

# City of San Leandro

Civic Center, 835 E. 14th Street  
San Leandro, California 94577  
[www.sanleandro.org](http://www.sanleandro.org)



March 15, 2024

Environmental Protection Agency  
Office of Grants and Debarment

RE: Letter of Intent Regarding Climate Pollution Reduction Grant Application; Funding Opportunity  
EPA-R-OAR-CPRGI-23-07

To Whom It May Concern,

The City of Oakland, a municipal corporation, acting by and through its Board of Port Commissioners (the "Port") is submitting an application titled, "Decarbonizing the Future: Renewable Natural Gas Utilization at Oakland International Airport" for the Environmental Protection Agency's Climate Pollution Reduction Grant (the "Application"). This letter is to notify you that the City of San Leandro ("City") and Port intend to sign a Memorandum of Agreement ("MOA") by July 1, 2024 to establish the respective roles and responsibilities of the Parties as described in the Application.

The purpose of the MOA will be for the parties to cooperate on negotiating terms and conditions relating to the Port's purchase of renewable natural gas ("RNG") from the City. The Port desires to serve as an offtaker of RNG, and the City desires to produce and sell RNG to the Port. Such negotiations and discussions may include, but are not limited to, pricing, terms of agreement, quantity of commodity purchase, quality of RNG commodity, and other potential terms that could form the basis of a contract between the Parties.

The City currently operates a Water Pollution Control Plant ("WPCP") that accepts and treats wastewater from residential and commercial sources within San Leandro. The WPCP produces biogas from the anaerobic digestion of received waste, and a portion of the biogas is used to heat on-site boilers while excess biogas is flared. The City plans on expanding the WPCP to accept high strength waste from food processors and entering into agreements with high-strength waste producers. In addition, the City plans to design, construct and install all equipment and systems necessary to produce at least 96 MMBtu of RNG per day on its property.

The Port is a sustainability leader in the goods movement industry, partnering with regulatory agencies, neighboring cities, tenants, and private sector partners to improve the environment, social responsibility, and the economy. The Port is working to transition its operations to zero-emissions. The Port owns and operates Oakland International Airport ("Airport"), which is situated adjacent to the WPCP property. The Port intends to design and construct infrastructure required on its property to offtake RNG produced by the City.

Juan González III, Mayor

City Council:

Victor Aguilar, Jr.  
Xouhoa Bowen

Bryan Azevedo  
Celina Reynes

Peter Ballew  
Fred Simon



The City needs an offtaker for its RNG and the Port wishes to procure RNG. Without this partnership, biogas may continue to be flared at the WPCP and the Port's reliance on fossil-based gas will continue. This partnership is critical to achieving the City's resource recovery goals and the Port's decarbonization goals.

The envisioned operating model is such that the City will produce RNG and the Port will offtake RNG for use at various facilities at the Airport. The Port will compensate the City based on the quantity of RNG delivered.


Under the proposed partnership between the City and Port, the City will be responsible to cooperate on negotiating terms and conditions relating to the Port's purchase of RNG from the City. The Port will be responsible for all tasks related to offtaking and using the RNG on Port property, such as project management, technical analyses, and the design, construction and installation of necessary equipment. The Port's in-kind contributions include staff time. The Port will also be responsible to cooperate on negotiating terms and conditions relating to the Port's purchase of RNG from the City.

The Port will be accountable to the EPA and is fully responsible for effectively carrying out the full scope of work and the proper financial management of the grant.

This letter expresses the intent of the Parties, and the commitment to work in good faith to carry out the activities described herein, but does not create any legally binding commitments. No binding commitments will exist until agreements are approved by the City Council and the Port's Board of Commissioners.

The City looks forward to partnering with the Port and the EPA on this exciting and innovative project for the benefit of the environment and community.

Signature

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Frances Robustelli (Mar 27, 2024 16:04 PDT)

Frances Robustelli  
City Manager  
City of San Leandro








# Final Letter of Intent - Letterhead

Final Audit Report

2024-03-27

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