



Ten Peachtree Place
Atlanta, GA 30309

404 584 4000 phone
www.aglresources.com

DOCKET	
02-REN-1038	
DATE	03/23/12
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March 23, 2011

California Energy Commission
Docket Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: *Docket Nos. 11-RPS-01 and 02-REN-1038 (RPS Proceeding): Notice to Consider Suspension of the RPS Eligibility Guidelines Related to Biomethane*

Dear Chairman Weisenmiller and Commissioners:

AGL Resources Inc., on behalf of its subsidiaries Renewco, LLC, a landfill gas developer, owner and operator of biomethane gas supply facilities, and Sequent Energy Management, L.P., a contracted seller of biomethane gas to public utilities in the State of California (collectively, "AGL Resources"), hereby respectfully submits these comments in response to the March 16, 2012 *Notice to Consider Suspension of the RPS Eligibility Guidelines Related to Biomethane* ("Suspension Notice") issued by the Commission in the above-referenced proceedings. AGL Resources would like to express its concerns over the implications of the proposed suspension of the RPS eligibility of biomethane gas.

AGL Resources has been an active participant in the regulatory process as it relates to the use of biomethane as a fuel source for public utilities in meeting the state's RPS-mandate. AGL Resources once again commends the Commission for its deliberate and receptive approach towards the development of its rules and regulations around the RPS program. The Commission's approach has provided for a general sense of recent stability to the markets, which encourages and attracts additional supply to meet short- and long-term renewable energy needs in the State of California.

Biomethane has proved to be a viable option for public utilities in meeting their respective mandates. These utilities have prudently determined that biomethane is important, if not critical, to economically managing their renewable energy mandate.

Over the past several years, the Commission has carefully considered the use of biomethane as an eligible renewable resource and has determined that it complies with

the criteria set out in its currently effective legislative mandate. Any suspension of the RPS eligibility of biomethane gas, such as the one proposed in the Suspension Notice, may: (i) compromise the considerable resources allocated by the Commission and stakeholders in crafting the currently effective renewable rules, (ii) disrupt short and long-term supply planning activities and programs of the utilities and their suppliers, and (iii) diminish the benefits to-date that the recent regulatory stability has provided.

Furthermore, it is AGL Resources' understanding that there are measures which have been introduced to the Legislature which would address the use of biomethane gas in the State of California.

In light of the above, AGL Resources respectfully requests that the Commission continue to certify electric generation facilities that use biomethane gas fuel as RPS eligible resources and dismiss the proposed suspension as contemplated in the referenced dockets.

If you have any additional questions, or would like to discuss further, I can be contacted at 404-584-4108.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Bryan Batson", with a stylized flourish at the end.

Bryan Batson
Senior Vice President, Commercial
Operations

Cc: Darrell Steinberg, Senate President Pro Tempore
John A. Perez, Speaker of the Assembly
Gareth Elliott, Legislative Affairs Secretary, Office of the Governor