

## ORDINANCE No. 188322

\*Authorize a competitive solicitation and contract with the lowest responsible bidder, and provide payment for construction of the Columbia Boulevard Wastewater Treatment Plant Renewable Natural Gas Facility Project, for an estimated cost of \$9,000,000. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Renewable Natural Gas Facility Project will recover waste resources and convert them to renewable natural gas for vehicle fuel, which will generate a source of revenue for the City, while providing social and environmental benefits in producing a fuel locally, reducing greenhouse gas emissions, and reducing air contaminants.
2. The Columbia Boulevard Wastewater Treatment Plant (CBWTP) provides wastewater treatment for the City of Portland in accordance with State of Oregon Department of Environmental Quality (DEQ) issued National Pollutant Discharge Elimination System (NPDES) permit requirements. In the process, CBWTP recovers resources in the form of soil amendment for land application, reclaimed water for plant utility applications, and biogas for various energy utilizations. This project takes the next step at CBWTP to demonstrate that wastewater treatment plants are waste resource recovery facilities.
3. The CBWTP produces an average of 600 million cubic feet of biogas a year from its anaerobic digestion treatment process; this gas is mostly methane. The biogas is currently used in boilers for heating the digesters, cogeneration to produce electricity used on site, and sold to Malarkey Roofing Company for their manufacturing process. The rest of the biogas is flared through the waste gas burners.
4. The Bureau of Environmental Services (BES) has performed an alternatives analysis, using triple-bottom line approach, to evaluate for highest values and most beneficial use for the biogas that is currently flared. The result of the analysis recommended the biogas be treated to natural gas quality, or Renewable Natural Gas (RNG), injected into the natural gas company pipeline and used as vehicle fuel. BES will also have a fueling station installed at CBWTP for City business use. Through the analysis, the use of biogas for vehicle fuel will provide the highest financial benefits, and also the highest social and environmental benefits.
5. BES will produce RNG and will partner with an off-taker for the marketing, distribution and final sales of the RNG and its associated environmental attributes. Through RFP #00000496, BES has selected Clean Energy Renewables as the off-taker for the RNG.
6. BES has partnered with Northwest Natural Gas Company (NWN), with a signed Memorandum of Understanding, to utilize its natural gas piping network for transporting RNG. On September 1, 2016, NWN received approval from the Oregon Public Utility Commission on revised Receipt Tariff (Revised Gas Transportation Schedule T), allowing RNG to be transported through the

NWN natural gas piping system. Through this partnership, NWN will also install a fueling facility at CBWTP.

7. With a selected RNG off-taker and an established platform for transporting RNG, BES is preparing to solicit bids for the construction of the RNG production facility.
8. The estimated cost is \$9,000,000. The level of confidence in this cost estimate is high. Funds are available in the Sewer System Operating Fund, FY-18 Budget, Bureau of Environmental Services, WBS E10033.

NOW, THEREFORE, the Council directs:

- a. Upon the Council's acceptance of the Chief Procurement Officer's report recommending the lowest responsible bidder, the Chief Procurement Officer is authorized to negotiate and execute a contract, provided the contract has been approved as to form by the City Attorney's Office.
- b. The Mayor and Auditor are hereby authorized to draw and deliver warrants chargeable to the Sewer System Operating Fund Budget when demand is presented and approved by the proper authority.

Section 2.

The Council declares that an emergency exists to maximize the opportunity to generate revenue. At current market prices for RNG, the opportunity to generate gross revenue is in the range of \$300,000 to \$900,000 a month. Therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

APR 19 2017


Passed by the Council,  
Commissioner Nick Fish

Scott T. Gibson, PE  
March 31, 2017

E10033 - ord

**Mary Hull Caballero**  
Auditor of the City of Portland

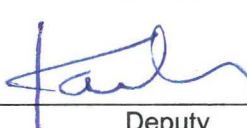

By



Deputy

Agenda No. **188322**  
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 Title

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<p><b>INTRODUCED BY</b>                  Commissioner/Auditor:  <b>FISH</b></p>	<p>CLERK USE: DATE FILED <u>APR 11 2017</u></p>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Wheeler</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p>	<p>Mary Hull Caballero                  Auditor of the City of Portland</p> <p>By: <u></u>                  Deputy</p>
<p><b>BUREAU APPROVAL</b></p> <p>Bureau: Environmental Services                  Bureau Head: Michael Jordan</p> <p>Prepared by: Scott T. Gibson, PE                  Date Prepared: March 31, 2017</p> <p>Financial Impact &amp; Public Involvement Statement                  Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document                  If "Yes" requires City Policy paragraph stated in document.                  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p><b>ACTION TAKEN:</b></p>
<p><b>City Auditor Office Approval:</b></p> <p><input checked="" type="checkbox"/> <b>City Attorney Approval:</b> <u></u></p> <p>Council Meeting Date April 19, 2017</p>	

<p><b>AGENDA</b> <span style="float: right;">1 of 3</span></p>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/>                  Start time: 9:45</p> <p><b>Total amount of time needed: 60 minutes</b>  <b>With other biogas items</b>                  (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/>                  Total amount of time needed:                  (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	