



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
225 South Lake Avenue, Suite 1250
Pasadena, CA 91101
(626) 793-9364 • Fax: (626) 793-9461
www.scppa.org

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DOCKET

02-REN-1038

DATE MAR 23 2012

RECD. MAR 23 2012

March 23, 2012

Mr. Robert B. Weisenmiller
Chairman
California Energy Commission
1516 Ninth Street
Sacramento, California 95814

**Re: RPS Proceeding: Docket No. 11-RPS-01 and Docket No. 02-REN-1038
Notice to Consider Suspension of RPS Eligibility Guidelines Related to Biomethane**

Dear Chairman Weisenmiller:

I am writing to you on behalf of the Southern California Public Power Authority ("SCPPA") and its members to oppose the Energy Commission's proposed suspension of the RPS eligibility guidelines relating to biomethane.

Over the course of the past 18 months, several SCPPA members have been active in successfully contracting for supplies of biomethane totaling millions of dollars, supporting California jobs, and advancing the State's Renewable Portfolio Standard ("RPS") goals. To date, a total of ten contracts have been executed by SCPPA members, and biomethane supplies are being delivered in all but two cases where the gas production facilities are about to enter into commercial operation. These supplies are purchased in compliance with all Energy Commission rules and guidelines now in effect. Such biomethane is used for combustion in our members' California power plants in keeping with their commitments to reach state goals, some of the highest renewable energy goals in the nation.

On behalf of our members and SCPPA itself, I ask the Commission to allow the legislative process which is currently under way with respect to biomethane initiatives to follow its natural course, and for the Commission to continue to implement the existing rules and guidelines around which these contractual commitments have been made until such time as new rules are developed and promulgated. The prospective suspension presents our members with the prospect of sizeable expenses – in the amount of millions of dollars each year – resulting from an inability to meet binding contractual obligations, as well as making it substantially more difficult for our members to reach their RPS goals. These expenses would require equally sizeable rate increases: a price surely well in excess of whatever value might be achieved as a result of a suspension, and surely a step backwards from the goals of furthering the use of renewable resources, reducing emissions and lowering costs.

Letter to CEC Chairman Weisenmiller
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If it is determined that a suspension must be implemented, it should relate only to applications for certification or pre-certification that arise in respect of contracts for the supply of biomethane that are executed after the date of the suspension. To avoid prejudicing existing contracts and causing the difficulties I mentioned above, applications for certification or pre-certification that arise from contracts executed before the date of the suspension should continue to be accepted and processed in accordance with the current rules of the Energy Commission.

Thank you for the opportunity to comment on these matters. I look forward to the opportunity to provide any additional information you may request regarding the impact of the suspension on SCPPA members before a suspension, if any, is put in place.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill D. Carnahan", with a long horizontal flourish extending to the right.

Bill D. Carnahan
Executive Director
Southern California Public Power Authority

cc: Commissioner Karen Douglas
Commissioner Carla Peterman
SCPPA Board of Directors