

**GRANT REQUEST FORM (GRF)**

CEC-270 (Revised 10/2015)

CALIFORNIA ENERGY COMMISSION

New Agreement ARV-18-029 (To be completed by CGL Office)

Division	Agreement Manager:	MS-	Phone
600 Fuels and Transportation Division	Taiying Zhang	27	916-653-1195

Recipient's Legal Name	Federal ID Number
Rialto Bioenergy Facility LLC	80-0958799

Title of Project
Phase 2 Biomethane for Waste Management Refueling

Term and Amount	Start Date	End Date	Amount
	06 / 12 / 2019	03 / 30 / 2023	\$ 2,916,620

Business Meeting Information			
<input type="checkbox"/> ARFVTP agreements \$75K and under delegated to Executive Director.			
Proposed Business Meeting Date	6 / 12 / 2019	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Discussion
Business Meeting Presenter	Hieu Nguyen	Time Needed:	5 minutes
Please select one list serve. Altfuels (AB118- ARFVTP)			

Agenda Item Subject and Description
<p>RIALTO BIOENERGY FACILITY LLC. Proposed resolution adopting California Environmental Quality Act findings and statement of overriding considerations for Rialto Bioenergy Facility, LLC's bioenergy facility project and approving Agreement ARV-18-029 with Rialto Bioenergy Facility, LLC. (ARFVTP Funding) Contact: Hieu Nguyen. (Staff presentation: 5 minutes)</p> <p>a. 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 mitigated; and adopting a statement of overriding considerations.</p> <p>b. RIALTO BIOENERGY FACILITY LLC'S BIOMETHANE PROJECT. Agreement with Rialto Bioenergy Facility, LLC for a \$2,916,620 grant to revitalize the Rialto Bioenergy Facility in Bloomington, California to produce 2.5 million diesel gallon equivalents of biomethane transportation fuel.</p>

California Environmental Quality Act (CEQA) Compliance
<p>1. Is Agreement considered a "Project" under CEQA?</p> <p><input checked="" type="checkbox"/> Yes (skip to question 2) <input type="checkbox"/> No (complete the following (PRC 21065 and 14 CCR 15378)):</p> <p>Explain why Agreement is not considered a "Project":</p> <p>Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because .</p>
<p>2. If Agreement is considered a "Project" under CEQA:</p> <p><input type="checkbox"/> a) Agreement <b>IS</b> exempt. (Attach draft NOE)</p> <p><input type="checkbox"/> Statutory Exemption. List PRC and/or CCR section number: _____</p> <p><input type="checkbox"/> Categorical Exemption. List CCR section number: _____</p> <p><input type="checkbox"/> Common Sense Exemption. 14 CCR 15061 (b) (3)</p> <p>Explain reason why Agreement is exempt under the above section: _____</p>
<p><input checked="" type="checkbox"/> b) Agreement <b>IS NOT</b> exempt. (Consult with the legal office to determine next steps.)</p> <p>Check all that apply</p> <p><input type="checkbox"/> Initial Study <input checked="" type="checkbox"/> Environmental Impact Report</p> <p><input type="checkbox"/> Negative Declaration <input checked="" type="checkbox"/> Statement of Overriding Considerations</p> <p><input type="checkbox"/> Mitigated Negative Declaration</p>

List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)	
Legal Company Name:	Budget
Waste Management (WM) Lyles	\$ 9,278,600
The Grant Farm	\$ 95,000
	\$ 0

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

Legal Company Name:

Anaergia

**Budget Information**

Funding Source	Funding Year of Appropriation	Budget List No.	Amount
ARFVTP	17/18	601.118J	\$2,916,620
ARFVTP			\$
Funding Source			\$
Funding Source			\$
Funding Source			\$
R&D Program Area: N/A		TOTAL:	\$2,916,620
Explanation for "Other" selection			
Reimbursement Contract #:		Federal Agreement #:	

**Recipient's Administrator/ Officer**

Name:	Dylan Deriot	Name:	Yaniv Scherson
Address:	5780 Fleet Street, Suite 310	Address:	5780 Fleet Street, Suite 310
City, State, Zip:	Carlsbad, CA 92008	City, State, Zip:	Carlsbad, CA 92008
Phone:	760-436-8879	Fax:	760-448-6847
E-Mail:	Dylan.Deriot@anaergia.com	E-Mail:	yaniv.scherson@anaergia.com

**Selection Process Used**☒ Competitive Solicitation

Solicitation #: GFO-18-601

☐ 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 checked="" 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

