

CONSIDER APPROVAL OF RESOLUTION 2026-05 Authorizing Participation in SPURR LCFS Program

JULY 1, 2026



RECOMMENDATION



- **Consider approval of participation in School Project for Utility Rate Reduction (SPURR) Low Carbon Fuel Standard (LCFS) Program**
- SPURR is a joint powers authority (JPA) made up of over 340 California public agencies to assist program participants in the procurement of utility related good and services
- SPURR's LCFS program facilitates generation of revenue from LCFS and RIN credits related to low-carbon transportation fuels and zero-emission infrastructure
- Any CNG station operator that is also a California public agency is an "Eligible Entity" and may participate in this program. GCTD's CNG fueling station qualifies for participation in the program



BACKGROUND

Historically, the District has procured compressed natural gas (CNG) fuel and administered its Low Carbon Fuel Standard (LCFS) credits through a single contract

Currently, the fuel supplier (Clean Energy) is responsible for providing fuel and managing the District's LCFS participation

- The current contract ends in September 2026

After a review of procurement options and fuel pricing trends, staff are now proposing separating these functions into two distinct programs:

1. LCFS Program Administration

For this item, staff propose participating in SPURR's LCFS program



LCFS Program Details

This approach allows the District to benefit from SPURR's expertise, economies of scale, and improved LCFS credit management while providing greater visibility into LCFS and RIN revenues

In 2025, SPURR issued a formal RFP (which Clean Energy took part in) for LCFS credit monetization that resulted in an award to US Energy

- U.S. Energy provides 22.5% RIN and LCFS credits
- U.S. Energy is providing -250 CI RNG
- U.S. Energy payments are based on the OPIS Index credit pricing, a subscription-based pricing index that provides transparency and ability to verify the pricing

Fuel Commodity RFP



2. Fuel Procurement RFP

- With this action, staff will also issue a separate competitive solicitation for CNG fuel supply
- The new procurement will focus exclusively on fuel pricing and will explore pricing structures that utilize hedging strategies to reduce fuel price volatility and secure favorable pricing
- The benefits to GCTD would include transparent pricing, the ability to lock in historically low natural gas rates in order to hedge against future volatility, and the ability to evaluate proposals solely on fuel costs
- Staff would bring back the results of the RFP for award approval at the September Board meeting

RECOMMENDATION



Recommendation:

- Authorize the General Manager to sign agreement to participate in SPURR LCFS Program effective September 2026 (to coincide with result of fuel RFP award)
- Allow General Manager or designee to execute all necessary agreements and administrative actions to participate.

Questions?

