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ARFVTP: 3103 Regulation Response Form

1. What are the possible impacts for your project with the credit discount provision and the timeframe for when you expect to generate credits.

Our company is not an obligated party under LCFS or AB-32, therefore the discount provision does not immediately impact us. However, we have been planning to opt in to AB-32 at some point in the future. The discount provision will make us reconsider opting into the AB-32 program and we may delay that opt-in and thus delay the generation of carbon credits thereunder. The 3103 regulation would reduce the generation of AB-32 credits, while also having a negative financial impact on our company.

Additionally, some of our affiliated companies have plans to use our project's renewable fuel in the creation of LCFS credits. The 3103 Regulation may also apply to these affiliates and if so, then we would be unable to generate LCFS credits during the period of our CEC agreement. Thus the 3103 regulation would reduce the generation of LCFS credits, while also having a negative financial impact on our company.

2. We would also like to provide you the opportunity to provide a statement for our record.

The 3103 Regulation is a significant obstacle to our project's creation of AB-32 and LCFS credits in the short term. Rather than incur the penalties and uncertainties of the regulation, the most likely outcome is that we will delay participating in AB-32 and LCFS programs until our CEC agreement has expired and we can move forward without the 3103 Regulation. We support the elimination of this regulation since it provides no appreciable benefit while preventing or delaying participating in programs designed to encourage participating of renewable fuels providers.