

BOARD MEETING DATE: June 03, 2022

AGENDA NO. 6

PROPOSAL: Amend Contract for Kore Infrastructure Project

SYNOPSIS: In November 2021, the Board approved a contract amendment for Kore Infrastructure, LLC (Kore) for a Renewable Natural Gas Commercial Field Test project, including construction of a pyrolysis system on Southern California Gas Company property in Los Angeles. The project is to test various biomass feedstocks for commercial production of renewable natural gas. This action is to amend the contract with Kore to extend the term of the contract to May 31, 2023, to complete testing and reporting.

COMMITTEE: Technology, May 20, 2022; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chair to amend the contract with Kore Infrastructure, LLC to extend contract term to May 31, 2023.

Wayne Natri
Executive Officer

AK:JL

Background

In November 2021, the Board approved a contract amendment providing Kore a six-month extension to complete a renewable natural gas commercial field test project. The Kore project includes constructing a pyrolysis system and testing the system with various biomass feedstocks to understand the potential of using these biomass feedstocks for the production of commercial scale quantities of renewable natural gas.

The pyrolysis system is now operational, and Kore has begun testing and acquiring data. The system will continue to be tested at various temperatures to identify the most efficient operational parameters to produce renewable natural gas. In addition, a pressure swing absorption system will be added to allow the system to produce

renewable hydrogen. Renewable hydrogen production was not in the original project scope but is being added to the project at no additional cost to South Coast AQMD.

Proposal

The current contract with Kore is scheduled to expire on June 30, 2022. Staff is recommending to amend the contract with Kore Infrastructure, LLC to extend the deadline to May 31, 2023, to complete testing of renewable natural gas and hydrogen. Southern California Gas Company has extended land-use agreements with Kore from July 1, 2022, to September 30, 2022. These extensions will allow Kore additional use of the property to complete testing for the production of renewable hydrogen and natural gas along with providing final reports to South Coast AQMD.

Kore is ensuring continued compliance with all permitting authorities having jurisdiction, including the City of Los Angeles and South Coast AQMD at the field test project at the Olympic site. Staff will continue to maintain communications along with biweekly meetings with Kore and Southern California Gas Company staff along with site visits to monitor progress.

Benefits to South Coast AQMD

The South Coast Air Basin is classified as an extreme nonattainment area for ozone. Wide-scale deployment of advanced technologies, including near-zero emission engines and fuel cells, is a critical step toward achieving the air quality standards which will have considerable public health benefits for our region. When combined with renewable fuels, these technologies are expected to provide a near-term, cost-effective option for addressing criteria pollutants. Ensuring greater supply of locally produced renewable fuels will address local, state and federal environmental regulations and goals.

Resource Impacts

There is no fiscal impact associated with this no-cost time extension to an existing contract.