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190725

Ordinance

Authorize the Director of the Bureau of Environmental Services to serve as Responsible Corporate Officer in compliance with Environmental Protection Agency Renewable Fuel Standard Program

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Environmental Services (BES) owns and operates the Columbia Boulevard Wastewater Treatment Plant (CBWTP), 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.
2. 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.
3. 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, which determined that using biogas for vehicle fuel was the most beneficial use from financial, social, and environmental standpoints.
4. During the final design, it was further determined that treated biogas for vehicle fuel should be produced as Renewable Natural Gas (RNG) and transported via the gas utility pipeline network. Furthermore, it was determined that the RNG production capacity should be increased to match the current total biogas production at the CBWTP (rather than capacity for only the excess biogas being flared). The increase in design

Introduced by

[Commissioner Mingus Mapps](#)

Bureau

[Environmental Services](#)

Prepared by

Niel Curley

Date Prepared

February 3, 2022

Requested Agenda Type

Consent

capacity (from 400 standard cubic feet per minute, for primarily the flared volume, to 1,100 standard cubic feet per minute) will help BES address the fluctuation issues in the biogas production process and provide more flexibility to prioritize and distribute the biogas to the highest value and to maximize revenue.

5. On April 19, 2017, Council approved Ordinance number 188322 for Procurement Services to competitively solicit the Columbia Boulevard Wastewater Treatment Plant Renewable Natural Gas Facility project in accordance with PCC Chapter 5.34.
6. On December 6, 2017, Council accepted Bid Number 00000685 from McClure and Sons Inc. for the Renewable Natural Gas Facility project.
7. The Renewable Natural Gas Facility is expected to be operational by the summer of 2022 and will be registered with the Environmental Protection Agency as a renewable fuel production facility in compliance with the Renewable Fuel Standard in 40 CFR Part 80 Subpart M.
8. The new RNG facility, once operational, is projected to provide significant revenue, clean air and climate benefits by generating renewable energy to displace dirty diesel in vehicle fuel.
9. Registration and on-going compliance reports for the facility require the City to identify a Responsible Corporate Officer to make representations on behalf of the City for activities regulated under the Renewable Fuel Standard.

NOW, THEREFORE, the Council directs:

- A. The Director of the Bureau of Environmental Services is authorized to serve as the Responsible Corporate Officer for activities regulated under the renewable fuel standard.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
March 2, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

 [Impact Statement](#) (17.55 Kb)

Budget Office Financial Impact Analysis

The Renewable Natural Gas (RNG) Facility is a revenue generating project. When 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 four to eight years.

Revenues are generated through the sale of Renewable Identification Number (RIN) credits, state environmental credits, and the RNG commodity itself. In order to generate the RIN credits a Responsible Corporate Officer must be identified by the City in order to register with EPA as a renewable fuel production facility.

In addition, when the RNG production facility is complete and operational, RNG will be supplied to a fueling station at the Columbia Wastewater Treatment Plant to offset natural gas, which will further fuel savings.

Agenda Items

129 Consent Agenda in [February 23-24, 2022 Council Agenda](#)

Passed to second reading

Passed to second reading March 2, 2022 at 9:30 a.m.

153 Consent Agenda in [March 2, 2022 Council Agenda](#)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea