

GRANT REQUEST FORM (GRF)



New Agreement ARV-17-019 (To be completed by CGL Office)

600 Fuels and Transportation Division	Taiying Zhang	27	916-653-1195
Anaheim Energy LLC		90-1018419	
Centralized MSW Organic Waste to Biomethane Facility at the Rialto Bioenergy Facility			
	05 / 28 / 2018	12 / 31 / 2021	\$ 3,080,000

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

Proposed Business Meeting Date	5 / 9 / 2018	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Discussion
Business Meeting Presenter	Toms Ortiz	Time Needed: 5 minutes	

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

Agenda Item Subject and Description

Proposed resolution adopting California Environmental Quality Act findings and statement of overriding considerations for Anaheim Energy LLC's bioenergy facility project and approving Agreement ARV-17-019 with Anaheim Energy LLC.

i. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS.
Findings that based on the lead agency, the City of Rialto's, certified Final Environmental Impact Report, adopted Mitigation, Monitoring and Reporting Program, adopted Statement of Overriding Considerations, resolution regarding the aforementioned documents, as well as the City of Rialto's resolution approving the project, its filed Notice of Determination, and the City of Rialto's Action Agenda, the work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered; and adopting a statement of overriding considerations.

ii. ANAHEIM ENERGY LLC'S BIOENERGY FACILITY PROJECT.
Agreement with Anaheim Energy LLC for a \$3,080,000 grant to revitalize the Rialto Bioenergy Facility in Bloomington, California, a disadvantaged community. When fully operational, the upgraded facility will convert food waste and biosolids, diverted from landfills in the greater Los Angeles region, into 880,000 diesel gallon equivalents of biomethane transportation fuel. The proposed fuel will have a carbon intensity of -30gCO₂e/MJ and will eliminate 20,209 metric tons of carbon emissions annually from transportation fuel.

1. 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 .

2. 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 Environmental Impact Report
 Negative Declaration Statement of Overriding Considerations
 Mitigated Negative Declaration

Additional sheet for Subcontractor

Legal name	Budget
GC Green LLC	\$ 35,000

Memorandum

FOR: ARV-17-019, Anaheim Energy, LLC

Date : March 28, 2018

Telephone: CALNET (916) 653-1195

From : **Taiying Zhang**
California Energy Commission
1516 Ninth Street
Sacramento CA 95814-5512

Subject: California Environmental Quality Act Analysis for ARV-17-019

I am an Associate Energy Specialist in Fuel and Transportation Division, California Energy Commission, and am the Commission's Agreement Manager for proposed Agreement ARV-17-019 ("Agreement"), Centralized MSW Organic Waste to Biomethane Facility at the Rialto Bioenergy Facility (the "Project").

Pursuant to my work in developing the Agreement, including the Scope of Work for the Agreement, I have reviewed the lead agency, the City of Rialto's (the "City"), California Environmental Quality Act ("CEQA") 2018 Final Environmental Impact Report for the Project ("EIR"), the Resolution of the City approving the permit for the Project (Resolution No. 18-7309), the Resolution of the City certifying the EIR, adopting a Mitigation, Monitoring and Reporting Program, and adopting a Statement of Overriding Considerations (Resolution No. 18-7310), the City's filed Notice of Determination, the City's Action Agenda for its March 27, 2018 City Council meeting, and the proposed agreement including scope of work for proposed Agreement ARV-17-019.

It is my opinion that the work to be performed under the proposed Agreement falls within the scope of the lead agency's documents and the Agreement will not result in any new significant environmental impacts than those already considered by the lead agency. I have not found any new mitigation measures within the Energy Commission's authority that would lessen or further mitigate the Project's impacts. It is my opinion that the significant environmental impacts identified by the lead agency will be sufficiently mitigated to below significant levels or economic, legal, social, technological, or other benefits of the Project outweigh the significant unavoidable and mitigatable environmental impact. The reasons for my conclusion are as follows.

