

CALIFORNIA WASTEWATER CLIMATE CHANGE GROUP

California Energy Commission
Dockets Office, MS-4
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET 03-RPS-1078
DATE _____
RECD. <u>SEP 08 2010</u>

Re: RPS Proceeding Docket No. 03-RPS-1078 and Docket No. 02-REN-1038

Ladies and Gentlemen:

The mission of the California Wastewater Climate Change Group (CWCCG) is to address climate change policies, initiatives, and challenges through a unified voice advocating for California wastewater community perspectives. Collectively, CWCCG members treat over 90% of the municipal wastewater in California, including beneficial use of biosolids and biogas. We appreciate this opportunity to comment on the California Energy Commission (CEC)'s proposed revisions to the RPS Eligibility Guidebook and the Overall Program Guidebook. We applaud CEC's efforts to promote biogas and biosolids as eligible renewable energy resources, and we offer the following feedback on the Guidebooks.

Definitions

The primary resources converted to energy by wastewater treatment plants are digester gas (a biogas) and biosolids (a biomass). CWCCG supports the new biogas definition as proposed, as well as the current definition of biomass.

We suggest the following change to the definition of digester gas:

Digester gas — gas from the anaerobic digestion of organic wastes, ~~including, but not limited to animal wastes, remains, and tallow.~~

We believe that the reference to animal wastes, remains, and tallow is misleading given that the vast majority of digester gas currently in production is from the digestion of municipal wastewater sludge (i.e. human wastes). This broader definition also covers co-digestion with various types of organic wastes, which is the direction that many digesters are moving.

Eligibility for Multi-Fuel Facilities

CWCCG supports the proposal that for facilities using the combustion of renewable fuels such as biomass or digester gas to generate electricity, the percentage of the total generation attributable to the RPS-eligible source is determined by the ratio of the eligible renewable energy input to the total (renewable + non-renewable) energy input added to generate electricity.

Eligibility for Projects that have Received Funding

CEC notes in the draft RPS Eligibility Guidebook that "a facility that received ratepayer-funded

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incentives may now be RPS eligible if it has been demonstrated to the CPUC, or applicable authority, that the facility has provided sufficient benefit to the ratepayers or has repaid the funds it has received.” CWCCG supports eligibility for projects funded through SGIP, CSI, and other grant-funding initiatives. Many wastewater utilities have undertaken solar projects, taking advantage of state incentives. Further, some biogas projects such as fuel cells are more cost-competitive with state subsidies, which put them on a more even playing field with fossil fuel technologies. The fact that accepting state funding makes a project perpetually ineligible for RECs does not seem consistent with California’s overall goals of promoting renewable energy and unnecessarily penalizes distributed generation projects.

Eligibility of Tradable Renewable Energy Credits

As CEC outlines, the issue of the eligibility of tradable RECs for RPS is currently being considered by the CPUC. CWCCG encourages CEC to move quickly to revise its Guidebooks to incorporate tradable RECs in the event that CPUC allows their use. The use of tradable RECs encourages distributed renewable energy generation at water and wastewater facilities by providing a revenue stream associated with environmental attributes that is not currently available.

Thank you again for the opportunity to provide written comments on these proposed revisions. Please contact me if you have any questions at (510) 206-3820 or jkepke@ch2m.com.

Sincerely,



Jacqueline Kepke, P.E.
Program Manager
California Wastewater Climate Change Group