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California Energy Commission  
 Dockets Office, MS-4  
 RE: Docket No. 10-BAP-1  
 1516 Ninth Street  
 Sacramento, CA 95814-5512

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| <b>DOCKET</b>   |                    |
| <b>10-BAP-1</b> |                    |
| <b>DATE</b>     | <u>DEC 23 2010</u> |
| <b>RECD.</b>    | <u>DEC 23 2010</u> |

**RE:** Preparation of the 2011 Bioenergy Action Plan (Docket No. 10-BAP-1)

Dear Commissioners:

On behalf of the Sempra Energy utilities (SEu), San Diego Gas and Electric (SDG&E<sup>®</sup>) and Southern California Gas Company (SoCalGas<sup>®</sup>), we respectfully submit the following comments on the Draft 2011 Bioenergy Action Plan (Plan).

SEu supports the development of bioenergy resources to achieve California’s bioenergy goals and agrees that increasing production at existing facilities, constructing new bioenergy facilities, integrating bioenergy facilities to use multiple fuels, commercializing next generation conversion technologies and removing statutory and regulatory hurdles supports bioenergy development. SEu has been and is currently working on many fronts regarding the development of bioenergy resources. Specifically, SEu is constructing a biogas conditioning facility to evaluate the technical feasibility and cost effectiveness of biogas conditioning equipment to attain pipeline gas quality standards, is evaluating a project to divert organic waste to an anaerobic digestion/biogas production facility to ultimately condition the biogas to biomethane for pipeline injection, and has submitted an advice letter to the California Public Utilities Commission (CPUC) in order to meet customer interests in anaerobic digestion and gas conditioning services that will support California’s renewable energy and climate change initiatives. The following comments to the Plan are offered for your consideration:

- The draft 2011 Plan establishes 5 broad objectives. One of those objectives concerns removing statutory and regulatory hurdles. SEu agrees that this is a significant barrier to the successful development and deployment of bioenergy projects and would offer to partner with the California Energy Commission (CEC) and the Bioenergy Interagency Working group members in indentifying and resolving regulatory hurdles.

- SEu also supports actions contained in the Plan to provide continued funding of bioenergy resources and specifically requests that the CEC advocate for the inclusion of biomethane projects as part of this effort. Many incentive programs provide funding for various bioenergy related projects, but do not include biomethane related projects. Having equal access to incentive programs would help lower the cost hurdle associated with biogas conditioning and pipeline injection.
- CEC also requested comment on the Plan's Appendix A. Appendix A identifies the tasks or actions that will be implemented by the various Bioenergy Interagency Work Group members. One of the tasks (2.4) assigned to CalRecycle is to extend the scope of the web-based database of Biodegradable Wastes for Codigestion at Wastewater Treatment Plants to include locations of post-consumer food waste into the data set. SEu requests that locations where pre-consumer waste is used also be included in the database. This will give a broader and more inclusive picture of all the wastes being used in the generation of bioenergy sources and its uses.
- One of the assigned action items for the CEC is funding for Integrated Biorefineries (Task 3.4). Under this task, the CEC notes that the CEC's Public Interest Energy Research Renewable-Based Energy Secure Communities program will provide grants focusing on projects that capitalize on the synergies of collocating biopower or biofuel refineries with other biomass to energy projects, manufacturing facilities or waste disposal projects. In the Plan, biopower is defined as Bioenergy produced from biomass in the form of electricity and biofuels are defined as liquid transportation fuels. So, under this task, it appears that only electricity or liquid transportation fuel related bioenergy projects would be able to obtain funding. SEu requests that the CEC add grant program eligibility to renewable gas projects (defined as biomethane or synthetic natural gas). Renewable gas projects have the ability to provide significant bioenergy resources to California but currently are hampered by high capital costs associated with projects. Providing funding (where currently there is little to none) from various sources would help increase the development of renewable gas projects and ensure project success.
- Another task assigned to the CEC and CPUC is coordinating efforts to increase beneficial use of biogas (Task 4.1). SEu has developed and published a Biomethane Guidance Document to further define gas delivery specifications limits and action levels specific to biogas, and supports a coordinated transparent effort amongst California utilities to standardize biogas quality specifications.
- SEu would like to convey their support for the following tasks as they are written: 2.5. Increase Energy Production From Urban Derived Biomass, 2.6. Support Deployment of Anaerobic Digestion Projects, 3.1. Ensure Continued Operation of Existing Biomass Facilities After Contract Expiration, 3.5. Funding for Advanced Biofuels and Renewable Energy Facilities, 4.1. Coordinate Efforts to Increase the Beneficial Use of Biogas, 4.2. Evaluation of the Public Interest Natural Gas Research and Development Program, 5.1. Reauthorization of the California's Renewable Energy Program and the Existing Renewable Facilities Program, 5.2. Reauthorization of the Energy Commission's Public Interest Energy Research Program (PIER), 5.3. Support for Legislative Changes to the

Statutory Definition of MSW Conversion, and 5.4. Monitor Changes to Federal Bioenergy Policies and Regulations,

SoCalGas and SDG&E appreciate this opportunity to provide comment on the draft Bioenergy Action Plan and look forward to working with the CEC and the Bioenergy Interagency Working Group in implementation of the measures contained in the Plan.

Sincerely,

*Tamara Rasberry* |s|

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