The Project includes the reestablishment and conversion of an existing non-operational regional biosolids processing facility into a regional organic waste processing facility for renewable energy. The Project will receive and process/recycle up to 1080 wet tons per day of organic waste, which includes a combination of biosolids, biogas, food waste, and liquid waste, into approximately 13.38 megawatts (MW) of renewable energy in the form of electricity and natural gas and 27 dry tons of re-usable char. The mitigation measures adopted by the lead agency will reduce potentially significant impacts to biological resources, cultural resources, geology and soils, hazards, and hazardous material, and hydrology and water quality to less than significant levels. The economic, legal, social, technological, or other benefits of the Project balanced by the lead agency outweigh the significant unavoidable environmental impact to air quality of the Project.

Land use:

The Project proposes reestablish and convert an existing non-operational biosolids processing facility on one 5.7 acre parcel of land located at 503 East Santa Ana Avenue within the Heavy Industrial zone of the Agua Mansa Specific Plan. There are no sensitive land uses near the Project site.

Biological Resources:

Because construction could have potentially significant impacts on the movement of candidate, sensitive, or special status species, construction of the Project could cause a significant impact, and mitigation is required as Mitigation Measure BIO-1. All trenches must be inspected twice daily to ensure no wildlife become entrapped. Trenches shall be covered at night. All pipes must be inspected prior to closure to ensure no wildlife are present. If a potential den or wildlife is observed at any time during construction, a qualified biologist must be contacted to determine the appropriate course of action. With the implementation of this mitigation measure, biological resource impacts during construction of the Project will be reduced to a less than significant level.

Cultural Resources:

The Project will have onsite and off-site ground disturbing activities during construction which would create a potentially significant impact and mitigation is required as Mitigation Measure CR-1 and Mitigation Measure CR-2. CR-1 requires that the grading permit contain a clause that, in the event that subsurface archaeological resources are encountered during ground disturbing activities in the Project area, these activities must be suspended in the vicinity of the find until the deposits are recorded and evaluated by a qualified archaeologist. CR-2 requires monitoring of ground-disturbing construction activities below depths of 5 feet by a qualified paleontologist to avoid inadvertent impacts to buried paleontological deposits. With the implementation of the mitigation measures, cultural resource/tribal cultural resource impacts during construction of the Project will be reduced to a less than significant level.

Geology and Soils:

The Project location and onsite activities will be consistent with the current uses of the site and surrounding areas. The Project site is completely developed as a result of the previous EnerTech Project. Additional grading activities are expected to result in potential impacts to expose persons or structures to substantial adverse effects. In order to reduce this impact, the City adopted Mitigation Measure G-1. G-1 requires that prior to Grading Plan approval, the applicant shall demonstrate to the satisfaction of the City Engineer that the soils on the site are stable for construction of the Project or that the grading plan or facility engineering has been designed to account for any site-specific soils issues related to the landfill. With the implementation of the mitigation measure, impacts to geology and soils during construction of the Project will be reduced to a less than significant level.

Hazards and Hazardous Materials:

The Project will be storing food waste and biosolids in large receiving bins located at the facility. In order to reduce the potential significant hazard through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment, the City adopted Mitigation Measure HAZ-1. HAZ-1 requires that prior to operations, the Project will prepare and implement a California Accidental Release Prevention Program (CalARP) compliant Risk Management Plan for sulfuric acid. CalARP is authorized under Health and Safety Code Sections 25531 to 25543.3, with program regulations in California Code of Regulations Title 19, Section 2735.1 through 2785.1. The intent of the Risk Management Plan is to provide basic information that may be used by first responders to prevent or mitigate damage to public health and safety and the environment from the release or threatened release of a hazardous material. With the implementation of the mitigation measure, impacts to hazards and hazardous material during construction of the Project will be reduced to a less than significant level.

