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TNRE Comments on 2021 IEPR “ Renewable Natural Gas

Attached please find TNRE Comments on 2021 IEPR “ Renewable Natural Gas

Additional submitted attachment is included below.



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September 17, 2021

Andrew McAllister
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Comments on 2021 IEPR – Renewable Natural Gas

Dear Commissioner McAllister:

True North Renewable Energy, LLC (TNRE) submits these comments on the August 31 workshops on Renewable Natural Gas for the *2021 Integrated Energy Policy Report (IEPR)*. TNRE supports the California Energy Commission (CEC) and the role of renewable natural gas (RNG) as an energy source for California's clean energy future.

TNRE develops, builds, and operates state-of-the-art organics-to-renewable energy facilities, including large scale, regional, high-solids anaerobic digestion (HSAD) infrastructure. These facilities reuse and repurpose organic resources diverted from landfills to create beneficial, sustainable products, including biogas, RNG for pipeline injection, and soil-amending compost. TNRE is focused on partnering with communities in California to meet local and state requirements for diverting organic waste from landfills and cutting short-lived climate pollutant (SLCP) emissions.

Diverting organic wastes from landfills deserves to be an agency priority and puts the State on the quickest path to reducing SLCPs in the near-term while facilitating the circular economy. Focus from the CEC and California agencies to assess and move markets and drive policy will directly affect the speed at which developers, producers, communities, and consumers move on climate action.

To this end, TNRE strongly supports increased production, incentives, and procurement requirements for RNG to support the State's climate goals, and especially its efforts to reduce emissions of potent SLCPs. The efforts of the CEC, CARB, the CPUC and CalRecycle, under SB 1383, all underscore the importance of addressing SLCPs in every sector. Increasing the production and use of RNG is central to SLCP reduction strategies, and serves to advance the State's broader climate and clean energy goals, as well.

The "highest and best use" of RNG is anything that supports private sector investment to reduce SLCP emissions and displaces fossil fuels today

TNRE agrees with the public comment portion of the Workshop sessions with the points against focus on the "Highest and Best Use of RNG". We must move away from this focus and debate, which will always be evolving, and which has stymied progress on RNG for well over a decade. While we contemplate the "ideal" use for RNG, our planet continues to warm, additional fossil fuels continue to be unnecessarily burned, and climate impacts continue to impose increasing costs.

The highest and best use of biogas is any application where it can be applied today to address climate change – especially where it can avoid SLCP emissions, displace fossil fuel use, and better yet, any

application where the private sector is willing to invest in this important climate solution today. We must start instituting these practices now.

We agree with the sentiments expressed at the workshop from the Bioenergy Association of California (BAC) and Sam Wade, of the Coalition for Renewable Natural Gas (RNG Coalition), who suggested that we consider the highest and best use for the short-, medium, and long-term separately.¹ We agree the highest and best use in the next decade is to replace fossil fuels. Aptly put by the BAC, reducing SLCP emissions both from organic waste and from fossil fuel emissions, is a double win for the climate and air quality.

In the end, we must move swiftly on solutions that provide the best climate outcomes, including a primary focus on quickly slashing emissions of SLCPs. Reducing methane emissions, in particular, should be among California's top priorities. Quickly and deeply reducing SLCP emissions to their fullest extent will deliver the greatest climate and health outcomes and should be a priority of the CEC and in the *Integrated Energy Policy Report*.

Utility biomethane procurement under SB 1440 is a key policy to slash SLCP emissions and displace fossil fuel use

TNRE believes the CPUC rulemaking on biomethane procurement pursuant to SB 1440 will play a critical role in developing the market for RNG from waste resources, slashing SLCP emissions, and displacing fossil-derived fuels. Even if biogas is a limited resource, there is an important role for utility procurement to play to help provide market and economic certainty for projects to cut SLCP emissions. We don't have to imagine a 100% decarbonized pipeline to appreciate that pipeline injection of biogas can play an important role in addressing climate change and meeting our waste diversion and climate goals, and the CEC should not consider biogas in the pipeline (or any other sector) to conflict with any other objectives around electrifying buildings, transportation, or any other end use.

