

## **Anaergia Commissions Facility in California that Creates Renewable Natural Gas from Wastewater and Food Waste**

**January 21, 2022**

Anaergia Inc. ("Anaergia" or the "Company") announced today that its subsidiary SoCal Biomethane will officially commission operations at the Victor Valley Wastewater Reclamation Authority (VVWRA) facility in Victorville, California. The facility is the first wastewater treatment plant in California to inject renewable natural gas made from both wastewater solids and food waste into a utility pipeline.

The Anaergia subsidiary upgraded VVRWA's existing wastewater treatment plant, retrofitting existing anaerobic digesters with Anaergia's high-throughput and high-efficiency Omnivore™ technology and Anaergia's biogas conditioning and upgrading technology package that produces pipeline-quality renewable natural gas (RNG). The additional technologies allow the facility to not only process wastewater, but also take in food waste collected by the region's waste haulers, preventing methane emissions from these sources and creating renewable, carbon-negative fuel to replace fossil natural gas. The facility will be capable of producing and injecting up to 320,000 MMBTU of RNG into the region's gas utility pipeline each year.

The new plant will assist local municipalities in complying with California's Senate Bill 1383 regulations, which require every municipality to divert residents' and businesses' food and other organic waste from landfills, with the goal of reducing the amount of organic waste landfilled by 75% by 2025.

Anaergia delivered this project as a public-private-partnership (P3) building this state-of-the-art infrastructure with financing partners North Sky Capital and Live Oak Bank, construction partner W.M. Lyles, and gas utility partner Southwest Gas. The P3 enabled the project to be delivered in record time and enhance VVWRA's wastewater infrastructure with greater capacity and resiliency.

"Under Senate Bill 1383, every California municipality must now find a way to reduce food waste and other organic waste going to landfills. Anaergia offers a unique set of technologies that convert existing infrastructure at wastewater treatment plants into highly efficient systems capable of treating both wastewater residual solids as well as food waste," said Andrew Benedek, Chairman and CEO of Anaergia. "In this way, existing infrastructure can be extended to serve new California requirements in a very efficient way. The net result is beneficial to all concerned, as it lowers the cost of operating a wastewater plant, helps the municipality meet the organic waste disposal requirements, and helps our planet by creating carbon-negative fuel. Our partnership with VVWRA is an example for the entire state on how to solve the current requirements efficiently."

"The renewable natural gas being created here will be used as a carbon-negative transportation fuel to displace petroleum and to help California achieve its clean air and climate goals while supporting California clean tech jobs," said Richard W. Corey, Executive Officer, California Air Resources Board.

"Private investments in green innovations are helping us recycle more food and yard waste into valuable new products," CalRecycle Director Rachel Machi Wagoner said. "These strong partnerships are critical to growing California's circular economy and creating a safer climate."

"These infrastructure improvements provide operational and capacity resiliency, greater operational flexibility and the increased digester capacity we'll need to serve the future growth of our community," said Bill Holland, Chairman of the VVWRA Board. "In addition, the ability to process food waste and create RNG benefits our agency economically."

"Helping our customers and the communities we serve reduce emissions is very important to us. We are very proud of our collaboration with VVWRA to introduce RNG to the Southwest Gas system. This carbon-negative RNG flowing through our system will make a major difference," said Southwest Gas CEO John Hester. "The facility is slated to create enough renewable natural gas to offset the emissions of more than 2,000 homes each year. We are pleased to be part of this important project, which advances communities towards a clean-energy future."

Methane has a far greater short-term effect in warming the planet than carbon dioxide. It has become a key focus in the battle against climate change because reducing methane emissions curbs the adverse impacts of climate change more significantly in the immediate term compared to carbon dioxide reductions.

Landfills are California's number one source of methane emissions, according to flyover readings, and Senate Bill 1383 was designed to combat that issue. State agencies estimate that at least 50-100 new or expanded facilities will be needed to annually recycle the over 20 million tons of organic waste that will be collected from residents and commercial businesses and diverted from landfills as the law is implemented.

Across the United States, more than 43% of what gets sent to landfills is either food waste, yard clippings or paper/cardboard, much of which could be diverted from landfills and anaerobically digested to make RNG.