

DOCKETED

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PGE_Biomass Gasification Support Letter

Additional submitted attachment is included below.



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August 24, 2018

Mr. Kevin Uy
California Energy Commission
Docket 19-ERDD-01
1516 Ninth Street MS-43
Sacramento, CA 95814-5512

Re: Docket 19-ERDD-01: Request for Comments: Demonstrating Innovative Solutions to Convert California's Forest Biomass Resources into Renewable Natural Gas - Comments of Pacific Gas and Electric Company

Dear Mr. Uy:

Pacific Gas and Electric Company (PG&E) is writing this letter in strong support of the California Energy Commission (CEC) efforts to conduct a competitive solicitation for new biomass to renewable natural gas (RNG) demonstration projects (Docket 19-ERDD-01). The urgent wildfire crisis coupled with the broader long-term needs to better manage urban, forest and agricultural waste warrants new and innovative approaches and PG&E commends the CEC for taking this bold action. PG&E is providing these comments as a commitment of support to advancing this solicitation including potentially partnering with participants through financial, intellectual or commercial means to accelerate the development of these biomass to RNG demonstration projects.

PG&E has an extensive history with the agriculture, urban and forest biomass industry across its 70,000-square mile territory. PG&E is California's largest purchaser of renewable energy in California derived from biomass or biogas. PG&E's 2017 electric portfolio includes 29 operating projects that use these technologies representing nearly 11 percent of PG&E's renewable energy deliveries in 2017.

However, as California has experienced tremendous change in its environmental landscape over the last several years, the energy markets for these bioenergy resources has also changed. Dramatic shifts in utility energy needs along with the expansion of low cost solar generation and advancements in battery storage have lessened the need for higher priced long-term baseload renewable electricity provided by bioenergy resources.

Recognizing this evolution of the energy market, PG&E has been taking active steps to address these shifts in the industry. One of these actions has been co-sponsorship along with the CEC and others in support of a detailed engineering and financial study for converting biomass to RNG led by the Gas Technology Institute (GTI). This study began in 2017 and, when completed, will provide a thorough technical and economic analysis of the biomass to RNG gasification technology at an existing operational California facility¹. The results of this study are expected to be released on August 31 and should serve as a tremendous resource for this upcoming solicitation.

There is great synergy between environmental stewardship, policy and the energy markets. A healthy and collaborative relationship between policy makers, stakeholders and the utilities will enable the state to achieve its ambitious greenhouse gas goals economically and without disruption. Essential to this effort is the development of new solutions to these challenges. Utilities can play a key role in enabling the transition to new technologies by providing the resources and stability essential for development.

Specifically, PG&E believes biomass to RNG represents a promising opportunity to improve local air quality while adding to the dispatchable generation portfolio and PG&E is excited to see the CEC launch this solicitation. While solar generation and batteries can meet a significant amount of customers' energy needs, RNG has the potential to contribute to the states climate goals by fueling flexible electric plants, lowering the carbon footprint of existing demand and enabling further carbon reductions in the transportation sector.

We look forward to working with the CEC in bringing this technology forward while continuing to demonstrate California as a world leader in the advancement of new technologies towards addressing climate change.

Sincerely,

Fong Wan
Senior Vice President
Energy Policy and Procurement

Cc: California Energy Commission
Robert Weisenmiller, Ph.D.
Karen Douglas, J.D.
David Hochschild
J. Andrew McAllister, Ph.D.

Janea A. Scott, J.D.

¹ The facility that serves as the basis of the study is the DTE Stockton project currently under long-term contract to PG&E. The study analyzes the development, technical and commercial requirements to convert an existing biomass to electric facility into a biomass to RNG facility.

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