Water Quality:

Construction of the Project has the potential to result in a violation of water quality standards, waste discharge requirements, or otherwise substantially degrade water quality. In order to reduce this impact, the City adopted Mitigation Measures W-2 and W-4 which requires that prior to issuance of City permits, the Project applicant apply to be enrolled in the existing National Pollutant Discharge Elimination System Statewide General Permit for Storm Water Discharges from Construction Activity and file Form 200 completely as required by the Santa Ana Regional Water Quality Control Board to document/disclose the disposal of the water that was dewatered from the sludge. Additionally the Project will be subject to annual storm water reporting requirements to State Water Resources Control Board in addition to the preparation of a SWPPP and monitoring plan. With the implementation of these mitigation measures, impacts to hydrology and water quality during construction of the Project will be reduced to a less than significant level.

Air Quality:

The Project will result in a cumulatively considerable net increase of a criteria pollutant for which the Project region is in nonattainment under an applicable federal or State ambient air quality standard. Nearly all operational emissions of the Project would be below South California Air Quality Management District (SCAQMD) daily thresholds. However, the emissions of oxides of nitrogen (NO_x) would exceed the 55 lb/day threshold. NO_x emissions from operations would be mainly associated with combustion sources. In order to reduce this impact, the City adopted Mitigation Measures 4.8.1 and 4.9.1 which require the applicant to enter into a Title V permit with the SCAQMD and further reduce NO_x emissions as part of the air permit application process. With the implementation of the mitigation measures 4.8.1 and 4.9.1, NO_x emissions would be reduced but would remain above the 55 lb/day threshold of significance. Since there are no reasonably feasible mitigation measures for operational air quality emissions of NO_x, this impacts is considered significant and unavoidable.

Statement of Overriding Consideration:

Although nearly all of the long-term operational emissions for the Project would be below SCAQMD daily thresholds, the NO_x emissions would exceed the 55 lb/day threshold of significance. The City, after balancing the specific economic, legal, social, technological and other benefits of the Project, determined that the unavoidable adverse environmental impacts may be considered acceptable due to the following specific considerations which outweigh the unavoidable, adverse environmental impacts. Therefore, the City Council adopted a Statement of Overriding Considerations in order to balance the benefits of the Project against the significant unavoidable adverse environmental impact in reaching its decision to approve the Project. The City considered each of the following considerations as sufficient to support approval of the Project in accordance with CEQA.

1. Revitalize existing industrial area. The Project site is on a non-operational biosolids plant. This regional biosolids processing facility, developed by EnerTech, is on City of Rialto property and has been unproductive for several years. The Project would reuse some of the existing equipment and would put into operation this existing non-operational industrial site.
2. Develop Renewable Energy from Organic Waste Streams. The Project will produce 13.38 MW in equivalent electricity of renewable energy from up to 1080 tons per day combination of food waste, liquid waste, and municipal biosolids. Renewable energy will be produced in the form of electricity (3.0 MW) used for sale for SCE through the BioMAT Power Purchase Agreement and biogas upgraded for delivery to the Southern California Gas Company (8.2 MW of equivalent power) for use in offsite power generation and vehicle fuels. The Project will be converting organic waste streams by 2019 and assist large-quantity commercial food waste

generators with meeting the AB 1826's new mandatory commercial organic waste recycling program requirements.

3. Reduce Regional Greenhouse Gases. The Project would reduce GHG emissions by over 433,000 metric tons of carbon dioxide equivalents over the next 10 years regionally through diverting 1,080 tons per day of food waste and municipal biosolids from landfill disposal and converting it into renewable energy.
4. Create an Additional Income Stream for the City of Rialto and Employment Opportunities for the Region. The Project would generate lease and tipping fee income for the City of Rialto from the use of City property.
5. Implementation of the Agua Mansa Industrial Corridor Specific Plan. The Project will replace old industrial uses to more modern, clean industrial development consistent with the Agua Mansa Industrial Corridor Specific Plan.

The City concluded that economic and social benefits and important public policy objectives from the Project will outweigh the significant unavoidable adverse environmental impact of the Project. Given the substantial social and economic benefits that will accrue to the City and to the region from the implementation of the Project, it is my opinion that the Project's identified benefits override the Project's identified significant unavoidable and immitigable environmental impact. Therefore, I recommend adopting the California Environmental Quality Act findings and statement of overriding considerations for Anaheim Energy LLC's bioenergy facility project and approving Agreement ARV-17-019 with Anaheim Energy LLC.

