



PORT OF OAKLAND

March 25, 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.

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



Kristi McKenney (Mar 26, 2024 10:05 PDT)

Kristi McKenney
Chief Operating Officer
Port of Oakland






Final Letter of Intent

Final Audit Report

2024-03-26

Created:	2024-03-25
By:	Chrishelle Chatman (cchatman@portoakland.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAANKXC-TyEz4W4zYUeVHD0Bgdh_PmAhlWt

"Final Letter of Intent" History

-  Document created by Chrishelle Chatman (cchatman@portoakland.com)
2024-03-25 - 8:42:47 PM GMT- IP address: 71.143.105.2
-  Document emailed to Kristi McKenney (kmckenney@portoakland.com) for signature
2024-03-25 - 8:43:39 PM GMT
-  Email viewed by Kristi McKenney (kmckenney@portoakland.com)
2024-03-26 - 2:38:10 PM GMT- IP address: 104.28.123.101
-  Document e-signed by Kristi McKenney (kmckenney@portoakland.com)
Signature Date: 2024-03-26 - 5:05:01 PM GMT - Time Source: server- IP address: 71.143.105.2
-  Agreement completed.
2024-03-26 - 5:05:01 PM GMT