

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 9, 2025

To: The Mayor
The City Council

From: Matthew W. Szabo, City Administrative Officer *Malika Billups* for

Subject: **INNOVATION FUND RECOMMENDATION – FORK-TO-FUEL INITIATIVE**

RECOMMENDATION

The Office of the City Administrative Officer recommends that this committee note and file this report.

SUMMARY

The Innovation and Performance Commission (IPC) approved funding in the amount of \$203,632 from the Innovation Fund (IF) for the Bureau of Sanitation (LASAN) – Fork-To-Fuel Initiative pilot project. As with all IPC recommendations, this report presents for your consideration the proposal LASAN submitted and the IPC approved, along with information necessary to implement the idea as presented. However, since all IPC items are discretionary expenditures, in deference to the extraordinary budget constraints outlined in the Third (Mid-Year) Financial Status Report, this Office does not recommend funding the proposal as presented at this time.

SUMMARY OF PROPOSAL

The following is a summary of LASAN's Innovation Fund proposal, including the department's estimate of the benefits and costs of implementing the proposal:

LASAN is proposing to use innovative technology to study the effectiveness of converting grease waste into renewable fuel. LASAN will partner with small, local food services establishments (FSEs) and World Energy, the only local advanced-clean energy supplier, to install automatic grease removal devices (AGRDs) that will capture brown grease waste, a by-product of restaurant kitchen operations, and convert that waste into sustainable aviation fuel (SAF), renewable diesel, and gasoline. Currently, brown grease, typically generated by commercial and residential sources, pose numerous environmental challenges, such as clogging City sewer systems, increased repair costs, and negative impacts on water quality. This pilot would run for two years and will contribute to reducing greenhouse gas emissions, aligning with the Sustainable City pLAn's objectives of diverting 100% of waste by 2050 and achieving carbon neutrality by 2045.

LASAN has listed the pilot project objectives as follows:

- Determine the feasibility of establishing a market for brown grease similar to yellow grease
- Generate renewable diesel from the collected brown grease

- Help restaurants achieve zero-waste
- Educate the public about diverting fats, oil, and grease (FOG) from kitchen sinks

LASAN will issue a task order solicitation to solicit bids from various waste-collection manufacturers to provide 20 FSEs, not including night markets and street vendors, with AGRDs to collect brown grease. LASAN would cover all costs for restaurants related to the pilot including installation, equipment purchase, and grease pick-up. LASAN will transport the collected waste to World Energy, who will test the quality of the waste and blend with feedstock to create renewal energy. LASAN has researched other advanced-clean energy suppliers and determined that distance for the small volumes of waste collected through this pilot project would not be cost effective or sustainable.

LASAN plans to track the pilot data through grease collection logs kept by feedstock haulers and restaurant staff that will be analyzed to identify trends, calculate total volumes, and assess compliance with World Energy specifications. LASAN will also track if sewer system maintenance costs are reduced through this pilot, due to decreased grease buildup, and how this pilot can streamline waste management efforts. If proven successful, this pilot can provide cleaner, alternative fuels for the City-fleet diesel-powered vehicles as well as the Los Angeles World Airports and Port of Los Angeles. This pilot will also raise the City's visibility through its implementation of an innovative renewable energy technology.

The IPC recommended \$203,632 for the Bureau of Sanitation – Fork-To-Fuel pilot project.

Item	Description	Unit	Quantity	Unit Price	Total
1	AGRD Purchase and Installation	ea	20	\$5,000	\$ 100,000.00
2	Program Management	ea	1	\$18,000	\$ 18,000.00
3	Grease Pumping	ea	80	\$250	\$ 20,000.00
4	Public Education and Outreach	Event	6	\$5,000	\$ 30,000.00
5	Grease Transportation	Trip	240	\$100	\$ 24,000.00
6	Plastic Drum with lid, 55 Gallon	ea	40	\$95	\$ 3,800.00
	Subtotal (1)				
	Contingency (% of subtotal 1)				
	Total PRD Project Cost Estimate				

LASAN is looking into seeking additional funding sources by applying for the Energy Efficiency Conservation Block Grant. If the pilot proves successful, LASAN will look to partner with the Los Angeles Fair Chance Program & Workforce Development for future technician positions to handle processed materials. While the pilot project will not be monetized, the data collected during the pilot can be used to create a brown grease market.

If the item is approved by this Committee, LASAN should return to the IPC, present any changes to the scope of work and provide updates to the IPC.

FISCAL IMPACT STATEMENT

The recommendation to note and file this report will have no financial impact.

If the Council approves an allocation of \$203,632 to LASAN for the Fork-To-Fuel pilot project it would reduce the remaining Innovation Fund Balance, which is currently \$2,768,922.75. Savings from the Innovation Fund Balance may be used to address the current city-wide financial crisis and the overspending in the 2024-2025 fiscal year. Additionally, funding this program may incur unfunded and ongoing costs.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies.

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