as may be necessary or proper in the exercise of the rights and powers herein granted.
7. The Partnership and Grantors grant to Agent full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the members of the Partnership and the Grantors might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that Agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.
8. To retain counsel on behalf of the Partnership, to appear for it in all actions and proceedings to which it may be party in the Courts of Vermont or any other State in the United States, or in the United States Courts; to commence actions and proceedings in its name if necessary, to sign and verify in its name all complaints, petitions, answers and other pleadings of every description.

9. To represent the Partnership in all tax matters; to prepare, sign, and file federal, state, and local income tax, transfer tax and gains tax and other tax returns of all kinds, claims for refunds, requests for extensions of time, petitions to the Tax Court or other courts regarding tax matters, and any and all other tax-related documents, including, but not limited to, Form 2848, Form 8821, and any other Power of Attorney or form required by the Internal Revenue Service, any state or any local taxing authority with respect to any tax year between the years 1997 and 2030; to pay taxes due, collect and make such disposition of refunds as Agent shall deem appropriate, post bonds, receive confidential information and contest deficiencies determined by the Internal Revenue Service, any state, or any local taxing authority; to exercise any elections the Partnership may have under federal, state or local tax law; and generally to represent the Partnership in all tax matters and proceedings of all kinds and for all periods between the years 1997 and 2030 before all officers of the Internal Revenue Service and state and local tax authorities; to engage, compensate and discharge attorneys, accountants and other tax and financial advisers and consultants to represent and/or assist the Partnership in connection with any and all tax matters involving or in any way related to the Partnership or any property in which the Partnership has or may have any interest or responsibility.

10. If, without actual knowledge of the death of any of the individual Grantors or any other circumstance which would revoke this Power of Attorney, the Agent enters into a transaction on behalf of the Partnership and Grantors which would have been binding upon the partnership and Grantors except for such death or other circumstance but before the Agent has actual notice of such death or other circumstance, then Grantors, their heirs, successors and assigns shall carry out the terms of the transaction in the same manner as if this Power of Attorney had not been terminated.

11. This Power of Attorney shall not expire or become stale upon the passage of time but is intended to continue in force until revoked by the Partnership and Grantors. Any individual or entity dealing with the Agent shall be entitled to rely upon this Power of Attorney as being in full force and effect and upon any action taken by the Agent pursuant to this Power of Attorney unless written notice of the revocation of this Power of Attorney shall have been previously delivered to such individual or entity. With respect to any transaction to be recorded in the Land Records of any municipality located in the State of Vermont, this Power of Attorney shall be deemed to be in full force and effect unless written notice of the revocation hereof shall be recorded in said Land Records.

12. This General Power of Attorney shall not be affected by the subsequent disability, incapacity or incompetence of any of the undersigned.

13. All powers and authorities granted herein to the Agent that pertain directly or indirectly to real estate may be exercised by the Agent with respect to any real estate or interests in real estate, whether now owned by the Partnership or to be acquired by the Partnership, located in the State of Vermont, notwithstanding that such real estate or interests in real estate are not specifically identified herein by address or land record reference.

14. This instrument is to be construed and interpreted as a General Power of Attorney. The enumeration of specific items, rights, acts, or powers herein is not intended to, nor does it, limit or restrict, and is not to be construed or interpreted as limiting or restricting, the general powers herein granted to the Agent. **Notwithstanding any other provision of this Power of Attorney, the powers granted to the Agent herein shall be confined to transactions or acts involving sums not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in any single transaction or instance.**

15. A certified copy of this Power of Attorney, if the Power of Attorney is recorded at the office of the Troy, Vermont, Town Clerk or other state or local recording office, shall be as valid as an original.

16. This Power of Attorney replaces and supersedes a prior Power of Attorney from Chaput Family Farms to the Agent dated February 5, 1999, and recorded in Book 22, Pages 409-410 of the Newport Town, Vermont, Land Records, in Book 163, Pages 336-337 of the Town of Derby, Vermont, Land Records, and in Book 57, Pages 179-180, of the Town of Troy, Vermont, Land Records. The February 5, 1999, Power of Attorney is hereby revoked effective as of the date hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 23rd day of January, 2004.

CHAPUT FAMILY FARMS

By:  (L.S.)
REG CHAPUT, PARTNER

By: Michael Chaput (L.S.)
MICHAEL CHAPUT, PARTNER

Reg Chaput (L.S.)
REG CHAPUT, INDIVIDUALLY

Michael Chaput (L.S.)
MICHAEL CHAPUT, INDIVIDUALLY

AFFIRMATION BY WITNESS

I, John P. Monette, hereby state and affirm that:

1. REG CHAPUT and MICHAEL CHAPUT, both individually and as all of the Partners of CHAPUT FAMILY FARMS, signed the foregoing General Power of Attorney in my presence and appeared to me to be of sound mind and free from duress at the time that the General Power of Attorney was signed; and

2. REG CHAPUT and MICHAEL CHAPUT, both individually and as all of the Partners of CHAPUT FAMILY FARMS, both affirmed that they were aware of the nature of this General Power of Attorney and signed it freely and voluntarily.

Signature of Witness John P. Monette

STATE OF VERMONT)
)
ORLEANS COUNTY, SS.)

At the Town of Derby, Vermont, this 23rd day of January, 2004, REG CHAPUT and MICHAEL CHAPUT, both individually and as all of the Partners of CHAPUT FAMILY FARMS, who are known to me or were otherwise suitably identified, personally appeared, and they each acknowledged the foregoing General Power of Attorney, by them sealed and subscribed, to be their free act and deed, both individually and as all of the Partners of CHAPUT FAMILY FARMS.

Before Me: Rise Brown
NOTARY PUBLIC
(affix seal)

My Commission Expires: February 10, 2007

ACCEPTANCE BY AGENT

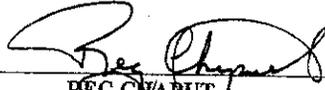
The undersigned, having been named as Agent in the foregoing General Power of Attorney, hereby affirms that:

1. I accept appointment as Agent;
2. I understand my duties under the General Power of Attorney and under the law;
3. I understand that I have a duty to act if expressly required to do so under the terms of the General Power of Attorney consistent with 14 V.S.A. §3505(c);

4. I understand that I am expected to use my special skills or expertise on behalf of **CHAPUT FAMILY FARMS, REG CHAPUT** and **MICHAEL CHAPUT**, if and to the extent so specified in the General Power of Attorney; and

5. I acknowledge the additional duties of Agent set forth in 14 V.S.A. §3505.

Jan 23rd, 2004
Date of Acceptance



REG CHAPUT
Signature of Agent