

New Agreement ARV-14-040 (To be completed by CGL Office)

Division	Agreement Manager:	MS-	Phone
600 Fuels and Transportation Division	Andre Freeman	27	916-654-4162

Recipient's Legal Name	Federal ID Number
Viridis Fuels, LLC	32-0442682

Title of Project
Viridis Fuels Oakland Biodiesel Facility

Term and Amount	Start Date	End Date	Amount
	4 / 15 / 2015	3 / 31 / 2018	\$ 3,393,598

Business Meeting Information

 ARFVTP agreements under \$75K delegated to Executive Director.

Proposed Business Meeting Date	4 / 8 / 2015	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Discussion
Business Meeting Presenter	Andre Freeman	Time Needed:	5 minutes

Please select one list serve. Altfuels (AB118- ARFVTP)

Agenda Item Subject and Description

Proposed resolution approving Agreement ARV-14-040 with Viridis Fuels for a \$3,393,598 grant to construct and operate a biodiesel production facility in Oakland, California. This facility will produce up to 20 million gallons of biodiesel annually from fats oil and greases (FOG), as well as purpose grown crops.

California Environmental Quality Act (CEQA) Compliance

- Is Agreement considered a "Project" under CEQA?
 - Yes (skip to question 2) No (complete the following (PRC 21065 and 14 CCR 15378)):
 - Explain why Agreement is not considered a "Project":
 - Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because .
- If Agreement is considered a "Project" under CEQA:
 - a) Agreement **IS** exempt. (Attach draft NOE)
 - Statutory Exemption. List PRC and/or CCR section number: _____
 - Categorical Exemption. List CCR section number: _____
 - Common Sense Exemption. 14 CCR 15061 (b) (3)
 - Explain reason why Agreement is exempt under the above section: _____
 - b) Agreement **IS NOT** exempt. (Consult with the legal office to determine next steps.)
 - Check all that apply
 - Initial Study
 - Negative Declaration
 - Mitigated Negative Declaration
 - Environmental Impact Report
 - Statement of Overriding Considerations

List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)

Legal Company Name:	Budget
See Attached Sheet	\$ 0
	\$ 0
	\$ 0

List all key partners: (attach additional sheets as necessary)

Legal Company Name:
See Attached Sheet

GRANT REQUEST FORM (GRF)

CEC-270 (Revised 02/13)

CALIFORNIA ENERGY COMMISSION



Budget Information			
Funding Source	Funding Year of Appropriation	Budget List No.	Amount
ARFVTF	FY 14/15	601.118G	\$3,393,598
Funding Source			\$
R&D Program Area:	Select Program Area	TOTAL:	\$3,393,598
Explanation for "Other" selection			
Reimbursement Contract #:		Federal Agreement #:	

Recipient's Administrator/ Officer				Recipient's Project Manager			
Name:	Kathy Neal			Name:	Kathy Neal		
Address:	1241 High St.			Address:	1241 High St		
City, State, Zip:	Oakland, CA			City, State, Zip:	Oakland, CA		
Phone:	510-220-6214	Fax:	510-550-2832	Phone:	510-220-6214	Fax:	510-550-2832
E-Mail:	kneal@viridisfuels.com			E-Mail:	kneal@viridisfuels.com		

Selection Process Used	
<input checked="" type="checkbox"/> Competitive Solicitation	Solicitation #: PON-13-609
<input type="checkbox"/> First Come First Served Solicitation	

The following items should be attached to this GRF			
1. Exhibit A, Scope of Work		<input checked="" type="checkbox"/>	Attached
2. Exhibit B, Budget Detail		<input checked="" type="checkbox"/>	Attached
3. CEC 105, Questionnaire for Identifying Conflicts		<input checked="" type="checkbox"/>	Attached
4. Recipient Resolution	<input type="checkbox"/> N/A	<input type="checkbox"/>	Attached
5. CEQA Documentation	<input type="checkbox"/> N/A	<input checked="" type="checkbox"/>	Attached

_____ Agreement Manager	_____ Date	_____ Office Manager	_____ Date	_____ Deputy Director	_____ Date
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Viridis Agreement – PON-13-609