Exhibit A SCOPE OF WORK

TECHNICAL TASK LIST

Task #	CPR	Task Name
1		Administration
2	X	Facility Design and Engineering
3		Facility Construction
4	X	Facility Commissioning
5		Data Collection and Analysis

KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Yaniv Scherson (Recipient)	The Grant Farm	Anaergia
2	Juan Josse, Andrew Dale (Recipient)		Anaergia
3	Andrew Dale (Recipient)		Anaergia
4	Yaniv Scherson (Recipient)		Anaergia

GLOSSARY

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

Term/ Acronym	Definition
AB	Assembly Bill
ARFVTP	Alternative and Renewable Fuel and Vehicle Technology Program
CAM	Commission Agreement Manager
CEC	California Energy Commission
CPR	Critical Project Review
DGE	Diesel Gallon Equivalent
FTD	Fuels and Transportation Division
MSW	Municipal Solid Waste
Recipient	Anaheim Energy LLC

Background

In 2007, Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), initiated the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP), which authorizes the California Energy Commission (CEC or Energy Commission) to develop and deploy alternative and renewable fuels and advanced transportation technologies. The bill targets development of these fuels to help attain the state's climate change, clean air, and alternative energy policies. In 2013, AB 8 (Perea, Chapter 401, Statutes of 2013) was passed as a follow-on to AB 118, re-authorizing the ARFVTP through January 1, 2024. The ARFVTP has an annual budget of approximately \$100 million and provides financial support for projects that:

- Reduce California's use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
- Produce sustainable alternative and renewable low-carbon fuels in California.
- Expand alternative fueling infrastructure and fueling stations.
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

The Energy Commission issued Solicitation GFO-15-606 for low carbon biofuel production facilities to increase production capacity. To be eligible for funding under GFO-15-606, projects must also be consistent with the Energy Commission's ARFVT Investment Plan, updated annually. In response to GFO-15-606, Recipient submitted Application 21, which was proposed for funding in the Energy Commission's Notice of Proposed Awards on February 17, 2017. GFO-15-606 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.

Problem Statement:

Today, three categories of organic waste – organics contained in municipal solid waste (MSW), Class B wastewater biosolids, and commercial liquid organic wastes, are landfilled, landfilled or land-applied, or disposed through conventional wastewater treatment processes, respectively. Unfortunately, these existing organic waste management strategies are becoming obsolete. Forthcoming requirements for diversion of organic waste from MSW will limit the amount of organic waste disposed in landfills; increasing local restrictions on using Class B biosolids as soil amendment is increasing disposal costs; and simple treatment of commercial liquid organic waste minimizes its potential beneficial use for generating renewable fuels and useful bio-products. In order to keep up with regulatory changes and fully leverage organic wastes to their greatest benefit, waste managers are increasingly looking to alternative and innovative organic waste management solutions. The availability of organic wastes in the categories listed above in the greater Los Angeles region is especially significant: dense populations generate large volumes of each of these categories of waste, which are currently under-utilized for beneficial use. Within this framework, the project location, centrally in the greater Los Angeles / Orange County region, is uniquely positioned to capitalize on local availability of large volumes of organic waste, to generate renewable fuels and widely applicable soil amendment / fertilizer as an alternative to landfilling and conventional organic waste management solutions.

Goals of the Agreement:

The overarching goal of this project is to upgrade an existing, non-operational mothballed bioenergy facility in order to convert incoming organic waste feedstocks (food / organic waste separated from MSW, liquid commercial waste, and Class B biosolids) into biomethane for transportation fuel and saleable fertilizer / soil amendment pellets.