We encourage the CEC to support biomethane procurement policy at the CPUC, on timelines and scale that will ensure the State meets its SLCP reduction and other climate goals.

Additional market support will bolster the RNG market and State's climate approach

We encourage the CEC and other agencies to view RNG as a near-term waste management issue and climate change opportunity to be largely addressed in the next 5-10 years, rather than a long-term strategy to address by mid-Century. While the State's SLCP mandates establish a clear near-term need to quickly develop new anaerobic digestion and other organics management infrastructure, along with associated markets for their products, the Lawrence Livermore report, *Getting to Neutral*,² clearly identifies utilizing waste biomass to generate clean fuels as one of the most important, significant, and cost-effective strategies for achieving carbon neutrality in California. In fact, that report shows the same opportunity exists in California – at similar costs – in 2025 as in 2045 to utilize organic waste streams to

¹ Presentation of Sam Wade, RNGC, at the August 31 IEPR workshop, slide 18.

² Baker, S.E. et al (2020) *Getting to Neutral: Options for Negative Carbon Emissions in California*, January, 2020, Lawrence Livermore National Laboratory, LLNL-TR-796100. https://www-gs.llnl.gov/content/assets/docs/energy/Getting_to_Neutral.pdf

achieve climate benefits *equivalent to taking every car off California's roads and electrifying every home in the state.*³

Given such promise, it is important to immediately begin developing infrastructure to capture this opportunity. Biogas procurement at the CPUC can go a long way toward achieving these outcomes, but CEC and other agencies should consider what more can be done to quickly utilize RNG and biomass waste streams to address SLCP emissions and climate change.

Recommendations for the IEPR

Given the clear promise and need for RNG to address climate change and SLCPs in the near-term, we encourage the CEC to do the following in the *IEPR*:

- Provide clear signals and statements regarding:
 - The importance of meeting the timelines and requirements in SB 1383 and CalRecycle's regulations,
 - The importance of diverting food waste, in particular, from landfills to encourage more production of RNG, and
 - The importance of quickly developing new anaerobic digester infrastructure to meet these goals and develop sustainable sources of biogas to help decarbonize other sectors of the economy;
- Commit to working with the CPUC to ensure that its biogas procurement policy pursuant to SB 1440 aligns with SB 1383 goals and timelines, especially as it relates to diverting organic waste (and food waste specifically) from landfills;
- Support additional incentives for infrastructure development and RNG use, including:
 - Continuing and strengthening the Low Carbon Fuel Standard,
 - Streamlining and reducing costs associated with pipeline interconnection, and
 - Continuing to support biogas in the power sector through programs like SGIP, BioMAT and the Renewable Portfolio Standard; and
- Creating new market opportunities for biogas from diverted organics to help California meet its climate goals, including through new policies to decarbonize the industrial sector and a commitment to move beyond the requirements of SB 100 to entirely decarbonize the power sector, including existing natural gas power plants.

Strong and clear support for increased RNG production

Your strong and clear support for increasing production and incentivizing RNG will ensure developers like us quickly get down to the important business of diverting organic waste from landfills and putting it to beneficial use as renewable energy. This will go a long way toward ensuring that the state stays on track

³ See discussion in Chapter 9, which suggests potential avoided and negative emissions from biomass-related pathways could amount to 142 million metric tons CO₂-equivalent per year (MMTCO₂e/year) in 2025, just slightly higher than the potential in 2045, and with lower costs than in 2045. For context, in 2019 (the most recent year data is available), the combined greenhouse gas emissions from every passenger car on the road in California and all natural gas used in California homes was 144 MMTCO₂e/year.

https://ww3.arb.ca.gov/cc/inventory/data/tables/ghg_inventory_scopingplan_sum_2000-19.pdf

to meeting its SLCP reduction goals, which may well be one of our most important immediate responses to the climate impacts we're facing.

We appreciate your consideration of these comments and look forward to engaging in the ongoing Market Assessment and Policy Approaches to RNG. If you have any questions regarding TNRE, these comments and recommendations, or the status of the market for organics diversion, please do not hesitate to reach out to us.

Thank you,

A handwritten signature in black ink, appearing to read "Gary Aguinaga". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Gary Aguinaga, President
True North Renewable Energy, LLC