Subcontractors and Key Partners List

Subcontractor	Estimated Budget
SRS International	\$ 2,024,132
Conestoga Rovers	\$ 1,041,400
Marsh	\$ 78,000
Wave St. Managed Services	\$ 45,000
Ernst & Young	\$ 25,000
Sustainable Energy Strategies	\$ 25,000
Mike Vlaming	\$ 15,000
KSD Group	\$ 55,000
JRDV	\$ 75,000
H&H Engineering	\$ 98,000
Tina Mheta	\$ 25,000
Attorney TBD	\$ 35,000
Turner Group Construction	\$ 94,000
Chris Anderson	\$ 25,000
Ryan Borgen/Heng	\$ 45,000
Viridis Feedstock	\$ 93,000
Saferack	\$ 50,000
BLT Flexitanks	\$ 95,000
KRS, Inc.	\$ 98,000
MJRE	\$ 52,000

Key Partners
SRS International
JRDV Architects
Conestoga Rovers
KSD Group

Exhibit A SCOPE OF WORK

TECHNICAL TASK LIST

Task #	CPR	Task Name
1		Administration
2	X	Design, Procurement and Construction
3	X	Commissioning and Operation of Facility
4		Data Collection and Analysis

KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Kathy Neal		
2	Kathy Neal Mario Juarez		
3	Kathy Neal Mario Juarez		
4	Kathy Neal Mario Juarez		

GLOSSARY

Specific terms and acronyms used throughout this scope of work are defined as follows:

Term/ Acronym	Definition
ARFVTP	Alternative and Renewable Vehicle and Technology Program
CAM	Commission Agreement Manager
CPR	Critical Project Review
MMGY	Million Gallons per Year
Recipient	Viridis Fuels

BACKGROUND

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). The statute authorizes the California Energy Commission (Energy Commission) to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorizes the ARFVTP through January 1, 2024, and specifies that the Energy Commission allocate up to \$20 million per year (or up to 20 percent of each fiscal year's funds) in funding for hydrogen station development until at least 100 stations are operational. The Energy Commission has an annual program budget of approximately \$100 million and provides financial support for projects that:

- Develop and improve alternative and renewable low-carbon fuels;
- Optimize alternative and renewable fuels for existing and developing engine technologies;
- Produce alternative and renewable low-carbon fuels in California;
- Expand fuel infrastructure, refueling stations, and equipment;
- Improve light-, medium-, and heavy-duty vehicle technologies;
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets;
- Expand infrastructure connected with existing fleets, public transit, and transportation corridors; and
- Establish workforce training programs, conduct public education and promotion, and create technology centers.

The Energy Commission issued solicitation PON-13-609 entitled "Pilot-Scale and Commercial Scale Advanced Biofuels Production Facilities" under the ARFVTP on January 14, 2014. This competitive grant solicitation was an offer to share the cost of development and production of new low-carbon transportation fuels. To be eligible for funding under PON-13-609, projects must also be consistent with the Energy Commission's ARFVTP Investment Plan, updated annually. In response to PON-13-609, Viridis Fuels (Recipient) submitted application number 25, which was proposed for funding in the Energy Commission's Revised Notice of Proposed Awards on December 16, 2014. PON-13-609 and Recipient's aforementioned application are hereby incorporated by reference into this Agreement in their entirety.

In the event of any conflict or inconsistency between the terms of the Solicitation and the terms of the Recipient's Application, the Solicitation shall control. In the event of any conflict or inconsistency between the Recipient's Application and the terms of the Energy Commission's Award, the Energy Commission's Award shall control. Similarly, in the event of any conflict or inconsistency between the terms of this Agreement and the Recipient's Application, the terms of this Agreement shall control.

Goals of the Agreement:

The goal of this Agreement is to construct and operate a biodiesel production facility at the East Bay Municipal Utility District waste water treatment plan, in Oakland, CA. The facility will produce up to 20 MMGY of biodiesel that can provide a local alternative fuel choice for vehicles operating at the Port of Oakland. The facility will also process and refine up to 2 MMGY of glycerin byproduct.

Objectives of the Agreement:

The objectives of this Agreement are to construct and operate a biodiesel production facility that will produce and sell 20 MMGY of biodiesel and a minimum of 2 MMGY of technical grade

glycerin, create up to 80 new jobs targeted towards employment-challenged individuals, operate a public education center to inform people of all ages about environmental sustainability, and encourage fleets operating at the Port of Oakland to use biodiesel.