## Exhibit A SCOPE OF WORK

### TECHNICAL TASK LIST

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

### KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Yaniv Scherson (recipient) Hannah Simmonds (Grant Farm)	The Grant Farm	Anaergia
2	Juan Josse, Andrew Dale (recipient)	N/A	Anaergia
3	Andrew Dale (recipient)	WM Lyles	Anaergia
4	Yaniv Scherson (recipient)	The Grant Farm	Anaergia

### GLOSSARY

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

Term/ Acronym	Definition
ARFVTP	Alternative and Renewable Fuel and Vehicle Technology Program
CAM	Commission Agreement Manager
CNG	Compressed Natural Gas
CPR	Critical Project Review
DGE	Diesel Gallon Equivalents
FTD	Fuels and Transportation Division
MSW	Municipal Solid Waste
PIIRA	Petroleum Industry Information Reporting Act
RNG	Renewable Natural Gas
yr	Year

### 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, clean air, and alternative energy policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorizes 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-18-601 for biofuel production projects at new and existing biofuel production facilities. To be eligible for funding under GFO-18-601, projects must also be consistent with the Energy Commission's ARFVTP Investment Plan, updated annually. In response to GFO-18-601, Rialto Bioenergy Facility LLC (Recipient) submitted Application 10, which was proposed for funding in the Energy Commission's Notice of Proposed Awards on May 6, 2019. GFO-18-601 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:**

Each year, California manages about 6 million tons of food and organic waste that is currently landfilled.<sup>1</sup> In response, California has approved stringent requirements for organic waste management, targeting recycling by municipal waste managers and businesses that generate organic waste. Unfortunately, existing food and organic waste infrastructure is insufficient to manage the targeted amount of waste without landfilling. As an example, Waste Management currently manages over 850,000 tons of food and organic waste per year, but does not have sufficient alternative-landfilling infrastructure to meet state statutory requirements. Additionally, although demand for compressed natural gas (CNG) in the Los Angeles Basin has been sharply increasing in recent years, availability of renewable natural gas (RNG), a renewable drop-in replacement for CNG, is strikingly limited. As a result, potential regional markets for RNG are significantly undersupplied. Waste Management in particular is seeking to transition its remaining diesel waste collection vehicles from diesel to RNG, but insufficient RNG is available to achieve that goal.

#### **Goals of the Agreement:**

The goal of this Agreement is to produce low-carbon biomethane (i.e., RNG) from municipal solid waste (MSW)-derived food and organic waste for blending into California's transportation fuel supply.

#### **Objectives of the Agreement:**

The objectives of this Agreement are to:

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<sup>1</sup> CalRecycle, 2016. Organic Materials Management: Food Scraps Management. Available at: <http://www.calrecycle.ca.gov/organics/food/> Accessed December 16, 2016.

- (1) Utilize 85,800 tons per year of food and organic waste feedstock available under the Recipient's existing feedstock supply agreement with Waste Management.
- (2) Produce 2.5 million diesel gallon equivalents (DGE) per year of biomethane fuel.
- (3) Transfer 2.5 million DGE per year of biomethane under the Recipient's existing off-take agreement with Waste Management for use as a vehicle fuel.
- (4) Off-set 2.5 million DGE per year of fossil fuel consumption.
- (5) Off-set 42,002 metric tonnes (MT) of carbon dioxide equivalent per year (CO<sub>2</sub>e/yr) of greenhouse gas emissions.

## **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 Agreement Officer, the Fuels and Transportation Division (FTD) program 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 of the proposed facility, in order to bring the project to construction-ready status. This task will culminate in approved construction documents and construction permits.

**The Recipient shall:**

- Design and engineer grading and foundation requirements for the facility, including all equipment and appurtenances.
- Design and engineer electrical components of the facility, including all equipment and appurtenances.
- Design and engineer mechanical components of the facility, including all equipment and appurtenances.
- Design and engineer all structural components of the facility, including for all equipment and appurtenances.
- Prepare a *Written Notification of Completion of Engineering Plans* to the CAM. The written notification will include, but is not limited to:
  - Final engineering documents
  - Summary of lessons learned during the design phase
  - Approval from applicable agencies, as needed to initiate construction
- Prepare and provide to the CAM a *Construction and Equipment List* that will be used to develop bid packages to be sent to vendors.

