

CITY OF GRAND JUNCTION, COLORADO

RESOLUTION NO. 21-14

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A GRANT REQUEST TO THE COLORADO DEPARTMENT OF LOCAL AFFAIRS' (DOLA) ENERGY AND MINERAL IMPACT ASSISTANCE PROGRAM CNG INITIATIVE FOR CONSTRUCTION OF THE PERSIGO BIOGAS PROJECT

RECITALS.

Currently, Persigo Wastewater Treatment Plant "flares" or burns off approximately 100,000 cubic feet per day of digester gas and uses a fraction of the gas to heat the plant. Digester gas is methane that is created as a byproduct of processing waste. The methane biogas produced at Persigo when converted to CNG is the equivalent of 146,000 gallons of gasoline with an approximate 3 million pound reduction of CO2 emissions released in a year.

Other identified uses for the gas include powering micro-turbines to create electricity; selling the gas to Xcel Energy; compressing and scrubbing the gas to be used as bio-compressed Natural Gas (CNG) fuel.

The economics of taking "free" fuel and utilizing it as a vehicle fuel are obvious, not to mention the environmental benefits associated with using a clean fuel source. Current financial modeling shows the savings may be significant enough to pay back the initial infrastructure costs in as little as 10 years. This savings is over and above the savings we are already experiencing in our CNG program. Users will still receive CNG fuel at a savings of over \$2.00 per gallon compared to the price of diesel fuel per gallon.

The City is entering into a two phase contract with BioCNG to convert and transport biogas from Persigo to the CNG fueling station. The Department of Local Affairs is launching a CNG Initiative to fund projects that promote and advance the use of CNG as a vehicle fuel and the Persigo biogas project is an eligible project. This is a request to authorize the City Manager to submit a request to the Colorado Department of Local Affairs for a \$500,000 grant to partially fund phase 2 of the project to construct the pipeline.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Grand Junction does hereby authorize the City Manager to submit a \$500,000 grant request in accordance with and pursuant to the recitals stated above to the Department of Local Affairs' Energy and Mineral Impact Assistance Program CNG Initiative for construction of the Persigo Biogas Project.

Dated this 2nd day of July, 2014.



Stephanie Lee
City Clerk

Barbara Forrie
President of the Council