



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

SEPTEMBER 10, 2012

TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY *[Signature]*
CHIEF EXECUTIVE OFFICER

FROM: KRISHNIAH N. MURTHY *[Signature]*
EXECUTIVE DIRECTOR, TRANSIT PROJECT DELIVERY

SUBJECT: STAFF STUDY ON BIOGAS AS A RENEWABLE ENERGY FUEL

ISSUE

Metro staff is exploring the use of biogas as a significantly greener fuel compared to the natural gas currently used to fuel our buses. The use of biogas would advance the objectives of Metro's policies regarding environmental responsibility and use of renewable energy.

BACKGROUND

Biogas is beginning to be available in the marketplace. Pure biogas is primarily methane gas recovered from landfills, sewage treatment plants and farms. Staff has been in contact with several potential suppliers of biogas in order to gain a greater understanding of this emerging industry. Several utilities in the state have recently completed competitive procurements of biogas. While the use of biogas initially appears promising, given a number of recent legislative actions staff will need to evaluate how the use of biogas would affect our compliance with environmental and other applicable laws, regulations and standards and how it may affect our ability to generate, retain or sell carbon credits. Biogas is generally anticipated to have a higher cost than natural gas. Cost will be evaluated along with the terms and conditions of multi-year contracts that would likely be required by producers. Based on our current understanding of biogas, this fuel has the potential to help us reach our renewable energy goal and effectively reduce our agency's greenhouse gas emissions.

NEXT STEPS

Staff will research the cost, technical and regulatory aspects of using biogas and will subsequently update the Board.