

IMPACT STATEMENT

Legislation title: Authorize the Director of the Bureau of Environmental Services to serve as the Responsible Corporate Officer in compliance with the Renewable Fuel Standard in 40 CFR Part 80, Subpart M.

Contact name: Niel Curley, Resource Recovery Division Manager

Contact phone: (503) 865-6250

Presenter name: Niel Curley

Purpose of proposed legislation and background information:

Purpose of Proposed Legislation

The Renewable Natural Gas Facility at the Columbia Boulevard Wastewater Treatment Plant (CBWTP) is expected to begin operation in the summer of 2022 and will produce renewable natural gas for use as a transportation fuel. In addition to producing a local renewable fuel the facility will also generate Renewable Identification Number (RIN) credits under the Federal Renewable Fuel Standard. In order to generate these credits, the facility must be registered with the Environmental Protection Agency (EPA) in compliance with the Renewable Fuel Standard 40 CFR 80 Subpart M.

The Renewable Fuel Standard requires the City to identify a Responsible Corporate Officer that is authorized to make representations on behalf of the City for activities regulated under the Renewable Fuel Standard. The RCO will be responsible for signing off on facility registration and on-going compliance documents submitted to EPA. This Council action grants the Bureau of Environmental Services Director the authority to act as the RCO for the Renewable Natural Gas Facility.

Project Background

The Bureau of Environmental Services (BES) owns and operates the Columbia Boulevard Wastewater Treatment Plant, which treats an average of 28 billion gallons annually of wastewater in accordance with State of Oregon Department of Environmental Quality (DEQ) issued National Pollutant Discharge Elimination System (NPDES) permit requirements.

Currently, the CBWTP produces approximately 600 million cubic feet annually of digester gas, or biogas, from its anaerobic digestion process. Approximately 20% of the biogas is used onsite for digester and building heating boilers, 20% is sold to a nearby industrial user, and 40% is used for the cogeneration process (power generation and heat recovery). The remaining 20% is flared through a waste gas burner onsite.

In 2013, HDR Engineering, Inc. was retained, through a selection process, to provide predesign engineering services to identify and assess alternatives for beneficial use of

the remaining biogas, and to recommend an alternative for the most beneficial use. Ordinance No. 185872 authorized the execution of a contract with HDR to proceed with the predesign phase and asked that BES report back to the City Council on the findings and recommendations at the conclusion of the predesign phase. The predesign phase was complete and the alternative, to reuse biogas for vehicle fuel, was recommended. The alternative to treat and utilize biogas for vehicle fuel was determined to be the most beneficial use from financial, social, and environmental standpoints.

In 2017 Council accepted Bid Number 00000685 from McClure and Sons Inc. for the Renewable Natural Gas Facility project.

Financial and budgetary impacts:

This is a revenue generating project. When the RNG Facility is complete and operational in the summer of 2022, it is expected to generate revenue in the range of \$3 million to \$10 million a year. The expected simple payback for the project is within 4 to 8 years. Revenues are generated through the sale of RIN credits, state environmental credits, and the RNG commodity. In order to generate the RIN credits a RCO must be identified by the City in order to register with EPA as a renewable fuel production facility.

In a separate funding, BES in partnership with NW Natural, has built and operated a Compressed Natural Gas (CNG) on at the CBWTP, with operating CNG vehicles. When the RNG production facility is complete and operational, RNG will be supplied to the CNG fueling station to offset natural gas, which will further fuel savings, as well as the local environmental and social benefits.

Community impacts and community involvement:

BES staff has developed and continues to maintain a relationship with North Portland businesses and residents through the CBWTP's longstanding Community Advisory Committee. BES also drafts and mails an annual newsletter to North Portland neighbors, which provides construction and operational updates to residents. BES public involvement staff frequently provide updates on projects to neighborhood and business associations in North Portland, including the Kenton and Portsmouth Neighborhood Associations. Frequently, neighbors and business owners are interested in the biogas uses at the plant.

Throughout the project, BES public involvement staff has provided updates to neighbors and stakeholders in the area to provide information and solicit comments related to this project. To the extent practicable, BES staff has incorporated public feedback into project development and project communications.

BES primary contact for this public involvement process is Debbie Caselton, Community Outreach and Information Representative, 503-823-2831, Debbie.Caselton@portlandoregon.gov.

