

## DOCKETED

<b>Docket Number:</b>	17-IEPR-05
<b>Project Title:</b>	Transportation Energy Demand Forecast
<b>TN #:</b>	220232
<b>Document Title:</b>	Ag Waste Solutions Comments
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Steve McCorkle
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	7/14/2017 5:57:22 PM
<b>Docketed Date:</b>	7/17/2017

*Comment Received From: Steve McCorkle*

*Submitted On: 7/14/2017*

*Docket Number: 17-IEPR-05*

## **Ag Waste Solutions Comments**

*Additional submitted attachment is included below.*



# AGRICULTURAL WASTE SOLUTIONS, INC.

---

4607 Lakeview Canyon Drive, # 185 • Westlake Village, CA 91361  
805-551-0116 • mccorkle@agwastesolutions.com

July 14, 2017

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

Re: Comments on 2017 IEPR-Renewable Natural Gas

Dear Chair Weisenmiller,

Agricultural Waste Solutions, Inc. (“AWS”), headquartered in Westlake Village, California, wishes to express our gratitude to CEC for allowing for the opportunity to comment on the Joint Agency Workshop on Renewable Natural Gas on June 27, 2017 and for inviting comments from stakeholders and the public. AWS works with California dairy farms to produce low carbon transportation fuels and carbon negative co-products that reduce GHG emissions and improve water quality while creating new profit centers from manure and other ag resources.

Please see below our comments from the June 27, 2017 Joint Agency RNG Workshop documents and the SB 1383 Staff White Paper.

**a) Legislative, Regulatory, and Program Administration Considerations**

- i.** The emerging industry of renewable gas projects has been plagued, at times, with a lack of agency coordination and inter-agency cooperation. Examples include delays in correspondence, conflicting dialogues and information, and lengthy delays in project progress correspondence.
- ii.** Renewable gas project proponents often encounter existing conflicts between regulatory or funding programs. Conflicts include state vs. local, state vs federal, federal vs. local regulation, and even site specific issues – all of which need to be evaluated on a case-by-case basis.
- iii.** Emerging and next generation technologies often compete with incumbent anaerobic digester projects (state recognized SLCP mitigation technologies) and should receive greater funding priorities. Anaerobic digesters have significant and increasing co-product permitting issues with the final disposition of the digestate, as well as issues of electricity generation permitting, and low conversion rates of manure carbon into RNG carbon. Emerging technologies have the potential to convert AD co-products and/or raw manure into value added, carbon negative products that can be easily exported, sold and/or used locally to lower the carbon intensity of the biofuels produced. The state should never choose to support a single technology solution for its future needs, especially a dated technology that often cannot meet the state’s current needs. The state should enable market based selections with incentives determined by carbon intensity, environmental benefits, ease of permitting, economic viability, and holistic evaluations. The California dairy industry’s significant environmental and economic priorities simply cannot be fully addressed by anaerobic digestion alone, so emerging and next generation technologies need to be included in every new program consideration.

- iv. The most urgent need of assistance from funding agencies are in the following areas: GHGe reduction recording and accountability, CA Greet 2.0 software support, support for international protocols where no equivalents exist in the state (ex: livestock manure gasification), CEQA permitting assistance, and match funding support mechanisms.
- v. Opportunities to promote technology diversity, e.g., gasification/pyrolysis, should begin at the state level with positive recognition within legislation, reports, and funding opportunities. Renewable Gas Standards must be agreed upon and included in legislation with standards that include all gases produced from organic materials. Often emerging technologies are fighting an uphill battle due to a lack of LCFS pathways, CA Greet 2.0 modeling short comings, and the lack of research support within universities and government agencies.

**b) Market and Economic Feasibility**

- i. Stimulating future demand in order to achieve 2030 SLCP targets in California, including incentives and supportive regulations, but also fostering long term off-take partnerships in order to guarantee future market demand. Renewable natural gas, biogas, biomethane, electricity and transportation fuels often require a split in off-take. Programs should focus on electricity production for consumers and transportation fuels for industry/commerce.

**c) Feedstock Resources**

- i. The growth of renewable natural gas development for viable long term feedstocks, such as dairy and livestock waste as well as other agricultural residuals, will continue to grow as long as the industry remains viable in California. Agricultural residuals are the largest untapped feedstock for RNG in California with over 1.8 million cows alone in the state. California is a dairy state, and in order to better support this industry, certain practices such as renewable gas imports need to be curtailed so that outside of California projects do not continue profit on California's progress with RNG programs at the same or better levels than do non California projects, which usually operate at a significantly lower cost basis due to lower standards for pipeline injection, gas upgrading, etc. Livestock manure management practices need to be reevaluated for their GHGe emission mitigation potential, especially for non-anaerobic digester technologies. California feedstocks should be incentivized to produce California LCFS and others credits at an incentive premium over non California feedstocks.

**d) Distribution and End Use**

- i. Potential uses for biogas will continue to develop as long as the economics of RNG remain secure with the potential to improve for the long term. Stable and growing LCFS credits, with simpler and more cost effective ways to create new pathways and carbon protocols, will enable more California projects to secure long term feedstock and off-take agreements to decrease investment risk and increase long-term project viability irrespective of the technologies deployed.

Sincerely,



Stephen McCorkle, CEO  
Agricultural Waste Solutions, Inc.