Objectives of the Agreement:

The objectives of this Agreement are to:

- (1) Install and commission a biogas upgrading skid with the capacity to produce 880,000 diesel gallon equivalents of biomethane per year.
- (2) Produce biomethane from organic waste for transportation fuel.
- (3) Divert 72,000 tons of organic waste per year from landfills.
- (4) Produce 2,800 tons dry fertilizer pellet product per year.
- (5) Demonstrate a fuel with a carbon intensity of at least $-30 \text{ gCO}_2\text{e/MJ}$.

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, 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)
- A copy of each final approved permit (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:

- Draft subcontracts
- Final subcontracts

TECHNICAL TASKS

TASK 2 FACILITY DESIGN AND ENGINEERING

The goal of this task is to complete design and engineering to bring the existing bioenergy facility to construction-ready status as a bioenergy facility which will convert local MSW food waste to renewable natural gas. This task will culminate in approved construction documents and grading permits.

The Recipient shall:

- Design and engineer grading and foundation requirements for the facility.
- Prepare and provide a *Written Notification of Completion of Grading and Foundation Plans* to the CAM. The letter shall include, but is not limited to:
 - Final engineering documents
 - Summary of the lessons learned in the design phase
 - Approval from applicable agencies
- Design and engineer electrical components for the facility.
- Prepare and provide a *Written Notification of Completion of Electrical Plans* to the CAM. The letter shall include, but is not limited to:
 - Final engineering documents
 - Summary of the lessons learned in the design phase

- Approval from applicable agencies
- Design and engineer mechanical components for the facility.
- Prepare and provide a *Written Notification of Completion of Mechanical Plans* to the CAM. The letter shall include, but is not limited to:
 - Final engineering documents
 - Summary of the lessons learned in the design phase
 - Approval from applicable agencies
- Design and engineer structural components for the facility.
- Prepare and provide a *Written Notification of Completion of Structural Plans* to the CAM. The letter shall include, but is not limited to:
 - Final engineering documents
 - Summary of the lessons learned in the design phase
 - Approval from applicable agencies
- Prepare and provide a *Construction and Equipment List* that will be used to develop bid packages to be sent to vendors.

Products:

- Written Notification of Completion of Grading and Foundation Plans
- Written Notification of Completion of Electrical Plans
- Written Notification of Completion of Mechanical Plans
- Written Notification of Completion of Structural Plans
- Construction and Equipment List

CPR WILL OCCUR DURING THIS TASK. See Task 1.2 for details.

TASK 3 FACILITY CONSTRUCTION

The goal of this task is to complete all construction activities for the Project. This task contains detailed subtasks and milestones consistent with traditional construction project management including equipment and material acquisition, installation, and commissioning timelines. The proposed project will seek funds specifically for the procurement of equipment associated with the proposed project. This task will culminate with the completion of facility construction as documented by Rialto Bioenergy's submittal of the *Written Notification of Completion of Construction and Installation*. Upon successful commissioning, commercial operations will commence.

The Recipient shall:

- Prepare and provide a *Procurement Plan* for the facility that will detail the process for procurement of equipment, materials, and services in a manner that provides transparency into the selection process and the rationale for optimizing the quality of services provided with price. The *Procurement Plan* will include, but is not limited to:
 - A description of the bid packages to be assembled
 - A methodology for receiving and evaluating responses
- Execute the *Procurement Plan*.
- Prepare and provide a *Procurement Report* for the facility that will detail the selection process and justification for the service providers selected. The *Procurement Report* will include, but is not limited to:
 - A list of respondents to bid packages
 - A rationale for the selected service providers
- Prepare and provide a *Construction Plan* for the facility that will outline the budget and schedule for the completion of all construction and installation activities. The *Construction Plan* will include, but is not limited to:
 - A list of construction and installation milestones
 - A Gantt chart and detailed project schedule
 - A description of best management practices to be utilized
 - A risk mitigation strategy
 - A plan for quality control and quality assurance
- Prepare and provide *Written Notification of Site Preparation* for the facility that will notify the CAM that the site has been prepared to initiate construction related activities.
- Implement the *Construction Plan*.
- Prepare and provide a *Major Project Change List* for the facility that will identify any major project changes that occur after the *Construction Plan* is implemented. The *Major Project Change List* will be updated on an as needed basis and will include, but is not limited to:
 - A description of the scope of the challenge necessitating a material change in the *Construction Plan*
 - A solution to address the challenge and rationale for the proposed solution
 - An update, as necessary, to the milestones and Gantt chart to reflect the new approach
- Prepare and provide a *Construction Report* for the facility that will evaluate the actual construction activities compared to the *Construction Plan*. The *Construction Report* will include, but is not limited to:
 - A final schedule of completed milestones

