



WASTE MANAGEMENT

Public Affairs

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April 25, 2013

California Energy Commission
Dockets Office, MS-4
Re: Docket Nos. 11-RPS-01; 02-REN-1038
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

Via Email: docket@energy.ca.gov and RPS33@energy.ca.gov

California Energy Commission

DOCKETED
02-REN-1038

TN # 70460

MAPR. 25 2013

RE: Proposed Changes to the Renewable Portfolio Standard (RPS) Eligibility Guidebook

Dear Energy Commission:

Waste Management (WM) appreciates the opportunity to comment on the Proposed Revisions to the Renewable Portfolio Standard Eligibility Guidebook, Seventh Edition ("Staff Draft Guidebook"). WM previously provided comments on re-certification provisions, pre-certification, ownership agreements, pipeline pathway and the ability for a utility procuring biomethane to change electrical generating units within a facility. We appreciate that several of our concerns were addressed in the immediate document, and provide further comment on certain provisions of the Staff Draft Guidebook in this letter.

Certification

WM operates a number of electrical generating facilities that use landfill gas to generate electricity on-site in California that is sold to POUs and IOUs. Our facilities will continue to operate under existing, primarily PURPA-based contracts as prescribed by the agreements. While we appreciate the Guidebook's attempt to offer a more streamlined application for certification of existing biomethane facilities, we continue to urge the Commission to exempt these units from the certification or recertification requirements, conditions, and other proscriptions, prescribed in this Section II.

In an effort to ease the administrative burden of reporting, we also continue to suggest the exemption from the certification requirement existing biomethane facilities with dedicated pipelines, either on-site or directly from the landfill to an off-site facility. In these relatively few cases in which no change to facility operations have occurred and there is no intention or expectation of using common carrier pipeline systems to transfer the landfill gas and/or biogas, the imposition of a mandatory requirement to re-certify is unnecessary and burdensome.

Need for Early Determination of Procurement Content Categories

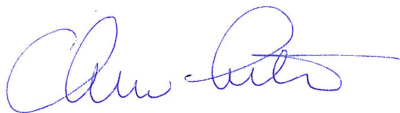
Precertification of facilities assists the buyers and sellers in RPS transactions by providing a signal from the regulator that a particular facility will be deemed an eligible renewable energy facility. In our initial comments, we urged that the same approach should be employed for the commercial transactions between buyers and sellers to meet the Procurement Content Categories (i.e. the “Buckets”). We urge enactment of a process by which the CEC can provide up-front guidance regarding which of the Procurement Content Categories specific commercial transactions would fall if consummated *exactly* in the matter presented to the CEC for pre-review.

We previously provided as an example the two long-term contracts signed in August, 2011, requiring WM to deliver biomethane to the Burbank and Pasadena public utilities. The use of the biomethane was both pre-certified and finally certified by the CEC. Unfortunately, due to the uncertainty in the PCC category that has resulted from the controversy pertaining to imported biomethane by common carrier pipelines, uncertainty regarding the proper PCC category continues to this day. Both the utilities and WM expect these projects to be verified to be PCC 1 eligible.

Until the CEC makes a “PCC ruling”, WM is unable to recognize the full value of these contracts. The utilities are willing to compensate WM for the biomethane that, we believe, should make the power generated from this gas to be PCC 1 (i.e., “Bucket 1”) eligible pursuant to AB 2196. But this cannot happen until the CEC renders a PCC determination. A process whereby the CEC provides indication of the “Bucket” in which a transaction will fall would greatly assist the market in awarding higher-priority generation as contemplated by AB 2196.

WM thanks the CEC for the opportunity to comment on the Draft Renewable Portfolio Standard Eligibility Guidebook, Seventh Edition.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Charles A. White', with a stylized flourish at the end.

Charles A. White, P.E.
Director of Regulatory Affairs/West

cc: Kate Zocchetti, CEC, kate.zocchetti@energy.ca.gov