

**MEMORANDUM OF AGREEMENT
BETWEEN CITY OF SAN LEANDRO AND PORT OF OAKLAND
REGARDING BIOGAS/RENEWABLE NATURAL GAS UTILIZATION**

- 1. Parties.** This MEMORANDUM OF AGREEMENT BETWEEN CITY OF SAN LEANDRO AND PORT OF OAKLAND REGARDING RENEWABLE NATURAL GAS (“MOA”) is made by and between the City of San Leandro, a municipal corporation, acting by and through its City Council (“San Leandro”) and the City of Oakland, a municipal corporation, acting by and through its Board of Port Commissioners (“Port”) (together referred to as the “Parties”).
- 2. Purpose.** The purpose of this MOA is for the Port to purchase and use Renewable Natural Gas (RNG) generated from San Leandro’s Waste Pollution Control Plan (WPCP) at Port facilities or vehicles. The intent of this project is to lower the Port’s carbon footprint and avoid flaring of biogas at the WPCP. The Parties will fulfill this purpose in accordance with the below stated roles, responsibilities, and commitments.

This MOA is a nonbinding statement of intent, and no final decision or action on any particular project related to the MOA will be undertaken without review under the California Environmental Quality Act (“CEQA”); therefore, this MOA is not a project for the purposes of the California Environmental Quality Act (“CEQA”). Nothing in this MOA establishes any precedent for any other projects, agreements, or arrangements that may exist now or in the future in the Port Area (which means the area in Section 706 of the City Charter of the City of Oakland defined as the Port Area) or on Port-owned property or in San Leandro or on San Leandro-owned property. This MOA reflects a voluntary effort that does not create any legally binding rights or obligations. The Parties are not making any funding, contractual, programmatic, or other commitments or decisions on behalf of their respective agencies by entering into this non-binding MOA.

- 3. Term and Termination.** This MOA is effective upon the date last signed and executed by the duly authorized representatives of the parties to this MOA. This MOA may be terminated, without cause, by either party upon written notice provided to the signatories below.
- 4. Background.**
 - 4.1.** San Leandro currently operates a Waste Pollution Control Plant (WPCP), which 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. San Leandro plans to expand the WPCP to accept high strength waste from food processors and install a biogas upgrading system to produce renewable natural gas (RNG).

- 4.2. RNG from waste digesters is an approved fuel under the federal Renewable Fuel Standard and the California Low Carbon Fuel Standard when used in natural gas vehicles.
- 4.3. The high-value transportation market is where the majority of RNG production is utilized today, but there is growing interest in voluntary thermal end-use markets.
- 4.4. The Port, a key economic engine for the Bay Area region, encompasses the Seaport and the Oakland International Airport (OAK).
- 4.5. 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. In furtherance of this goal, since 2022, OAK has maintained its annual certification in the Airport Carbon Accreditation program, an aggressive carbon emissions reduction program that includes a greenhouse gas inventory review and voluntary activities. OAK has established a nonbinding reduction target of Scope 1 and Scope 2 greenhouse gas emissions of 50 percent by 2030 and 100 percent by 2040.
- 4.6. San Leandro wishes to produce and sell RNG to the Port, and the Port wishes to use RNG produced by San Leandro for various uses at the Airport.
- 4.7. On April 1, 2024, the Port submitted an application titled "Decarbonizing the Future: Renewable Natural Gas utilization at Oakland International Airport" for an Environmental Protection Agency ("EPA") administered Climate Pollution Reduction Grant for \$31,963,300. The funding would allow the Port to offtake RNG from San Leandro's WPCP for use at the Port's airport.
- 4.8. The project is contingent on the award of the Grant. If funded, this project is estimated to reduce cumulative greenhouse gas emissions by 11,900 metric tons of CO₂e from 2025-2030, and 71,000 metric tons of CO₂e from 2025-2050.

5. Roles, Responsibilities, and Commitments

5.1. Joint Roles, Responsibilities, and Commitments

5.1.1. Operating Model: San Leandro 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. This arrangement will benefit the project by allowing San Leandro to avoid flaring of RNG and gives the Port the ability to reduce its carbon footprint by using this RNG in its facilities or for transportation.

5.1.2. The Parties agree to cooperate, collaborate, and coordinate on negotiations and discussion relating to the Port's purchase of biogas/RNG from San Leandro. Port desires to serve as an offtaker of biogas/RNG and San Leandro desires to produce and sell RNG to the Port. Such negotiations and discussions may include, but are not limited to, pricing, term of agreement, quantity of

commodity purchase, quality of biogas/RNG commodity, and other potential terms that could form the basis of a contract between the Parties.

