clean world
PARTNERS

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March 23, 2012

Mr. Robert B. Weisenmiller, Ph.D.
Chairman
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: RPS Proceeding, Docket Numbers 02-REN-1038 and 11-RPS-01; notice to Consider Suspension of RPS Eligibility Guidelines Related to Biomethane

Dear Chairman Weisenmiller:

Clean World Partners (CWP) has become deeply concerned about the California Energy Commission's Notice to Consider Suspension of the RPS Eligibility Guidelines Related to Biomethane. The wholesale moratorium proposed by the CEC will immediately and negatively impact the prospects for new projects, investment, and increased employment in California's emerging biogas industry. These are projects which clearly meet the current requirements of the RPS and whose attributes are quantifiable and verifiable under the SB X1-2 requirements.

Clean World Partners is a provider of anaerobic digestion technologies and systems. Our technologies which were originally invented by Dr. Ruihong Zhang at UC Davis, whose research was largely funded by the Public Interest Energy Research (PIER) program under the California Energy Commission. Since acquiring the license from UC Davis to commercialize the technologies, Clean World Partners has received funding from the CEC to conduct feasibility analysis and pre-development work for its Sacramento Bio-Refinery #1. This project, which will be located at the Sacramento County South Area Transfer Station, is now currently under construction. Recently, CWP completed the construction of its first anaerobic digester facility, located at American River Packaging in Sacramento—the first digester in the state to process high-solid food and paper waste. We are currently designing 5 additional projects in California, two of which will be completed by the end of 2012. As a company, we have spent millions of dollars of private capital, and employed over 25 people in the design, development and construction of these facilities. The product is being manufactured in Marysville, CA and we expect to deliver our technology around the world. We are now deeply concerned that this huge investment of both capital and time that we have spent to date will be significantly marginalized and that the CEC's actions will dramatically affect our company and industry in a very negative way.

As a member of the American Biogas Council, we fully support the organization's claims and have agreed to sign their letter, which was also directed to you. Of the 118 projects that the ABC says are currently under development in California, Clean World Partners' projects represent over 5% of them, with capital investment equaling well over $40M. Using the

Sacramento Trade and Commerce Trade Organization's (SACTO) jobs calculator, this investment equates to almost 270 direct jobs, 168 jobs through indirect and induced activities and $26M of output through induced activities.

What is equally concerning, is the signal that your agency is sending to the investment community. At a time when companies such as Clean World Partners are seeking capital to expand our businesses and develop projects, what investors need is certainty. The investments that have been made in the biogas space are significant. Pulling the rug out from under the feet of the industry by causing uncertainty will cause that investment to go elsewhere. The agency's about-face at the request of the California Legislature is alarming. It is very clear that the Wind and Solar Industries are at the root of the legislature's activities. We cannot allow this type of behavior, which would cause the CEC to unintentionally create winners and losers.

CWP does not oppose eliminating the use of out of state biogas as an RPS credit by CA utilities. However, we strongly believe that instate biogas projects should have equal status with all other renewable sources of energy. We strongly urge the CEC to take appropriate action to protect California jobs by protecting the use of biogas technologies to address the significant environmental goals laid out by the State of California. While developing the necessary policy to lower greenhouse gas emissions, such as AB 32, AB 341 and SBX 1-2, it is equally important for the government to create policies that provide a solid ground for investment to create and protect industry and jobs.

Sincerely,

Michele C. Wong
Chief Executive Officer

CC:
John Laird, Secretary, California Natural Resources Agency
Carla Peterman, Commissioner
Karen Douglas, Commissioner
Steven Bradford, Assemblymember, 51st District
Wesley Chesbro, Assemblymember, 1st District
Nancy Skinner, Assemblymember, 14th District
Darrell Steinberg, Senate President Pro Tempore
John A. Perez, Speaker of the Assembly
Gareth Elliot, Office of the Governor
Cliff Rechtschaffen, Director, California Department of Conservation
Carroll Mortenson, Director, CalRecycle
John Laird, Secretary of Natural Resources
Scott Smithline, Assistant Director, CalRecyle