

BOARD MEETING DATE: November 5, 2021

AGENDA NO. 7

PROPOSAL: Amend Contract for Renewable Natural Gas Infrastructure Project

SYNOPSIS: In March 2021, the Board approved a contract amendment for Kore Infrastructure LLC for a Renewable Natural Gas Commercial Field Test project, including construction of a pyrolysis system on Southern California Gas Company property in Los Angeles. This action is to amend the contract with Kore Infrastructure LLC to extend the term to complete all tasks including testing and reporting by June 30, 2022.

COMMITTEE: Technology, October 15, 2021; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to amend the contract with Kore Infrastructure LLC to extend the term to complete all tasks including testing and reporting by June 30, 2022.

Wayne Natri  
Executive Officer

MMM:NB:JI:PMB

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**Background**

In March 2021, the Board approved a contract amendment providing a six-month extension to complete milestones for the Kore Infrastructure LLC's (Kore) Renewable Natural Gas Commercial Test project on Southern California Gas Company (SoCalGas) property in Los Angeles. The milestones included completing construction, commissioning, initiating system tests, demonstrating its pyrolysis system, and reporting. Although Kore has made substantial progress on construction since March 2021, additional project delays, including permitting efforts associated with installing new water and gas lines, resulted in Kore not being able to commence commissioning efforts until mid-to late-October 2021. Due to the extent and duration of the delays, and that the term of the current contract expires on December 31, 2021, Kore is requesting additional time to complete the project.

### **Proposal**

Staff proposes amending Kore’s contract to extend the contract term to June 30, 2022, to complete construction, commissioning, system tests, demonstrate its pyrolysis system and reporting. In addition to SoCalGas’ land-use agreements and South Coast AQMD permits, Kore is ensuring continued compliance with all permitting authorities having jurisdiction, including the City of Los Angeles, to continue construction of the field test project at the Olympic site. Staff will continue to maintain communications with Kore staff and SoCalGas and will continue site visits to monitor progress. This action is to amend the contract with Kore Infrastructure LLC to extend the deadline and term of contract to complete construction, commissioning, testing, and reporting to June 30, 2022.

### **Benefits to South Coast AQMD**

The South Coast Air Basin is classified as an extreme nonattainment area for ozone under the federal Clean Air Act. 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 and its near-zero carbon footprint, these technologies are expected to provide a near-term, cost-effective option for addressing criteria pollutants and achieving GHG benefits. Ensuring greater supply of locally produced renewable fuels will address local, state and federal environmental regulations and goals. This proposed project is included in the *Technology Advancement Office Clean Fuels Program 2020 Plan Update* under the category of “Infrastructure and Deployment,” specifically as “Demonstrate Natural Gas Manufacturing and Distribution Technologies including Renewables.”

### **Resource Impacts**

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