

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: May 11, 2020

To: Jason E. Brown, County Administrator

From: Vincent Burke, PE, Director of Utility Services

Prepared by: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District

Subject: Landfill Gas to Energy Project - Approval for Indian River EcoDistrict's request to Change Commencement Date

Descriptions and Conditions:

On July 16, 2019, the Indian River County (IRC) Solid Waste Disposal District (SWDD) Board approved an agreement with the Indian River Eco-District, LLC (IREDD) for a Landfill Gas (LFG) to Energy Project, wherein they purchase the LFG for producing electricity and/or Renewable Natural Gas (RNG).

The initial term of the LFG agreement is for 20 years following the LFG commencement date, and there are two consecutive 10-year renewal terms included in the agreement. The LFG Commencement Date was one year from the effective date of the agreement, which is one year from July 16, 2019, or July 15, 2020. Otherwise, SWDD can issue a written notice to IREDD electing to terminate the agreement within six months unless Force Majeure events, or the acts or omission of SWDD, allow for a cure. If IREDD is able to commence within the six months, then the agreement does not terminate.

IREDD has submitted a request for an extension of the LFG commencement date from July 15, 2020, to September 30, 2021, based on their desire to pursue a RNG project.

Analysis:

The primary support for entering into a long-term (potentially up to 40 years) agreement with IREDD was that, compared to the current practice of flaring the landfill gas, it was more beneficial for the health, safety and welfare of the citizens of Indian River County that we either produce electricity or RNG from the landfill gas.

During contract negotiations, staff was persistent in making sure that the agreement included the option for a RNG project as that provided more financial opportunity to SWDD than just a gas-to-electricity project. Therefore, staff is supportive of IREDD's request to pursue a RNG project.

Although staff did not anticipate a 14-month delay in the project, the complexities associated with a RNG project have added time to the process, and ultimately the overall successful outcome of this project continues to be a benefit to SWDD and our community.

Staff recommends approval of IRED's request for an extension to the commencement date based on negotiation of a revised agreement, which will need to be brought back to the SWDD Board for approval at a future meeting. Staff is proposing that Article 6.7 of the agreement that references 225 standard cubic feet per minute (SCFM) for use by SWDD for the processing of leachate be increased to 350 SCFM based on technical advice from consulting engineers. In addition, staff is proposing that Article 13.1 be modified to only allow three months as the cure period for any further delay in the commencement date (i.e., cure on or before December 31, 2021).

Funding:

At this time, there are no funding implications for this Landfill Gas to Energy Project.

Recommendation:

Solid Waste Disposal District staff offers the following options for Board approval:

- a) Approve the request by the Indian River Eco-District, LLC to change the commencement date from July 15, 2020, to September 30, 2021.
- b) Authorize the County Attorney to prepare an amendment to the Landfill Gas Agreement to include the change in commencement date, the request to increase the landfill gas for a potential leachate project and to reduce the cure period from six months to three months for any further delay in the commencement date.

Attachments:

1. Letter from the Indian River Eco-District, LLC