TASK 1 ADMINISTRATION

Task 1.1 Attend Kick-off Meeting

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement. The CAM shall designate the date and location of this meeting and provide an agenda to the Recipient prior to the meeting.

The Recipient shall:

- Attend a “Kick-Off” meeting with the Commission Agreement Manager, the Grants Officer, and a representative of the Accounting Office. The Recipient shall bring its Project Manager, Agreement Administrator, Accounting Officer, and others designated by the Commission Agreement Manager to this meeting.
- Discuss the following administrative and technical aspects of this Agreement:
 - Agreement Terms and Conditions
 - Critical Project Review (Task 1.2)
 - Match fund documentation (Task 1.6) No reimbursable work may be done until this documentation is in place.
 - Permit documentation (Task 1.7)
 - Subcontracts needed to carry out project (Task 1.8)
 - The CAM’s expectations for accomplishing tasks described in the Scope of Work
 - An updated Schedule of Products and Due Dates
 - Monthly Progress Reports (Task 1.4)
 - Technical Products (Product Guidelines located in Section 5 of the Terms and Conditions)
 - Final Report (Task 1.5)

Recipient Products:

- Updated Schedule of Products
- Updated List of Match Funds
- Updated List of Permits

Commission Agreement Manager Product:

- Kick-Off Meeting Agenda

Task 1.2 Critical Project Review (CPR) Meetings

CPRs provide the opportunity for frank discussions between the Energy Commission and the Recipient. The goal of this task is to determine if the project should continue to receive Energy Commission funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

The Commission Agreement Manager may schedule CPR meetings as necessary, and meeting costs will be borne by the Recipient.

Meeting participants include the CAM and the Recipient and may include the Commission Grants Officer, the Fuels and Transportation Division (FTD) biofuel lead, other Energy

Commission staff and Management as well as other individuals selected by the CAM to provide support to the Energy Commission.

The CAM shall:

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the Energy Commission, but they may take place at another location.
- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.
- Conduct and make a record of each CPR meeting. Prepare a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks, schedule, products, and/or budget for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Lead Commissioner for Transportation for his or her concurrence.
- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

The Recipient shall:

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the CAM and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

CAM Products:

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

Recipient Product:

- CPR Report(s)

Task 1.3 Final Meeting

The goal of this task is to closeout this Agreement.

The Recipient shall:

- Meet with Energy Commission staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.

This meeting will be attended by, at a minimum, the Recipient, the Commission Grants Office Officer, and the Commission Agreement Manager. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the Commission Agreement Manager.

The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The Commission Agreement Manager will determine the appropriate meeting participants.

The administrative portion of the meeting shall be a discussion with the Commission Agreement Manager and the Grants Officer about the following Agreement closeout items:

- What to do with any equipment purchased with Energy Commission funds (Options)
 - Energy Commission's request for specific "generated" data (not already provided in Agreement products)
 - Need to document Recipient's disclosure of "subject inventions" developed under the Agreement
 - "Surviving" Agreement provisions
 - Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement.

Products:

- Written documentation of meeting agreements
- Schedule for completing closeout activities

Task 1.4 Monthly Progress Reports

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

The Recipient shall:

- Prepare a Monthly Progress Report which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Each progress report is due to the Commission Agreement Manager within 10 days of the end of the reporting period. The recommended specifications for each progress report are contained in Section 6 of the Terms and Conditions of this Agreement.
- In the first Monthly Progress Report and first invoice, document and verify match expenditures and provide a synopsis of project progress, if match funds have been expended or if work funded with match share has occurred after the notice of proposed award but before execution of the grant agreement. If no match funds have been expended or if no work funded with match share has occurred

before execution, then state this in the report. All pre-execution match expenditures must conform to the requirements in the Terms and Conditions of this Agreement.

Product:

- Monthly Progress Reports

Task 1.5 Final Report

The goal of the Final Report is to assess the project's success in achieving the Agreement's goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document. If the Recipient has obtained confidential status from the Energy Commission and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

The Recipient shall:

- Prepare an Outline of the Final Report, if requested by the CAM.
- Prepare a Final Report following the latest version of the Final Report guidelines which will be provided by the CAM. The CAM shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit one bound copy of the Final Report with the final invoice.

