

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2024-994

Introducer/Sponsor(s): Council Member White

Date of Introduction: December 10, 2024

Committee(s) of Reference: NCSPHS, F, TEU

Date of Analysis: December 12, 2024

Type of Action: Authorization to execute amended landfill gas rights agreement, lease agreement, easement agreement and 3-party contract; provision for grant of property access and use rights

Bill Summary: The ordinance would authorize the execution by the administration of several amended agreements: 1) an Amended and Restated Landfill Gas Rights Agreement between the City and Trail Ridge Energy, LLC; 2) a First Amendment to Lease Agreement between the City and Trail Ridge Energy; 3) Easement Agreement between the City and Trail Ridge Energy; and 4) a First Amendment to Three-Party Contract among the City, Trail Ridge Energy, and Trail Ridge Landfill, Inc. The amendments would provide for the expansion of the existing cooperative landfill gas recovery installation at the Trail Ridge Landfill and would provide for additional access and use rights to the landfill for Trail Ridge Energy.

Background Information: Since 2008 the three parties have participated in a landfill gas recovery operation at the Trail Ridge Landfill, which is owned by the City and operated by Trail Ridge Landfill, Inc., a subsidiary of Waste Management Inc. Currently the methane gas from garbage decomposition is collected from the landfill and piped to a City-owned leachate tank, then to an evaporator to remove moisture, then to an onsite gas-to-energy plant operated by Trail Ridge Energy to generate electricity which is delivered to JEA for distribution. In the future the gas will be cleaned and piped to a liquified natural gas (LNG) plant on Normandy Boulevard for distribution. The parties desire to expand the operation and the amendment would authorize extension of the term of the existing agreement for an additional 20 years through March 31, 2049, with an additional automatic 5-year renewal through March 31, 2054, followed by additional 1-year renewals until and unless terminated by one of the parties in writing.

Policy Impact Area: Trail Ridge Landfill methane gas capture and use

Fiscal Impact: The agreement provides that Trail Ridge Energy will pay the City \$1 million upon agreement execution for the use of a City leachate storage tank and will either pay the City \$1 million for use of its evaporator or will supply and fuel its own evaporator, eliminating the need for the City to operate one. The financial terms of payments to the City for gas delivered to the plant and for a percentage of the company's sale of the gas to an end user remain unchanged.

Analyst: Clements