- A description of lessons learned
- A summary of major project changes
- Prepare and provide *Written Notification of Completion of Construction and Installation* for the facility that will notify the CAM that construction and installation activities have been completed.

Products:

- Procurement Plan
- Procurement Report
- Construction Plan
- Written Notification of Site Preparation
- Major Project Change List
- Construction Report
- Written Notification of Completion of Construction and Installation

TASK 4 FACILITY COMMISSIONING

The goal of this task is to complete commissioning for the Project, and to commence commercial operations. Equipment commissioning is an important step to validate the successful performance and integration of the facility's components. The commissioning process will include a detailed list of components to be tested and validated, a detailed checklist of activities, and a comprehensive results and response document.

The Recipient shall:

- Prepare and provide a *Testing and Commissioning Plan* for the facility that will detail the process, deliverables, and milestones associated with the testing and commissioning of the facility. The *Testing and Commissioning Plan* will include, but is not limited to:
 - A description of the equipment to be tested
 - A description of the methodology to test the identified equipment
 - A list of goals and objectives for the test
 - A description of the quality control and quality assurance practices for the test methodology
- Implement *Testing and Commissioning Plan*.
- Prepare and provide a *Testing and Commissioning Report* for the facility that will evaluate the test results. The *Testing and Commissioning Report* will include, but is not limited to:
 - A description of the results of the cold test for the identified equipment
 - A description of any major changes that were made based on findings during the cold testing

- Prepare and provide *Written Notification of Completion of Commissioning* for the facility that will notify the CAM that commissioning activities have been completed and that the plant is ready to commence commercial operations.

Products:

- Testing and Commissioning Plan
- Testing and Commissioning Report
- Written Notification of Completion of Commissioning

[CPR WILL OCCUR DURING THIS TASK. See Task 1.2 for details.]

Task 5 DATA COLLECTION AND ANALYSIS

The goal of this task is 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 a data collection plan.
- Troubleshoot any issues identified.
- Collect at least six months of data, including:
 - Throughput, usage, and operations data
 - Normal operating hours, up time, down time, and explanations of variations
 - Feedstock supply summary
 - Maximum capacity of the new fuel production system in diesel gallon equivalents (DGE) and ordinary units
 - Tons of Class A soil amendment produced
 - MW_e of bioenergy and MWh_{th} of waste heat captured on site and used on site to support facility operations
 - Record of wastes from production processes (wastewater, criteria emissions, etc.)
 - Gallons of gasoline and/or diesel fuel displaced along with value converted into DGE
 - Specific jobs and economic development resulting from this project
 - Finished fuel price
 - Analysis of air pollution reduction due to transition from conventional to renewable biofuels
 - Analysis of total facility costs, operation and maintenance costs, marginal abatement costs
- Provide a written record of registering with the Low Carbon Fuel Standard and Renewable Fuel Standard programs.

- Identify any current and planned use of renewable energy at the facility.
- 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 or provide an Air Resources Board approved pathway carbon intensity.
- Estimate annual life-cycle greenhouse gas emission reduction.
- 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 will be included in the Final Report

California Energy Commission

May 9, 2018 Business Meeting – Agenda Item #8a

**Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)
Project: “Centralized MSW Organic Waste to Biomethane Facility at the Rialto
Bioenergy Facility” (ARV-17-019)**

The full California Environmental Quality Act (CEQA) supporting documentation for ARV-17-019 can be obtained at: http://www.energy.ca.gov/business_meetings/2018_packets/2018-05-09/Item_08a/CEQA%20Documents/

