COUNTY SANITATION DISTRICTS
OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (562) 699-7411, FAX: (562) 699-5422
www.lacsd.org

GRACE ROBINSON CHAN
Chief Engineer and General Manager

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California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-RPS-01 and Docket No. 02-REN-1038
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

To whom it may concern:

Comments of County Sanitation Districts of Los Angeles County on the
Notice to Consider Suspension of the RPS Eligibility Guidelines Related to Biomethane

The California Energy Commission issued the *Notice to Consider Suspension of the RPS Eligibility Guidelines Related to Biomethane* (Notice) on March 16, 2012 (Docket Numbers 02-REN-1038 and 11-RPS-01, RPS Proceeding). The Notice states that as part of the March 28, 2012 Business Meeting, the Commission will consider suspending previously adopted guidelines that allow electric generation facilities to be certified as eligible for the Renewables Portfolio Standard (RPS) if the facilities use biomethane to generate electricity. The County Sanitation Districts of Los Angeles County (Sanitation Districts) respectfully submit the following comments in response to the Notice.

The Sanitation Districts are an organization of 23 independent special districts that provide wastewater treatment and solid waste management for 5.4 million residents of Los Angeles County. The Sanitation Districts treat approximately 460 million gallons per day of wastewater at 11 wastewater treatment plants and accept 9,000 tons per day of solid waste at three active landfills. These facilities, along with three closed landfills, produce biogas as a natural byproduct of the wastewater treatment and solid waste management processes. The Districts have a longstanding commitment to develop their biogas resources for the production of renewable energy. Currently, the Sanitation Districts produce 80 MW of RPS-eligible electricity from biogas at five power plants.

The Districts are constantly seeking new opportunities to utilize their resources for the development of new renewable energy projects. One such opportunity that is currently being explored is co-digestion of food waste with wastewater solids to augment digester gas production. Preliminary studies have indicated that an attractive option for use of additional biogas would be biomethane production for pipeline injection. This project would offer many of the unique benefits to California that the RPS program, as recently modified by SB X1-2, was designed to provide, including:

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- Displace fossil fuel consumption within the state;
- Reduce emissions of greenhouse gases associated with electrical generation; and
- Help meet the state's need for a diversified and balanced energy generation portfolio

In addition, this project would assist the State in meeting the statewide goals of diverting 75 percent of municipal solid waste from disposal facilities by 2020 and reducing by 50 percent the amount of organics in the waste stream by 2020.

Wastewater treatment plants are uniquely positioned to take advantage of the opportunities that exist for biogas production through anaerobic digestion of organic waste streams. The agencies that operate the facilities have the technical expertise needed to handle such projects. The treatment plants also have existing infrastructure that can be utilized for co-digestion with minimal capital investment. A 2009 Staff Paper from the California Energy Commission[1] recognizes the significant potential that exists at California wastewater treatment plants to expand biogas resources through co-digestion. This Staff Paper estimates that the potential for 350 MW of electrical generation capacity is available through co-digestion of high strength organic wastes, such as food and dairy waste, at California wastewater treatment plants.

The Sanitation Districts and many other California wastewater agencies are nearing the point of decision making on whether to move forward with co-digestion and pipeline biomethane projects. However, an open-ended suspension of the RPS eligibility of pipeline biomethane would create uncertainty that would most likely freeze all progress on developing these projects. These are projects that provide the unique benefits to California that the RPS was designed to achieve and do not have the attributes that have led to the proposed suspension. For this reason, the Sanitation Districts recommend that the suspension have a definite term of expiration, after which time any extension of the suspension would be reconsidered by the Commission and open to a new hearing and comment period. The Sanitation Districts propose that the length of the suspension be limited to one year. This should be adequate time for the Commission and/or the Legislature to act to clarify eligibility conditions for pipeline biomethane.

The Sanitation Districts also recommend that the suspension clarify that it only encompasses pipeline biomethane and not other forms of biogas that are approved for RPS eligibility in the *Renewables Portfolio Standard Eligibility Guidebook, Fourth Edition* (RPS Guidebook). The February 22, 2012 letter from the Legislature that requested the suspension specifically requests that the Commission "place a moratorium on permitting any additional pipeline biomethane transactions to be credited toward RPS compliance obligations." While the Notice does not indicate an intention to expand the suspension to other forms of biogas, the Notice is not explicitly clear that the suspension is only for biomethane that is transported through the natural gas transportation pipeline system. This lack of clarity has caused confusion among recipients of the Notice and concern that the lack of clarity could cause others to interpret the suspension as if it included other forms of biogas. Other forms of biogas that should be explicitly excluded from the suspension include biogas that is used to generate electricity at the site of the fuel production and biogas that is delivered to an electric generating facility either by fuel container or a dedicated pipeline.

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[1] Kulkarni, Pramod. 2009. *Combined Heat and Power Potential at California's Wastewater Treatment Plants.* California Energy Commission. CEC-200-2009-014-SF.

The Sanitation Districts appreciate this opportunity to provide comments on the proposed suspension and respectfully urge the Commission to place a limit on the length of the suspension of no more than one year and to clarify that the suspension does not include other forms of biogas that are approved for RPS eligibility in the RPS guidebook. These recommendations will help ensure that the suspension does not unduly inhibit the development of biogas resources within California that can contribute to the goals and purposes of the RPS program.

Very truly yours,

Grace Robinson Chan

Matthew Eaton
Division Engineer
Solid Waste Management Department

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