

ENERGY, CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT
relative to increased grant funding for the Hyperion Digester Gas Utilization Project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Director, Bureau of Sanitation (BOS), or designee, to accept, negotiate, execute and submit all grant documents, relative to the revised grant award total of \$3,484,000, from the State of California Public Utilities Commission (CPUC) program administrator (SoCal Gas) for the Hyperion Digester Gas Utilization Project associated with the Self Generation Incentive Program (SGIP).
2. INSTRUCT the Board of Public Works, Office of Accounting, to deposit the proceeds upon receipt, for a total of \$3,484,000 into the Sewer Construction and Maintenance Fund (SCM) No. 208/50, Departmental Source Code 381100 (Reimbursement from Other Agencies General).
3. REQUEST the Controller to increase receivables from within SCM Fund No. 208/50 in the amount of \$2,560,000, to be combined with the original request of \$924,000, bringing the total grant award to \$3,484,000 (Departmental Source Code 381100 - Reimbursement from Other Agencies General).
4. AUTHORIZE the Director, BOS, or designee, to prepare Controller instructions for any technical corrections as necessary and subject to the approval of the City Administrative Officer (CAO).

Fiscal Impact Statement: None submitted by the BOE. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

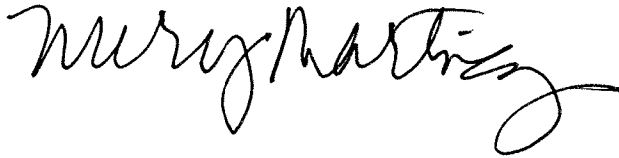
Community Impact Statement: None submitted.

Summary:

On August 7, 2018, your Committee considered a May 31, 2018 BOS report relative to increased grant funding for the Hyperion Digester Gas Utilization Project. According to the BOS, on April 19, 2016, Council authorized the BOS to apply for, and accept at least \$924,000 in grant funding for the Hyperion Digester Gas Utilization Project (DGUP) from the CPUC through the SGIP. It was noted that the grant could be increased if additional State funding was made available, and the project could qualify for the biogas technology element. The project is complete and did qualify for additional funding up to \$3,484,000. Payments will be made from the CPUC through a regional administrator, Southern California Gas Company. Distribution of funds will occur across 6 years. The first payment of \$1,742,000 is available now. Five additional payments will be provided in annual installments of \$348,000, as long as the technology to convert the biogas to energy used for the treatment of wastewater continues to work as expected. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the May 31, 2018 BOS report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE COMMITTEE

A handwritten signature in black ink, appearing to read "Mury Martinez". The signature is fluid and cursive, with a large loop at the end.

<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	YES
KORETZ:	YES
KREKORIAN:	YES
CEDILLO:	YES
O'FARRELL:	YES

ARL
8/7/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-