STATE OF CALIFORNIA

**STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

RESOLUTION - RE: ANAHEIM ENERGY LLC

WHEREAS, the City of Rialto is the Lead Agency for purposes of the California Environmental Quality Act (“CEQA”) for the centralized municipal solid waste organic waste to biomethane facility at the Rialto Bioenergy Facility (hereinafter “Project”); and

WHEREAS, the City of Rialto prepared a Final Environmental Impact Report for the Project (“FEIR”), Mitigation, Monitoring and Reporting Program (“MMRP”), CEQA findings of fact, a Statement of Overriding Considerations, and a Notice of Determination, evaluating the potential environmental impacts of implementing the Project, and all of which are on file with the Energy Commission; and

WHEREAS, the City of Rialto, on March 27, 2018 considered and certified the FEIR for the Project, approved the permit for the Project, adopted the MMRP, adopted CEQA findings of fact, and adopted a Statement of Overriding Considerations, under resolutions 18-7309 and 18-7310, copies of which are on file with the Energy Commission; and

WHEREAS, the Energy Commission is considering proposed Agreement ARV-17-019, Centralized MSW Organic Waste to Biomethane Facility at the Rialto Bioenergy Facility (hereinafter “ARV-17-019”), a grant to fund the revitalization of the Rialto Bioenergy Facility to convert food waste and biosolids into biomethane transportation fuel; and

Prior to acting on Agreement ARV-17-019, the Energy Commission desires to make certain findings pursuant to CEQA Guidelines, title 14, sections 15091, 15092, 15093, and 15096;

NOW THEREFORE, BE IT RESOLVED:

1. To the extent relevant to ARV-17-019, the Energy Commission has considered the information contained in the City of Rialto’s FEIR, MMRP, CEQA findings of fact, Statement of Overriding Considerations, and March 27, 2018 Resolutions identified above;
2. The City of Rialto has the authority and has already adopted the MMRP to implement mitigation measures or seek any required approvals for mitigation measures identified, to reduce the selected impacts to a less than significant level, and the Energy Commission has no direct authority to implement the mitigation measures identified.
3. The Energy Commission finds the City of Rialto’s FEIR, MMRP, Statement of Overriding Considerations, CEQA findings of fact, and March 27, 2018 Resolutions are adequate for its use as the decision-making body for its consideration of ARV-17-019.
4. Approval of ARV-17-019 is within the scope of the City of Rialto’s FEIR, MMRP, Statement of Overriding Considerations, CEQA findings of fact, and March 27, 2018 Resolutions.
5. Since the City of Rialto’s FEIR, MMRP, Statement of Overriding Considerations, CEQA findings, and March 27, 2018 Resolutions were finalized, there have been no substantial project changes and no substantial changes in the Project

circumstances that would require major revisions to these documents due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth therein.

6. The Energy Commission has not identified any feasible alternative or additional feasible mitigation measures within its power that would substantially lessen or avoid any significant effect the Project would have on the environment.

BE IT FURTHER RESOLVED, that the Energy Commission finds, on the basis of the entire record before it, including the City of Rialto documents identified above, that the mitigation measures incorporated will prevent ARV-17-019 from having any significant environmental impacts, or on balance, there are economic, legal, social, technological or other benefits, including environmental benefits, associated with the Project which serve to outweigh the Project's significant unavoidable effects; and

BE IT FURTHER RESOLVED, that this document authorizes the Executive Director or his or her designee to prepare and file a Notice of Determination on behalf of the Energy Commission; and

BE IT FURTHER RESOLVED, that the Energy Commission approves Agreement ARV-17-019 with Anaheim Energy LLC for \$3,080,000; and

BE IT FURTHER RESOLVED, that the Executive Director or his or her designee shall 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 May 9, 2018.

AYE: [*List Commissioners*]

NAY: [*List Commissioners*]

ABSENT: [*List Commissioners*]

ABSTAIN: [*List Commissioners*]

*Cody Goldthrite,
Secretariat*