**Products:**

- Written Notification of Completion of Engineering Plans
- Construction and Equipment List

**[CPR WILL OCCUR DURING THIS TASK. SEE TASK 1.2 FOR DETAILS.]**

**TASK 3 FACILITY CONSTRUCTION AND COMMISSIONING**

The goal of this task is to complete all construction activities for the project, to subsequently complete all testing and commissioning activities for the project, and finally to initiate full-scale facility operation. This task includes detailed subtasks and milestones consistent with traditional construction project management including procurement, installation, and commissioning. 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 / equipment provided with price. The *Procurement Plan* will include but will not be limited to:
  - A description of the bid packages to be assembled
  - A methodology for receiving and evaluating responses
- Implement the *Procurement Plan*.
- Prepare and provide a *Procurement Report* for the facility that will detail the completed selection process and justification for the service providers selected. The *Procurement Report* will include, but will not be limited to:
  - A list of respondents to bid packages
  - A review of 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 will not be 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 a *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* including all construction and installation related activities.
- Prepare and provide a *Major Project Change List* for the facility that will identify any major project changes that occur during implementation of the *Construction Plan*. 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 a 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 will not be 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. This memorandum will notify the CAM that construction and installation activities have been completed.
- Prepare a *Testing and Commissioning Plan* for the facility that will detail the processes, deliverables, and milestones needed to complete 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 each test
- A description of the quality control and quality assurance practices for the test methodology
- Implement the *Testing and Commissioning Plan*
- Prepare and provide a *Testing and Commissioning Report* for the facility that will document and evaluate the test results. The *Testing and Commissioning Report* will include, but will not be limited to:
  - A description of the results for the cold and hot tests for all applicable equipment
  - A description of any major changes that were made based on findings during the cold or hot testing
- Prepare and provide a *Written Notification of Completion of Commissioning* for the facility that will notify the CAM that all testing and commissioning activities have been completed, and that the facility is now ready to commence commercial operations.

**Products:**

- Procurement Plan (Draft and Final)
- Procurement Report (Draft and Final)
- Construction Plan (Draft and Final)
- Written Notification of Site Preparation
- Major Project Change List
- Construction Report (Draft and Final)
- Written Notification of Completion of Construction and Installation
- Testing and Commissioning Plan (Draft and Final)
- Testing and Commissioning Report (Draft and Final)
- Written Notification of Completion of Commissioning

**[CPR WILL OCCUR DURING THIS TASK. SEE TASK 1.2 FOR DETAILS.]**

**Task 4 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
  - Gallons of gasoline and/or diesel fuel displaced (with associated mileage information), along with value converted into DGE
  - Record of wastes from production processes (waste water, solid waste, criteria emissions, etc.)

- 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
- Levelized Cost of Fuel and Finished fuel price
- Analysis of total facility costs, operation and maintenance costs, marginal abatement costs
- Comply with the Petroleum Industry Information Reporting Act (PIIRA) and complete CEC Form M810E and CEC Form M13 on a monthly basis for submission to the California Energy Commission's PIIRA Data Collection Unit.
- 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

June 12, 2019 Business Meeting – Agenda Item # 8

RIALTO BIOENERGY FACILITY, LLC. Project: “Phase 2 Biomethane for Waste Management Refueling” (ARV-18-029)  
The full California Environmental Quality Act (CEQA) supporting documentation for ARV-18-029 can be obtained at:

<https://www.energy.ca.gov/contracts/arv-18-029/>

**STATE OF CALIFORNIA**

**STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION**

**RESOLUTION - RE: Rialto Bioenergy Facility, LLC**

**WHEREAS**, the City of Rialto is the Lead Agency for purposes of the California Environmental Quality Act ("CEQA") for the Phase 2 biomethane for waste management refueling 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 a link to the documents is provided in the back-up materials; 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 Resolution Nos 18-7309 and 18-7310, copies of which are on file with the Energy Commission and a link to the documents is provided in the back-up materials; and

**WHEREAS**, the Energy Commission has reviewed and considered the City's FEIR, MMRP, Resolution Nos 18-7309 and 18-7310 containing CEQA findings of fact and an adopted Statement of Overriding Considerations, filed Notice of Determination, and the Energy Commission staff's findings are contained in the May 31, 2019 Memorandum, CEQA Analysis of ARV-18-029 which is available in the back-up materials.

**WHEREAS**, the Energy Commission is considering proposed Agreement ARV-18-029, Phase 2 Biomethane for Waste Management Refueling at the Rialto Bioenergy Facility (hereinafter "ARV-18-029"), 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-18-029, 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-18-029, the Energy Commission has considered the information contained in the City of Rialto's FEIR, MMRP, CEQA findings of fact, Statement of Overriding Considerations, March 27, 2018 Resolutions and staff's May 31, 2019 Memorandum 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-18-029.

4. Approval of ARV-18-029 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's CEQA documents and staff's May 31, 2019 Memorandum identified above, that the mitigation measures incorporated will prevent ARV-18-029 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-18-029 with Rialto Bioenergy Facility, LLC for \$2,916,620; 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 June 12, 2019.

AYE: *[List Commissioners]*

NAY: *[List Commissioners]*

ABSENT: *[List Commissioners]*

ABSTAIN: *[List Commissioners]*

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*Cody Goldthrite,  
Secretariat*