



CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION

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DAVID L. MODISETTE, EXECUTIVE DIRECTOR

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RPS Proceeding
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02-REN-1038

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Re: CMUA Comments on the CEC workshop - Use of Biomethane Delivered via the Natural Gas Pipeline System for California's RPS

Docket No. 11-RPS-01 & 02-REN-1038

The California Municipal Utilities Association (CMUA) would like to thank the California Energy Commission (CEC) for the opportunity to provide comments on this very important issue to CMUA members. Biomethane is an important renewable resource that can help our members cost-effectively meet the State's 33% Renewable Portfolio Standard (RPS) goal, while also helping to reduce overall greenhouse gases (GHGs) in California.

CMUA represents over 40 Publicly Owned Electric Utilities (POUs) that provide electricity to over a quarter of the State as a public service with no profit motive.

Our members are committed to expanding renewable power in California. Many of our members have already adopted plans to meet a 33% renewable requirement by 2020 – some of our members actually meet this today, while others have plans to exceed 33% by 2020. CMUA and its members are also actively participating in the Commission's development of procedures for the enforcement of the State's RPS requirements, as directed by SB 1X-2.

CMUA supports the use of biomethane as a renewable resource to help meet the 33% RPS requirement. Additionally, many of CMUA's members are providing written responses to the technical questions raised in Attachment A and B of the CEC's August 16, 2011, workshop notice.

Biomethane is currently injected outside the borders of California into the existing natural gas pipeline system, and is an eligible RPS resource identified in the 4th edition of CEC's RPS Guidebook. This renewable resource is one of many that will be used by our members to meet the 33% RPS requirement by 2020. Biomethane used as a renewable resource will:

- Help to support the integration of more variable renewable sources such as wind and solar in California, while using a "green" source of fuel.
- Provide a cost-effective way to help achieve the State's RPS goals.
- Provide for fuel diversity in California.

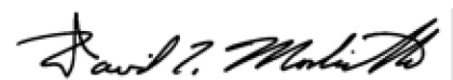
Biomethane is not only an important renewable resource for energy production; this fuel can be transported within the existing pipeline. And given the ambitious RPS targets, biomethane will be vital for our members to meet the RPS goals while keeping ratepayer costs reasonable.

CMUA recommends that the CEC allow for the continued use of this vital renewable resource and refrain from imposing further restrictions on the location and transportation of biomethane. The CEC should also work to reduce barriers for the use of in-state biomethane resources, in particular the prohibition on injecting pipeline-quality landfill gas into the natural gas pipeline.

Our POU governing boards should be allowed to determine that this renewable source counts as a "Bucket 1" resource in meeting the RPS requirements under SB 1X-2; as energy from the combustion of biomethane at California generating facilities meets the "Bucket 1" requirements. Furthermore, we ask that CEC move forward and approve current certification applications under the existing rules to prevent our members from being financially exposed under the existing biomethane purchase contracts.

CMUA appreciates this opportunity to provide these comments to the CEC, and looks forward to working with the CEC staff in order to meet the statewide renewable power goals.

Sincerely,

A handwritten signature in black ink, reading "David L. Modisette". The signature is written in a cursive, flowing style. The first name "David" is written in a larger, more prominent script, followed by "L." and "Modisette". The signature is contained within a thin black rectangular border.

David L. Modisette
Executive Director