

## CITY COUNCIL CONFERENCE MINUTES

February 11, 2020

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a conference at 5:30 p.m. in the Municipal Building Conference Room on the 11th day of February, 2020, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray 48 hours prior to the beginning of the meeting.

PRESENT:	Councilmembers Bierman, Hall, Petrone, Scanlon, Scott, Wilson, Mayor Pro-Tem Holman
ABSENT:	Councilmember Carter and Mayor Clark

Item 1, being:

### DISCUSSION REGARDING A PROPOSAL FROM ENTIGRITY TO CLEAN THE GAS PRODUCED FROM THE DIGESTERS AT THE WATER RECLAMATION FACILITY.

Mr. Ken Komiske, Director of Utilities, said the City contracted with Entegriy to test the biogas from the City's digesters to determine if the biogas could be sold to the natural gas industry. He said under the contract agreement Entegriy would do all the work for the amount of \$25,000 and if the gas is usable, Entegriy would install the equipment at no cost to the City and purchase the gas from the City. What they found was the City's system does not produce enough gas so Entegriy began looking into feeding the digesters to produce more gas. He introduced Mr. Sam Selig with Entegriy Energy Partners, Mr. Phil Gates with Bartlett & West Engineering Firm, and Mr. Dan Higgins with Suez Water and Process Solutions.

Mr. Gates said Entegriy basically takes an otherwise wasted product and turns it into fuel. He said organic waste that is fed through the anaerobic digester produces biogas, which is then turned into pipeline quality natural gas to become vehicle fuel. He said the Renewable Fuel Standard (RFS) is a federal program created in 2005 and really came into fruition in 2008. He said the RFS mandates that an increasing percentage of the nation's vehicle fuel comes from renewable sources in order to move away from foreign fuel and reduce greenhouse gas emissions. He said various fuels are incorporated in the program that includes corn based ethanol, advanced biofuels, cellulosic ethanol, and biomass diesel. He said the digestion of biosolids at the Wastewater Treatment Plant (WWTP) qualifies for a D3 RIN (Renewable Identification Number) and represents a 60% reduction in greenhouse gas emissions from that of fossil fuels. He said the digestion of fats, oils, grease, and sugars better known as food waste qualifies for D5 RIN.

Mr. Gates said the Environmental Protection Agency (EPA) defines RIN as a document stating what, when, and how a fuel is produced and compliance is achieved when obligated parties (refiners or importers of petroleum) either blend renewal fuels into transportation fuel or by obtaining RINs to meet the EPA specified Renewable Volume Obligation (RVO). Each fuel is

assigned a RIN D-code based on feedstock, energy inputs, or greenhouse gas reduction in comparison with fossil fuels. He said the gas and RINs are traded to an energy surface provider who takes possession of the physical gas to sell to an end user who dispenses it as compressed natural gas (CNG). He said the RINs are sold to the obligated parties and that revenue goes back to the producer, which in this case is Entegriy. He said the reason these projects are being funded by third parties is because there are risks associated with the program.

Councilmember Wilson asked what the market looks like and the City's risk and Mr. Selig said Entegriy will pay \$25,000 per year to the City and share 10% of the revenue from the RINs so if the market goes bad, the 10% will not look very good.

Mr. Gates said California and Oregon have state programs already in place with a vision of reducing greenhouse gas emissions to 40% below 1990 levels by 2030. The goal for Norman would be to convert all biogas to Renewable Natural Gas (RNG), deliver it to a natural pipeline, pay Norman 10% of the net revenue from the sale of RNG, and minimize the impact on operations at the WWTP.

Mr. Selig said there is not as much gas from biosolids as anticipated; however, the City has a lot of excess capacity in its existing digesters so Entegriy can add food waste without increasing costs for equipment upgrades. He said Entegriy will try to find ways to make it advantageous for businesses/citizens to bring food waste to the WWTP. Mr. Darrel Pyle, City Manager, said the University of Oklahoma (OU) and Norman Public Schools are good sources for food waste.

Councilmember Bierman said this discussion is great because the recycling program continues to change and there has been a lot of recent discussion regarding food waste composting.

Councilmember Holman asked how leftover solid waste (sludge) is currently handled and Mr. Komiske said the biosolids can be dried and taken to a landfill or placed directly on fields of land. He said the biosolids are tested to ensure there are no metals present that could be harmful to the soil.

Councilmember Bierman asked what safety risks are associated with these types of facilities and what mechanisms are put into place to mitigate them. Mr. Gates said there are definitely physical safety measures that will be put into place as gas will be coming out of the digesters. He said the facility may fall under the Occupational Safety and Health Administration (OSHA) regulations because of the amount of fuel that would be produced on site; however, any third party will be capable and well equipped to handle anything that might arise so risk is very low.

Next steps include amending the current Project Development Agreement (PDA); performing a food waste survey; performing a financial analysis; finding suitable land for a facility owned and operated by Entegriy; and negotiating a Biogas Project Agreement.

Items submitted for the record

1. PowerPoint Presentation entitled, "Entegrity Energy.Integrity. – Norman Renewable Natural Gas"

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The meeting was adjourned at 6:15 p.m.

ATTEST:

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City Clerk

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Mayor