



Re Docket # 08-OIR-1

August 15, 2008

To the members of the California Energy Commission,

Thank you for the opportunity to present our views on formulating renewable fuel policy in relation to the implementation of AB118.

In reading materials from the CEC it appears that you are not listing natural gas as a renewable fuel. I hope you are not ignoring the potential of biomethane as a way of "renewing" natural gas fuel.

Biogas or biomethane or sometimes call "green Gas" can be created from organic waste and utilized as a completely distributed source of energy.

Methane is essential for running our buildings and should be used to do so. but we should also adopt, as Europe and South America have the natural gas/biogas highway. We should be running our vehicles on natural gas. California can take a leadership role in this area.

The CEC should consider the distributed generation of biomethane into the grid.

All sewage treatment plants should be generating biomethane for the grid. All large scale farmers and ranchers should be generating biomethane for the grid. All landfill transfer stations should be generating biomethane for the grid.

Instead of sending our organic waste to the landfill we can create our own vehicle fuel. Instead of being dependent on fertilizer which requires natural gas for production, we can use the solid byproduct from anaerobic digestion as fertilizer. This will reduce the use of natural gas to produce conventional fertilizer. (3% of our natural gas is used in the production of our fertilizers.).

All new government fleet purchases should be replaced with CNG vehicles as needed. CNG vehicle are the cleanest burning vehicle and natural gas is the cheapest fuel available, cheaper and cleaner than ethanol, cheaper and cleaner than Biodiesel and it is renewable. *"We foresee the phasing out of diesel engines and fuel in California as a means of addressing air quality in the communities we serve."* Lisa Kinimaka, Fleet Director
Pacific Gas and Electric Company

CNG is a transition fuel. Everything done to build toward a natural gas transport economy will contribute to the Hydrogen economy. For example, Fuel cell cars need strong tank tanks to hold the hydrogen. So does CNG. Until something better comes along hydrogen can be distilled out of methane through reformer technology, Hence they can use the same natural gas grid and reform methane at the distribution point. CNG vehicles can no doubt be re-tuned to run on hydrogen along with fuel cell vehicles. This will ease the transition to the Hydrogen highway. Not everyone will be able to afford the fuel cell vehicles when they finally are available.

Compressed Natural gas is the cleanest renewable fuel. CNG is the cheapest fuel. CNG does not depend on foreign imports. Anaerobic digestion to biomethane keeps this potent GHG out of the atmosphere instead of seeping out of landfills. Amazingly, natural gas is still being flared. This gas should be captured and utilized.

CNG can be distributed by pipe, thereby reducing, if not eliminating the need for tanker trucks to deliver fuel to fueling stations. Decentralized anaerobic digestion will reduce the need to deliver organic waste from transfer stations to landfill, thereby reducing more fuel consumption. Distribution can be accomplished using the existing natural gas grid. Where necessary, the grid can be expanded. Remote filling stations off the grid can have their fuel delivered the old fashion way, by truck, as LNG.

When we use natural gas to generate electricity, we are throwing away half of the embedded energy in the gas. We should use natural gas as a gas. That is why I support the "Pickens' plan" as presented before the Senate by T. Boone Pickens. Pickens idea is to Install enough wind generators along the Continental Divide where U.S. winds are the strongest. To generate enough electricity to replace electricity generated with natural gas and then to use the natural gas to run our vehicles.

You say you want to keep all options on the table. I think the CEC should pick a horse to run with it. Otherwise we are going to have an ethanol distribution system, a biodiesel distribution system in addition to the already existing natural gas grid.

I would recommend that the the CEC commission a study comparing the three major biofuels and pick one, based on the numbers, to endorse. Otherwise there will be competition for waste streams and the best fuel might not always win. Money will be wasted creating all these distribution systems. Auto manufacturers need to be guided into the best choice or they will probably do nothing.

Compare ethanol and Biodiesel to green gas by asking the following questions:

- What is the net energy of each. In other words, energy in/energy out.
- Will ethanol and biodiesel reduce the amount of tanker trucks on the road?
- Will ethanol and biodiesel help the transition to the hydrogen highway?
- Will ethanol and biodiesel reduce land fill waste? How much compared to NG?
- Can ethanol or biodiesel be produced from existing landfills?
- How will ethanol or biodiesel reduce the emission of methane into the atmosphere?
- How do they compare for using food crops?
- How does Biodiesel work in cold weather compared with NG?
- Which fuel can you fill up on at home?
- Which one burns cleanest?
- Which one is cheapest?

I believe that this study will come to the conclusion that CNG is the premier renewable fuel.

The sooner we adopt CNG as our next transport fuel, the sooner we can get off foreign oil, clean up our air and better manage our organic waste.

As you assign funds from AB118 I hope you will keep in mind the potential for biomethane as a renewable fuel. I have been monitoring the workshops and the sustainable work group and get the feeling that things are heavily weighted toward biodiesel. We hope to get funding to help create a natural gas economy in our community and would welcome support from AB118 funds.

Sincerely,

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