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02-REN-1038

DOCKET

11-RPS-01

DATE MAR 21 2012

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Mr. Robert B. Weisenmiller, Ph.D.
Chairman
California Energy Commission
1516 Ninth Street
Sacramento, CA
USA 95814-5512
email: docket@energy.state.ca.us

March 21, 2012

Subject: **RPS Proceeding, Docket Numbers 02-REN-1038, 11-RPS-01: Notice to Consider Suspension of RPS Eligibility Guidelines Related to Biomethane**

Dear Chairman Weisenmiller,

Thank you for the opportunity to submit our comments on the Notice to Consider Suspension of RPS Eligibility Guidelines Related to Biomethane.

G4 Insights Inc. is developing and commercializing proprietary technology for thermochemical conversion of wood waste and forest residue into natural gas pipeline grade biomethane. Our primary markets for the G4 Bio-Natural Gas are renewable power generation in new or existing natural gas combined cycle power generation stations and transportation fuel for CNG/LNG powered vehicles. We are pleased to be working with the California Energy Commission on a transportation fuel demonstration project under the AB 118 Alternative and Renewable Fuel and Vehicle Technology Program.

On the biomethane to RPS renewable power opportunity, G4 has received interest from major California power utility companies for commercial supply of G4 Bio-Natural Gas. The California utility companies contemplate G4 distributed production of biomethane in forestry regions in California and elsewhere in the US and Canada. The biomethane would be wheeled through existing natural gas pipelines to California where the gas will be used for RPS eligible renewable power generation. This biomethane to renewable power generation business model parallels the existing business model for distributed production and wheeling of renewable power in the electrical grid.

We believe California is the world leader in promoting and adopting environmentally and economically sound energy policies and technologies. An important element of this leadership is California's reputation for having stable and predictable policies. We are expressing our concern for the potential suspension for RPS Eligibility Guidelines Related to Biomethane. The proposed suspension will have immediate and long term impact on RPS related biomethane projects and technology investments. We believe there is potential for severe financial losses by project developers with active RPS projects at various stages. We believe an abrupt suspension will also have

long term implications in terms of setting precedence on how suspensions will be handled in the future and poses a significant financial risk for future biomethane projects and technology investments.

The California biomethane to RPS power generation opportunity plays a significant role in the value proposition of earlier stage renewable energy companies like G4 Insights from a potential investor's perspective. While we do not have imminent RPS projects, the suspension could put into doubt G4's assumptions and assumptions of companies in similar positions with respect to the California biomethane to RPS power generation opportunity. These doubts will have a negative impact on G4's and other earlier stage renewable energy technology companies' ability to attract investors and strategic partners to commercialize new biomethane RPS related technology.

We urge you to reconsider the Suspension of RPS Eligibility Guidelines Related to Biomethane. Ideally, a suspension is avoided entirely. However, if a suspension is unavoidable, we recommend an orderly and fair process to accommodate active RPS projects in various states of approval. An orderly and fair transition is essential to maintain California's ability to attract private sector investments in RPS biomethane projects and technologies.

Thank you for the opportunity to provide our comments for consideration. We look forward to working with the California Energy Commission on biomethane based power generation and transportation fuels.

Sincerely,

A handwritten signature in black ink that reads "Edson Ng". The signature is written in a cursive, flowing style.

Edson Ng
Principal
G4 Insights Inc.