- 5.1.3.** The Parties agree to share non-confidential data and information to help them meet the goals under this MOA.
- 5.1.4.** The Parties agree to cooperate, collaborate and coordinate on evaluating options for construction of any pipeline to bring biogas/RNG from the WCPC to the Port, connecting the WCPC to compressed natural gas trailers, and/or transporting the biogas/RNG from the WCPC via truck or any other mutually agreed upon options that may arise to transport the biogas/RNG over and/or through San Leandro and Port property.
- 5.1.5.** The Parties intend to work together in good faith to work on achieving their common goals relating to the biogas/RNG from the WCPC, which may include regular remote or in person meetings between the Parties.

5.2. San Leandro's Role, Responsibilities, and Commitments

- 5.2.1.** San Leandro intends to install a biogas upgrade system at its WPCP to produce RNG. This production of RNG will reduce flared biogas.
- 5.2.2.** San Leandro will sell RNG to the Port at a price to be agreed upon and negotiated in good faith.
- 5.2.3.** San Leandro agrees to coordinate with the Port, share information, and collaborate with Port regarding any discussions between San Leandro and Pacific Gas and Electric Company (PG&E) regarding interconnection of the WCPC to the PG&E natural gas pipeline and negotiation status regarding any contract terms between San Leandro and PG&E.
- 5.2.4.** San Leandro agrees to coordinate with the Port and share information regarding the status of any other negotiations with other potential offtakers of RNG from the WCPC that could impact the Port's purchase of biogas/RNG from San Leandro.
- 5.2.5.** San Leandro will be accountable to the Port as the lead applicant for proper use of EPA funding and successful project implementation.

5.3. The Port's Role, Responsibilities, and Commitments

- 5.3.1.** The Port will pay San Leandro for RNG at a price to be agreed upon and negotiated in good faith.

5.3.2. The Port will offtake RNG from San Leandro, including undertaking any project management, analysis, design, construction, or installation of necessary equipment. This will require Port staff time.

5.3.3. The Port will use this RNG at Port facilities or in Port vehicles.

5.3.4. The Port is the applicant and will be accountable to EPA and accepts full responsibility for effectively carrying out the full scope of work and the proper financial management of the grant.

6. General Provisions.

6.1. No Limitation of Rights and Duties. Nothing in this MOA is intended to limit or abridge the Port's control and management of the Port Department, the Port's power and duty to act for and on behalf of the City of Oakland in the Port Area, or the Port's rights and duties under the City Charter of the City of Oakland. Similarly, nothing in this MOA is intended to limit or abridge the City of San Leandro's rights and duties.

6.2. Amendments. The parties may amend this MOA only by a writing signed by both Parties.

6.3. Third Party Beneficiaries. San Leandro and the Port renounce the existence of any third-party beneficiary to this MOA and agree that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status.

6.4. Sole Discretion. The Port retains the sole discretion to determine whether or not it will serve as an offtaker of biogas/RNG from the WCPC and whether it will purchase biogas/RNG from the WCPC.

6.5. Non-Binding Effect. This MOA is non-binding and does not create any legally binding rights or obligations. Neither Party is making any funding, contractual, programmatic, or other commitments or decisions by entering into this non-binding MOA.

6.6. Termination. This agreement may be terminated by either Party at any time, with or without cause, upon written notice to the other party.

[SIGNATURES CONTINUED ON NEXT PAGE]

PORT OF OAKLAND

CITY OF OAKLAND, a municipal corporation,
acting by and through its Board of Port
Commissioners,

By: _____

DANNY WAN, Executive Director

**THIS MEMORANDUM OF AGREEMENT
SHALL NOT BE VALID OR EFFECTIVE FOR
ANY PURPOSE UNLESS AND UNTIL
SIGNED BY THE PORT ATTORNEY.**

Approved as to form and legality:

By:

MARY C. RICHARDSON, Port Attorney

(Or Assistant Port Attorney or Deputy Port Attorney
signing on behalf of)

Port Resolution No.:

Board Approval Date:

PA#: 2023-

CITY OF SAN LEANDRO

CITY OF SAN LEANDRO, a municipal corporation,
acting by and through its City Council,

By:

Name:

Title:

Email:

Approved as to form and legality:

By:

, City Attorney