Hybrid Credit Business Model

Vendors will present technical proposals as a complete project including all mitigation types. Advertised need and hybrid credits will be distinguished. Multiple options may be offered.

Technical review team will evaluate each technical proposal option as a complete project including all mitigation types, not distinguishing between advertised need and hybrid credits.

During the post-contract site visit, the contracted site will be presented to the IRT/DWR as a complete project, not distinguishing between advertised need and hybrid credits. Hybrid credits need only be distinguished during the debit ledger exercises.

The Mitigation Plan will not identify the quantity of hybrid credits. The contract may be amended for hybrid credits as needed by DMS before the IRT approval of the Final Mitigation Plan. Afterwards hybrid credits will be purchased as a single payment.

At the submission of Final Year 0 Monitoring Report (As Built/Baseline), DMS has first right of refusal to purchase all or a portion of hybrid credits but is under no obligation to purchase. The price is the initial RFP hybrid bid price (Attachment A: Price Sheet).

Example:
• After hybrid credit release, DMS has 15 business days to inform vendor type/amount if any credits are to be purchased,
• Any remaining credits from this release can be sold on open market by Vendor (see Hybrid Sales section below for vendor contract responsibility to DMS)

During Years 1-7 Monitoring, at each milestone invoice, vendor can present a new credit sale price for hybrid credit types which will be active at the next credit release. After each hybrid credit release, the same procedures will be followed in the example described above. Again, DMS has first right of refusal to purchase all or a portion of hybrid credits but is under no obligation to purchase.

The US Army Corps of Engineers requires the release of all credits to follow the ILF Standard Credit Release schedule:

Stream, Wetland
• Year 0 Monitoring (As-Built/Baseline) 30%
• Year 1 Monitoring 10%
• Year 2 Monitoring 10%
• Year 3 Monitoring 10%-stream, 15%-wetland
• Year 4 Monitoring 5
• Year 5 Monitoring 10%-stream, 15%-wetland
• Year 6 Monitoring 5%
• Year 7 Monitoring 10%
• Stream Bankfull Standard 10%

Riparian buffer and Nutrient Offset credits are released at institution; however, DMS will provide vendor with written approval of public sale of released riparian buffer and Nutrient Offset credits following the
release schedule for wetlands as shown above. DMS has first right of refusal to purchase all or a portion of hybrid buffer/Nutrient Offset credits but is under no obligation to purchase.

Due to contracted credit shortfall, vendor will substitute hybrid credits at contracted bid price before private sell of released hybrid credits.

At project closeout, the contract may be amended at the vendor’s request at no cost, to allow the private sell of any remaining, released hybrid credits.

**Hybrid Sales**

To avoid miscommunication and promote transparency, vendors are expected to communicate to DMS the potential private sell of credits by submitting a completed Hybrid Vendor - Debit Request form and Hybrid Vendor - bank affidavit form.

Vendor is required to complete and submit to DMS requested information after each hybrid credit sell (after payment is received) for all DMS and open market sales. Requested information can be found in the Hybrid Project Report Examples 2021_09_06 as displayed on “Hybrid Debit Info” tab.