

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

February 22, 2012

Robert Weisenmiller, Chair
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: Pipeline Biomethane and 33% Renewable Portfolio Standard (RPS)

Dear Chair Weisenmiller and Commissioners:

We are writing to you regarding pipeline biomethane and its treatment as an eligible renewable energy resource under SB 2-1X (Simitian, Steinberg et al) which establishes the 33% RPS.

SB 2-1X confirmed and expanded the Commission's duties under the RPS so that it now has a more significant role in certifying renewable energy resources to assure that implementation of the RPS achieves the benefits described under the law.

The RPS eligibility conditions for energy products were very carefully negotiated in the extensive legislative process resulting in the enactment of SB 2-1X and related legislation. These conditions, including the product content categories established under Public Utilities Code Section 399.16, are based on the final product – electricity – not the fuel or the resource used to generate the electricity.

Various parties--both proponents and opponents of pipeline biomethane alike--have shared their views with the Legislature and the Commission on the eligibility of biomethane under the RPS and its broader implications for the state's renewable energy goals. We understand that the Commission has held at least one workshop on the topic to accept public comment and that there will be legislation introduced on the issue this year.

We wish to state our support for lawful and carefully-regulated deployment of pipeline biomethane as both an energy and transportation fuel resource. However, we also share concerns expressed by clean energy companies, consumer groups, and environmental advocates over whether there are demonstrable environmental benefits to California as required by law, whether additionality is achieved in the GHG context, and over the apparent lack of any national tracking system to prevent double counting of these transactions.



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For these reasons, we believe that eligibility of pipeline fuels deserves careful consideration by the Legislature to harmonize treatment of pipeline fuels with the requirements and objectives of the RPS.

To that end, we request that the Commission place a moratorium on permitting any additional pipeline biomethane transactions to be credited toward RPS compliance obligations to allow time for the Legislature to act to clarify eligibility conditions for pipeline biomethane.

Thank you in advance for your consideration.

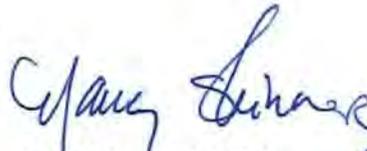
Sincerely,



DARRELL STEINBERG
Senate President Pro Tempore



WESLEY CHESBRO
Assemblymember, 1st District



NANCY SKINNER
Assemblymember, 14th District



STEVEN BRADFORD
Assemblymember, 51st District