



WASTE MANAGEMENT

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February 1, 2007

California Energy Commission
Docket Unit
Attn: Docket No. 06-OIR-1
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

DOCKET	
06-OIR-1	
DATE	FEB 01 2007
RECD.	FEB 05 2007

Subject: Staff Proposed Regulations for Implementing the Greenhouse Gases Emission Performance Standard for Local Publicly Owned Utilities

To Whom It May Concern:

Thank you for the opportunity to provide further written comments to the Energy Commission regarding staff proposed regulations for implementing the greenhouse gases emission performance standards for local publicly owned utilities as recently mandated by SB 1368. Waste Management provided previous written comments on this matter on January 9, 2007.

Our principle concern in this matter is related to the language of proposed Section 2905 that appears to us to be unnecessarily limiting in defining "biomass fuels". A strict reading of this section as previously proposed by the CEC would appear to only include "agricultural and wood wastes and digester and landfill gases . . ." We believe a somewhat broader definition to include the full range of biogenic wastes (green waste, food wastes, and other biologically produced materials that become waste) would be much more appropriate.

In our previous letter we proposed language that would address our concern. Since then we have had the opportunity to review the relevant language of the California Public Utilities Commission's Interim Opinion on Phase 1 Issues: Greenhouse Gas Emissions Performance Standard (Decision 07-01-039, January 25, 2007). We believe that the following pertinent language from that CPUC decision is also appropriate:

. . . the record in this proceeding supports an upfront determination that the following renewable resources and technologies are EPS-compliant:

- Solar Thermal Electric (with up to 25% percent gas heat input)

- Wind
- Geothermal, with or without reinjection
- Generating facilities (e.g., agricultural and wood waste, landfill gas) using biomass that would otherwise be disposed of utilizing open burning, forest accumulation, landfill (uncontrolled, gas collection with flare, gas collection with engine), spreading or composting.

In particular, the record shows that electric generation using biomass (e.g., agricultural and wood waste, landfill gas) that would otherwise be disposed of under a variety of conventional methods (such as open burning, forest accumulation, landfills, composting) results in a substantial *net reduction* in GHG emissions. This is because the usual disposal options for biomass wastes emit large quantities of methane gas, whereas the energy alternatives either burn the wastes that would become methane or burn the methane itself, generating CO₂. Since methane gas is on the order of twenty to twenty-five times more potent as a GHG than CO₂, and since methane has an atmospheric residence time of twelve years, after which it is converted to atmospheric CO₂, trading off methane for CO₂ emissions from energy recovery operations leads to a net reduction of the greenhouse effect.

To be consistent with the above language, we suggest that you amend the language of proposed Section 2905 to read along the lines of the following:

§2905 Biomass, Biogas or Landfill Gas Energy Facilities

(a) Facilities using biogas or biomass (e.g. agricultural and wood waste, landfill gas), ~~biogas, or landfill gas as fuel(s) are determined to be compliant with the EPS. Biomass fuels are agricultural and wood wastes and digester and landfill gases that would otherwise be disposed of utilizing open burning, forest accumulation, landfill (uncontrolled, gas collection with flare, gas collection with engine), flaring, spreading, or composting,~~ are determined to be compliant with the EPS.

(b) Non RPS-eligible facilities that use biomass, biogas or landfill gas in combination with other fuel(s) shall determine compliance with the EPS by calculating carbon dioxide emissions from the fuels other than other biomass, biogas or landfill gas.

The above-suggested language is fully consistent with the CPUC decision and only uses the terms "agricultural and wood wastes, landfill gas" as *examples* of biomass – *but does not limit biomass to only include those terms* (as the CEC proposed language for Section 2905 could be inadvertently interpreted to read).

Thus, under the CPUC decision and the language we are suggesting above for Section 2905, we believe other types of biogenic fuels, such as food wastes and urban green wastes, could be included under this provision. Clearly there are many ways that our concern

could be addressed – including in the manner we suggested in our earlier letter. However, maintaining consistent language with that of the CPUC may be desirable and we believe the CPUC language is workable.

Please contact me if you have any questions regarding our comments and concerns expressed in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles A. White', with a long horizontal flourish extending to the right.

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

cc: Susan Brown, Advisor, California Energy Commission
Kevin Kennedy, Advisor, California Energy Commission
Gary Collord, Energy Commission
Howard Levenson, CIWMB
Scott Walker, CIWMB