



REQUEST FOR INTEREST
RFI 1-2010 ESD
CEC Biomethane to Fuels Grant Proposal
at the
City of San José /Santa Clara Water Pollution Control Plant
Issued: January 8, 2010

Responses due by January 19, 2010 (5:00 pm PST)

**PLEASE TAKE NOTE THAT THIS IS A MANDATORY
PRE-SELECTION PROCESS FOR A POSSIBLE
SUBSEQUENT REQUEST FOR PROPOSALS**

Contact for questions and responses due to Jeff Krump at jeff.krump@sanjoseca.gov

1. INTRODUCTION

The City of San José Environmental Services Department is requesting Letters of Interest from vendors of Anaerobic Digestion (AD) technology interested in submitting a proposal for locating a biomethane to transportation fuel production facility on San José/Santa Clara Water Pollution Control Plant lands. The City of San José (City) intends to use the information submitted to help secure up to \$10 million from the [California Energy Commission \(CEC\) Alternative and Renewable Fuel and Vehicle Technology Program Grant PON-09-003](#). The San José City Council memo regarding this grant application is posted as part of this Request for Interest.

The ability of interested vendors to present competitive project descriptions that address CEC requirements in their Letters of Interest will enable the City to secure funding for the development of an AD project. If the City is awarded a grant, the City will issue Request for Proposals (RFP) to select a proposer to complete the project. **Only firms responding to this Request for Interest will be given the opportunity to respond to the RFP.** Any grant award received would be used to offset the design and building costs of the facility as an incentive for private proposers who can leverage their resources to develop a facility for biomethane production and a vehicle fueling station.

The deadline for this grant has recently been extended to January 25, 2010, presenting the City with an opportunity to submit an application for funding.

2. BACKGROUND

Project Goals and Objectives

An anaerobic digestion energy recovery and transportation fuel facility located on Plant lands has the potential to help the City achieve its [Green Vision](#), a comprehensive strategy that aims to have San José lead the nation in achieving ten environmental goals including waste diversion, renewable energy production, and conversion of City fleets to alternative fuel vehicles. San José has evaluated conversion technologies as part of its Zero Waste Strategic Plan and determined anaerobic digestion to be an appropriate large scale technology to help meet its Green Vision.

Benefits of Partnering with San José at the Water Pollution Control Plant

The San José/Santa Clara Water Pollution Control Plant (Plant) is one of the largest advanced wastewater treatment facilities in California. It treats and cleans the wastewater of over 1,500,000 people that live and work in the 300-square mile area encompassing San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno. After more than 50 years of continuous operation the Plant has determined that it is time to rebuild infrastructure and consider new technologies, as well as make decisions about how to best use the Plant's 2,600-acre property. To accomplish this, the City of San José and tributary agencies are developing a [Plant Master Plan](#) that will create a vision for the Plant's next 30 years of operation.

The Plant offers several opportunities for siting a biomethane production and transportation fuel facility. There may be an opportunity for the Plant to lease a site to a proposer for the project. The Plant has sixteen anaerobic digesters constructed in 1956, and each holds up to 2 million gallons of wastewater. Two or three of the digesters not in use and in need of refurbishing can be made available for an anaerobic digestion/energy conversion project.

The grant funds are available for the portion of the capital costs that would be used to build infrastructure for fuel generation. Funds would be used to offset the design, development, and construction costs of the biomethane and transportation fuel facility to the extent allowed by the CEC. In addition to digester capacity, the Plant location offers opportunities for the development of fueling infrastructure for both private and public vehicles, including the Valley Transportation Authority (VTA).

There may also be a portion of the methane used for energy generation. The Plant itself provides a local market for energy/products produced. The electricity, steam/heat, or biofuel created by this facility may be used by the Plant or the Plant's fleet of vehicles or by potential future developments on Plant lands. The energy/products produced by the facility could also be used by the private sector, including Calpine, which operates a power production facility nearby. Additional infrastructure benefits include the ability to return process wastewater into the plant treatment system if needed, a supply of recycled water, and an on-site rail spur owned by the City.

3. PURPOSE

The purpose of this Request for Letters of Interest is to prepare a project description for the grant application. Once the Letters of Interest are received, City staff will work with consultant teams from Carollo Engineers and HDR to prepare this project description based on the scope of technologies represented in the responses. As such, the City will be using the responses to the RFI to complete the project description for the grant application.

4. RFI PROCESS AND TIMELINE

4.1 RFI TIMELINE

RFI Request Released	January 8, 2010
Deadline for Questions	January 11, 2010 5:00 pm Pacific Time
City's Response to Questions Posted on BidSync	January 13, 2010
RFI response Due	January 19, 2010 5:00 pm Pacific Time

5. CONTACT INFORMATION

Please submit questions and responses via email to:

Jeff Krump
Environmental Services Department
City of San José
jeff.krump@sanjoseca.gov

6. RFI RESPONSE INFORMATION

- 6.1 Interested vendors shall submit a signed Letter of Interest on company letterhead stating a non-binding interest in providing a proposal for the project. The Letter of Interest should include a brief summary of the proposed project/process, including biomethane production as well conversion to transportation fuel. The proposed project must be eligible for funding under PON-09-003.
- 6.2 Project delivery approaches from potential technology developers should include details such as: estimations of fuel sources (e.g. TPY, ownership of materials); facility size; process description; facility inputs (e.g. fuels, electricity, labor); all energy, fuel, and other products produced by the project; financing approach; permitting and CEQA timeline strategy; and a range of estimated costs for the energy/products produced by the project.
- 6.3 All process units should be defined and an estimated range of production/year should be provided. The estimate of costs is non-binding and is for the sole purpose of providing financial information for the grant. Nothing in the Letter of Interest will create any binding obligations for the vendor or City.

7. GENERAL INFORMATION

- 7.1 This Request for Interest will not result in the recommendation of or selection of any firm, or the issuance of a purchase order or agreement of any type.
- 7.2 All correspondence with the City including responses to this RFI become the exclusive property of the City and become public records under the California Public Records Act (Cal. Government Code section 6250 seq.). If portions of the RFI are marked “Confidential”, “Trade Secret” or “Proprietary”, the City will provide Proposers who submitted the information with reasonable notice if the information is proposed for use in the grant application or any other public disclosure.
- 7.3 Responders are responsible for any and all expense that may be associated with responding to this request.