Products:

- Outline of the Final Report, if requested
- Draft Final Report
- Final Report

Task 1.6 Identify and Obtain Matching Funds

The goal of this task is to ensure that the match funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document match fund commitments are not reimbursable through this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient may utilize match funds for this task. Match funds shall be spent concurrently or in advance of Energy Commission funds for each task during the term of this Agreement. Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient will request reimbursement.

The Recipient shall:

- Prepare a letter documenting the match funding committed to this Agreement and submit it to the Commission Agreement Manager at least 2 working days prior to the kick-off meeting. If no match funds were part of the proposal that led

to the Energy Commission awarding this Agreement and none have been identified at the time this Agreement starts, and then state such in the letter. If match funds were a part of the proposal that led to the Energy Commission awarding this Agreement, then provide in the letter a list of the match funds that identifies the:

- Amount of each cash match fund, its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied.
- Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
- Provide a copy of the letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match funds provided by a grant a copy of the executed grant shall be submitted in place of a letter of commitment.
- Discuss match funds and the implications to the Agreement if they are reduced or not obtained as committed, at the kick-off meeting. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide the appropriate information to the Commission Agreement Manager if during the course of the Agreement additional match funds are received.
- Notify the Commission Agreement Manager within 10 days if during the course of the Agreement existing match funds are reduced. Reduction in match funds must be approved through a formal amendment to the Agreement and may trigger an additional CPR meeting.

Products:

- A letter regarding match funds or stating that no match funds are provided
- Copy(ies) of each match fund commitment letter(s) (if applicable)
- Letter(s) for new match funds (if applicable)
- Letter that match funds were reduced (if applicable)

Task 1.7 Identify and Obtain Required Permits

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient shall budget match funds for any expected expenditures associated with obtaining permits. Permits must be identified in writing and obtained before the Recipient can make any expenditure for which a permit is required.

The Recipient shall:

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the Commission Agreement Manager at least 2 working days prior to the kick-off meeting. If there are no permits required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the

Agreement that permits will be required during the course of the Agreement, provide in the letter:

- A list of the permits that identifies the:
 - Type of permit
 - Name, address and telephone number of the permitting jurisdictions or lead agencies
- The schedule the Recipient will follow in applying for and obtaining these permits.
- Discuss the list of permits and the schedule for obtaining them at the kick-off meeting and develop a timetable for submitting the updated list, schedule and the copies of the permits. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the Progress Reports and will be a topic at CPR meetings.
- If during the course of the Agreement additional permits become necessary, provide the appropriate information on each permit and an updated schedule to the Commission Agreement Manager.
- As permits are obtained, send a copy of each approved permit to the Commission Agreement Manager.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the Commission Agreement Manager within 5 working days. Either of these events may trigger an additional CPR.

Products:

- Letter documenting the permits or stating that no permits are required
- A copy of each approved permit (if applicable)
- Updated list of permits as they change during the term of the Agreement (if applicable)
- Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)

Task 1.8 Obtain and Execute Subcontracts

The goal of this task is to ensure quality products and to procure subcontractors required to carry out the tasks under this Agreement consistent with the Agreement Terms and Conditions and the Recipient's own procurement policies and procedures. It will also provide the Energy Commission an opportunity to review the subcontracts to ensure that the tasks are consistent with this Agreement, and that the budgeted expenditures are reasonable and consistent with applicable cost principles.

The Recipient shall:

- Manage and coordinate subcontractor activities.
- Submit a draft of each subcontract required to conduct the work under this Agreement to the Commission Agreement Manager for review.
- Submit a final copy of the executed subcontract.
- If Recipient decides to add new subcontractors, then the Recipient shall notify the CAM.

Products:

- Letter describing the subcontracts needed, or stating that no subcontracts are required
- Draft subcontracts
- Final subcontracts

TECHNICAL TASKS

TASK 2 DESIGN, PROCUREMENT and CONSTRUCTION

The goal of this task is to complete final engineering, order equipment and construct the biodiesel production facility.

