



California Energy Commission
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The Honorable Robert Weisenmiller, Chair
The Honorable Carla Peterman, Commissioner
The California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 12-EPIC-01

Dear Commissioners Weisenmiller and Peterman:

Thank you for the opportunity to submit the following comments on the Electric Program Investment Charge (EPIC) Proposed Triennial Investment Plan. We are very grateful to the Commission for its thoughtful and comprehensive approach to the Investment Plan and strongly support the framework that the CPUC and CEC have proposed to advance clean energy development. These actions will provide many ratepayer and public benefits. We offer the suggestions below to ensure that biogas-related funding maximizes those benefits and meets the goals of SB 1122 and other state policies related to biogas systems and the biogas industry in California.

The American Biogas Council (ABC) represents over 160 companies dedicated to the development of the anaerobic digestion, biogas and biomethane industry, with more than 20 of these companies involved in projects located within California. Our member companies include biogas project developers, landowners, anaerobic digestion providers, waste water companies, waste managers, utilities, and financial firms across the entire biogas supply chain.

As you know, biogas provides numerous benefits to ratepayers, including baseload renewable energy, renewable fuel for fuel cells and offsite use, energy storage, a productive and valuable use of organic waste, and reductions in greenhouse gas emissions, and more. Biogas systems provide jobs, economic development and locally produced energy using local resources which help to meet

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the Governor's goals of 12,000 MW of distributed generation and job creation.

Despite all these benefits, however, biogas development in California faces many obstacles, including technical, regulatory and financing challenges. Significant attention has been focused on environment permit streamlining, and we are hopeful that the state is on a pathway to reducing the obstacles presented by prohibitive and oftentimes duplicative permit pathways. Attention and resources must now be provided to address utility interconnection issues, which are currently a more significant barrier to biogas system deployment. Costs and uncertainty associated with utility interconnection are crushing to small and community scale renewable energy projects. Market uncertainty and the resulting high cost of capital to finance projects is another barrier that will only be addressed with experience.

As the Draft Staff Report recognizes, EPIC can play a significant role in addressing technical and environmental challenges facing bioenergy. We strongly support the emphasis on advanced pollution controls and on community-scale, integrated systems. Both of these goals are consistent with SB 1122 and the Governor's signing message on that legislation.

We recommend the following:

1. Additional funding will be necessary in the short-term to meet the objectives of SB 1122 and deploy 250 MW of bioenergy in the next 3-5 years. Specifically, the Proposed Investment Plan should not limit TD&D funding for bioenergy to 20% of the total. The CPUC's decision (12-05-037) requires a minimum of 20% of TD&D funding for bioenergy, providing the opportunity for the commission to provide additional, timely resources to facilitate deployment of this important distributed renewable energy source. Among renewable energy resources, only biogas provides the broad suite of environmental benefits and opportunity to reduce GHGs.
2. Given the significant barriers to interconnection, we urge the Commission to address it in the Market Facilitation category. In addition to targeting Market Facilitation funding to permitting and regulatory streamlining, we recommend adding a separate objective of "Interconnection Streamlining and Facilitation." Specifically, we urge the Commission to add a strategic objective to Collaborate with the CPUC, IOUs and distributed energy developers to develop lower cost interconnection solutions and to make interconnection maps, availability, costs and permitting timelines transparent and to provide certainty to developers throughout the project development process.
3. We urge the Commission to add a strategic objective to the Applied Research category to quantify and demonstrate greenhouse gas emissions benefits from different types of biogas projects. As the 2012 Bioenergy Action Plan recognizes, bioenergy can provide significant GHG reductions, but the Air Resources Board does not have carbon offset protocols for bioenergy outside of the Livestock Protocol. Demonstrating the benefits for different fuel types and applications would facilitate adoption of carbon offset protocols and thereby enable additional financing options that would help to make biogas systems economically competitive.

4. The bulk of TD&D funding should be utilized for a capital grant program to facilitate bioenergy project deployment. The grant program should be coordinated closely with implementation of SB 1122 to maximize benefits to ratepayers and facilitate deployment of a broad array of bioenergy technologies.

I and the members of the American Biogas Council look forward to working with the CEC on implementation of EPIC and related programs and policies.

Sincerely,



Patrick Serfass
Executive Director

Members of the American Biogas Council:

Organizations with an asterisk () have offices in California*

2G-Cenergy Power Systems Technologies	Boerger, LLC
A&B Process Systems	Brad Penn Lubricants
AAT America Inc	BRUGG Pipesystems, LLC
AgPower Group, LLC	BTS Italia Srl/GmbH
Agricultural Engineering Associates (AEA)	California Bioenergy LLC*
Natural Systems	Capital Biogas, LLC
Agroenergy	Cara Gurney - Student
Aikan North America, Inc	Caterpillar, Inc.
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AMP Americas	Christiaens Group
Anaerobe Systems*	City of Des Moines Wastewater
Anchor-International, LLC*	Clean Energy Renewable Fuels*
Andgar Corporation	Clean World Partners*
Andrew Moss - Student	Cleantech Law Partners
Baker Tilly	Clear Horizons LLC
BBI International	Coker Composting & Consulting
BDI - BioEnergy International AG	Covanta Energy Corporation
Biocat Solutions California*	CR&R Incorporated*
BioCNG, LLC	Dane County Department of Public Works, Highway and Transportation
BioCycle	David Border Composting Consultancy
BioEnergy Technologies, Inc.	Deaton & Associates, LLC
BIOFerm Energy Systems	District of Columbia Water and Sewer Authority (DCWASA)
Biogas & Electric, LLC*	DODA USA, Inc
Biogas Association	DVO, Inc.
BIOGAS Equity 2, Inc.*	Effluential Synergies LLC
Bio-Methatech Canada	
Biothane LLC	

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Endeavor Electric Inc
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Entec Biogas USA
Environmental Credit Corp.
Environmental Research & Innovation
Center (ERIC)
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Essential Consulting Oregon, LLC (EC
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Mercuria Energy America, Inc

Methane Harvest, Inc.*
ML Strategies
Mosaic Federal Affairs, LLC
MT-Energie USA Inc.*
Municipal Biogas*
MWV
National Association of Clean Water
Agencies
National Milk Producers Federation
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NEO Energy, LLC
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Northeast Energy Systems/Western Energy
Systems
Northern Biogas
O'Brien & Gere
Octaform Systems Inc.
OmniGreen Renewables
Organic Matters, Inc
Organic Waste Systems, Inc. (OWS)
Organics Management
Orgaworld Canada Ltd
Pace Energy and Climate Center
Pima County Regional Wastewater
Reclamation Department
Planet Found Energy Development
Quest Recycling Services
RandTech Energy Solutions
REEthink, Inc
RER Energy Group
Ricardo Hamdan (Independent Consultant)
Rollcast Energy, Inc.
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Silver Hill Partners LLC*
Silvernail Consulting, LLC
Sprucegrove Investment Management Ltd.
Star Distributed Energy-Nature's Methane

Stoel Rives LLP*

Strategic Conservation Solutions

Strategic Management Group*

SUMA America, Inc

SUNY College of Environmental Science and
Forestry

Sutherland Asbill & Brennan LLP

Swedish Biogas International

Terra Viva, Inc

Tetra Tech*

The Climate Trust

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US Composting Council

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Yield Energy, Inc.

Zero Waste Energy LLC*