



September 14, 2023

Recommendation

Authorize the General Manager to (1) execute an Amendment to the Agreement for Natural Gas Services between Long Beach Utilities Department (LBUD) and certain customers that operate compressed natural gas fueling stations within the City of Long Beach for a two-year period and exercise the option to renew for three additional one-year periods; and (2) enter into a Natural Gas Purchase and Sale Agreement between LBUD and Anew RNG, LLC to allow physical biogas transactions.

Executive Summary

Anew RNG, LLC is North America's leading full-service biomethane marketing group. The company partners with farmers, landfill operators, and wastewater treatment plants to generate renewable fuel and bring it to market for utilities, fleet operators, and voluntary buyers seeking cleaner energy.

In recent years, California's transportation sector has increased efforts to reduce greenhouse gas emissions and LBUD is able to support this work through delivery of biogas. By entering a Purchase and Sale Agreement with Anew along with the Amendment, LBUD will be able to procure renewable natural gas (RNG) equal to the volume of natural gas otherwise consumed by CNG-powered fleet customers.

On November 17, 2022, staff published the Request for Proposals for the Renewable Natural Gas Supplier (ER-22-173). On February 13, 2023, two bids were received, opened, and evaluated. Anew RNG, LLC was deemed to be the most responsive bidder based on their proposed revenue sharing agreement with LBUD and ability to deliver biofuel. The bid tabulation is attached.

Fiscal Impact

There is a positive fiscal impact associated with the requested action. The RIN and LCFS revenue sharing provisions in this action are estimated to generate approximately \$244,994 annually to the Gas Fund.

Diana C. Tang
Assistant General Manager

Christopher J. Garner
General Manager

Attachment

Renewable Natural Gas Supplier ER-22-173

No.	Vendor	Identification/Certification	Estimated Revenue*
1	Anew RNG, LLC	Disclosed: None	\$244,994 annually
2	Clean Energy Fuels	Disclosed: None	\$197,250 annually

DBE: Disadvantaged Business Enterprise	LBSBE: Long Beach Small Business Enterprise
DOBE: Disability-Owned Business Enterprise	SBE: Small Business Enterprise
MBE: Minority Business Enterprise	VSBE: Veteran-owned Small Business Enterprise
MIC: Microbusiness	WBE: Women-owned Business Enterprise
OSB: California Office of Small Business	

The Request for Proposals (RFP) document was made available from the Purchasing Division website at <https://www.longbeach.gov/finance/business-info/purchasing-division/>.

- 16 potential vendors were notified of this opportunity.
- 14 prospective bidders downloaded the bid document.
- 2 bids were received on February 13, 2023 (see above matrix)

An RFO announcement was also included in the City's Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 42 local, minority-owned, and women-owned business groups.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit bids for City contracts. The City's Purchasing Division also assists businesses with registering on the Long Beach Buys database to download RFPs.

- 42 Long Beach vendors were notified to submit bids.
- 0 downloaded the plans and specifications.
- 0 submitted a bid.