



## City of Nampa Public Works Business Item

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<b>TO:</b>	Mayor and Council
<b>FROM:</b>	Tom Points
<b>NUMBER:</b>	{{section.number}}-4
<b>DATE:</b>	April 21, 2025
<b>SUBJECT:</b>	<b>Action Item:</b> Authorize Public Works staff to proceed with Bipartisan Infrastructure Law Section 40302 Carbon Utilization Procurement Grant application, Funding Opportunity Announcement No. DE-FOA-0002829 for Biogas Resource Recovery at the Water Renewal Facility.

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### Background Summary:

- During the anaerobic digestion process at the Wastewater Treatment Plant (Water Renewal Facility), gas is produced that has the potential to be recovered, cleaned and reused
- In 2019, the Wastewater Design Review Committee (DRC) requested an analysis of potential biogas resource recovery options. Brown & Caldwell investigated three alternatives for biogas resource recovery (Exhibit A):
  - Alternative 1: Cogeneration with Internal Combustion Engine
  - Alternative 2: Biogas upgrade for injection into pipeline as renewable natural gas (RNG)
  - Alternative 3: Biogas upgrade for use in vehicle fuel as compressed natural gas (CNG)
- Brown & Caldwell subsequently recommended Alternatives 2 and 3, which showed potential for providing a revenue source to the city through the sale of RNG and CNG
  - Companies such as Valley Regional Transit and Republic Services operate a portion of their fleet on CNG, and would therefore be potential end users of biogas produced at the Water Renewal Facility
- Grant funding is being pursued to cover the cost of cleaning and injecting biogas into the pipeline as RNG, or compress and store CNG on-site

- The Office of Fossil Energy and Carbon Management issued the Funding Opportunity Announcement (FOA) for projects that demonstrate significant net reductions in life cycle greenhouse gas emissions (Exhibit B)
- The proposed Water Renewal Facility Biogas Resource Recovery project satisfies the criteria of the Bipartisan Infrastructure Law Section 40302 Carbon Utilization Procurement Grant application
- Funds for grant awards will be appropriated by the Bipartisan Infrastructure Law (BIL) (Exhibit C)

### **Reason for Project:**

- The project will reuse digester gas produced by the anaerobic digesters at the Water Renewal Facility. Instead of having potential environmental effects for methane emissions, the gas will be cleaned and scrubbed, creating a potential revenue source for the city

### **Funding/Project Costs:**

- Planning estimate for a project of this complexity and size is approximately \$10,000,000.00
- Maximum funding available from the grant is \$5,000,000.00
- City grant match is 50%. Maximum City match would be \$5,000,000.00. Request for budget authorization will be in a future year (earliest FY27) and funded from Water Renewal capital
- Closing date for applications is April 30, 2025

### **Staff Recommendation:**

- Staff recommends authorizing Public Works to proceed with Bipartisan Infrastructure Law Section 40302 (BIL) Carbon Utilization Procurement Grant application, Funding Opportunity Announcement No. DE-FOA-0002829 for Biogas Resource Recovery at the Water Renewal Facility

### **Attachments:**

- Exhibit A: Brown & Caldwell Biogas Brief to Design Review Committee
- Exhibit B: BIL Carbon Utilization Procurement Financial Funding Opportunity Announcement
- Exhibit C: Grant Opportunity Summary