(CPR SHALL BE HELD FOR THIS TASK - See Task 1.2 for details)

Task 2.1 Approval to Proceed with Construction

The goal of this task is for the Recipient to document its preparedness to build the project, including obtaining necessary third party agreements, binding construction and equipment bids, project financing and all other items necessary to begin construction. Recipient shall provide said documentation to the Energy Commission and secure written approval from the CAM prior to proceeding with Task 2.2. .

The Recipient shall:

- Provide written documentation of readiness to proceed with Task 2.2 to the Energy Commission.
- Develop proposed Construction Timeline running from the intended date to begin construction until the date the facility is operational.

The Commission shall:

The CAM shall review Recipient's documentation and provide a written response regarding approval to proceed with Task 2.2.

Recipient Products:

- Written documentation of readiness to construct

CAM Products:

- Written response regarding Recipient proceeding with Task 2.2

Task 2.2 Equipment Procurement and Facility Construction

The goal of this task is for the Recipient to initiate and complete equipment purchases and facility construction. No activities under Task 2.2 shall be undertaken prior to the Recipient receiving a written response to proceed, per Task 2.1 above..

The Recipient shall:

- Finalize selection of qualified contractors to complete engineering and design work
- Collaborate with the selected contractors to complete final engineering plans

- Collaborate with the selected contractor to prepare an equipment list including detailed specifications such as make, model, size, capacity or other information as appropriate.
- Collaborate with the selected contractors to develop comprehensive construction bid packages. If necessary, also develop permitting packages.
- Develop and maintain an equipment procurement listing.
- Monitor lead times for equipment and compare with project timelines.
- Negotiate agreements for the purchase of required equipment.
- Issue purchase orders for required equipment.
- Track delivery and prepare staging necessary for equipment.
- Review proposals for the project and award to most qualified bidder.
- Monitor construction progress on a continuous basis and work to schedule construction in a manner that is least disruptive to current plant operations.
- Meet regularly with contractor to review progress and timelines
- Prepare quarterly construction reports.
- Complete construction of the facility.

Products:

- Quarterly Construction Reports will be included with Monthly Progress Reports

TASK 3 COMMISSIONING AND OPERATION OF FACILITY

The goal of this task is for Recipient to test and operate the biodiesel production facility. Employees shall be trained on the new operational procedures for safe and compliant operations.

(CPR SHALL BE HELD FOR THIS TASK - See Task 1.2 for details)

The Recipient shall:

- Complete equipment testing for safety and operational conditions.
- Review and update standard operating procedures to include operation of new equipment.
- Commence biodiesel production activities.
- Develop a Facility Operation Report that summarizes the startup activities and any issues with initial operation of facility.

Products:

- Facility Operation Report

Task 4 DATA COLLECTION AND ANALYSIS

The goal of this task is for Recipient to collect operational data from the project, to analyze that data for economic and environmental impacts, and to include the data and analysis in the Final Report.

The Recipient shall:

- Develop data collection test plan.
- Troubleshoot any issues identified.
- Collect 6 months of throughput, usage, and operations data from the project including, but not limited to:
 - Maximum capacity of the new fueling system

- Gallons of gasoline and/or diesel fuel displaced (with associated mileage information)
- Expected air emissions reduction, for example:
 - Non-methane hydrocarbons
 - Oxides of nitrogen
 - Non-methane hydrocarbons plus oxides of nitrogen
 - Particulate Matter
 - Formaldehyde
- Duty cycle of the current fleet and the expected duty cycle of future vehicle acquisitions
- Specific jobs and economic development resulting from this project
- Identify any current and planned use of renewable energy at the facility.
- Identify the source of the alternative fuel.
- Describe any energy efficiency measures used in the facility that may exceed Title 24 standards in Part 6 of the California Code Regulations.
- Provide data on potential job creation, economic development, and increased state revenue as a result of expected future expansion.
- Provide a quantified estimate of the project's carbon intensity values for life-cycle greenhouse gas emissions.
- Compare any project performance and expectations provided in the proposal to Energy Commission with actual project performance and accomplishments.
- Collect data, information, and analysis described above and include in the Final Report.

Products:

- Data collection information and analysis shall be included in the Final Report

STATE OF CALIFORNIA

**STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

RESOLUTION REGARDING: GRANT AWARD
TO
Viridis Fuels, LLC.
UNDER PON-13-609

WHEREAS the State Energy Resources Conservation and Development Commission (“Energy Commission”) is considering whether to approve agreement ARV-14-040 with Viridis Fuels LLC, to construct and operate a biodiesel production facility next to the existing East Bay Municipal Utility District’s Main Waste Water Treatment Plant (MWWTP); and

WHEREAS in 2011 the East Bay Municipal Utility District (EBMUD), as the Lead Agency, certified a comprehensive Final Environmental Impact Report (EIR) for the Main Waste Water Treatment Plant of which the proposed biodiesel production facility is a part;

WHEREAS the Energy Commission has reviewed the EIR, and considered the EIR in deciding whether to approve the proposed Agreement ARV-14-040;

WHEREAS the EIR found that there is one potentially significant and unavoidable effect resulting from the project from emissions associated with the biodiesel production facility, as follows:

A. Cumulative Air Quality Impacts

1. Significant and Unavoidable Impact CUM: Cumulative air quality community risks and hazards.

Findings: The combined excess cancer risk from emissions associated with the biodiesel production facility, food waste preprocessing facility, and other Land Use Master Plan elements would be 18.5 per million, which is primarily attributable to mobile equipment operating within the food waste preprocessing facility at the MWWTP. The food waste preprocessing project's community risk and hazards impact is thus potentially significant, but can be reduced below BAAQMD's 10 in a million project-level threshold with implementation of Mitigation Measure AIR-5. However, because this risk would contribute a minor incremental amount to the already impacted condition in the MWWTP vicinity, and existing sources already exceed the Bay Area Air Quality Management District cumulative significance threshold for community risks and hazards, the proposed project would have a substantial adverse cumulative impact. EBMUD has existing programs to reduce on-site diesel particulate matter (DPM) emissions, and implementation of the biodiesel project would contribute to

reductions of DPM emissions in the region. Nevertheless, because project-related mitigation would reduce, but would not completely eliminate, the project's TAC emissions, this impact is considered to be cumulatively significant and unavoidable.

WHEREAS the EIR provides for diesel particulate reduction measures through Mitigation Measure AIR-5 in order to significantly reduce the impact of the above-described cumulatively significant and unavoidable impact;

WHEREAS the East Bay Municipal Utility District, as the Lead Agency, certified a Statement of Overriding Considerations, finding that the economic, legal, social, technological, environmental and other benefits of the proposed project outweigh the unavoidable adverse environmental effects, and that those benefits include:

- Production of renewable energy, including biodiesel, which may be used in heavy-duty trucks that access the Port of Oakland
- Improved odor control through implementation of the odor control upgrades that are part of the Master Plan;
- Improved safety at the MWWTP;
- Flexibility to construct advanced treatment facilities to meet future regulations;
- Maintenance of reasonable wastewater user rates through revenue generation at the MWWTP;
- Potential for creation of local jobs; and
- Increased solid waste diversion;

WHEREAS the Energy Commission has reviewed and considered the EIR's Statement of Overriding Considerations in deciding whether to approve the proposed Agreement ARV-14-040;

THEREFORE BE IT RESOLVED that the Energy Commission finds that the EIR was completed in compliance with CEQA, that mitigation measures were incorporated into the EIR, and that changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR, that such changes or alterations are within the responsibility and jurisdiction of another public agency and not the Energy Commission, and that such changes have been adopted by such other agency or can and should be adopted by such other agency;

BE IT FURTHER RESOLVED that the Energy Commission concurs with the EIR's Statement of Overriding Considerations;

BE IT FURTHER RESOLVED that the Energy Commission approves Agreement ARV-14-040 with Viridis Fuels, LLC. for \$3,393,598.00, to construct and operate a biodiesel production facility located at the East Bay Municipal Utility District's Main Waste Water Treatment Plant;

BE IT FURTHER RESOLVED that this document authorizes the Executive Director or his or her designee to execute the same on behalf of the Energy Commission.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a RESOLUTION duly and regularly adopted at a meeting of the California Energy Commission held on April 8, 2015:

AYE: [*List Commissioners*]

NAY: [*List Commissioners*]

ABSENT: [*List Commissioners*]

ABSTAIN: [*List Commissioners*]

Harriet Kallemeyn,
Secretariat