



the Energy
Coalition

Generating Capital for Communities
Through Energy

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March 23, 2012

Mr. Robert B. Weisenmiller, Ph.D.
Chairman
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

02-REN-1038

DOCKET 11-RPS-01
DATE MAR 23 2012
RECD. MAR 26 2012

Re: **Oppose - Suspension of RPS Eligibility Guidelines Related to Biomethane.**

Dear Chairman Weisenmiller:

The Energy Coalition, an innovative California-based non-profit organization of energy architects, is concerned by the California Energy Commission's recent announcement that it intends to "suspend" certification of power generation facilities that use pipeline quality biomethane "until further notice." This action has been prompted, apparently, by a letter from four California legislators requesting the CEC to take this action. However, as many as a dozen California legislators have subsequently written to the CEC stating their opposition to any proposed "suspension" as they strongly believe this issue should be resolved through the legislative process. Further, these legislators believe that the exclusion of biomethane from the state's Renewable Portfolio Standard (RPS) will cause electricity rates to rise and could potentially harm the viability of the RPS altogether.

The Energy Coalition agrees with these twelve legislators. Not only is biomethane a very cost-competitive renewable that provides firms service to California's utilities, it is a renewable that provides nearly a 90 percent carbon reduction that would otherwise be lost through a primitive and wasteful process of flaring. We understand that those who oppose the participation of out-of-state biomethane under the RPS believe that its current allowance under the law undermines the spirit of the RPS to create California green jobs. We disagree. Not only does the inclusion of biomethane with solar, wind and other renewable help keep rates down for California ratepayers, it helps stimulate the economy by preventing energy spikes that have proven to harm California businesses. Further, biomethane's inclusion under the RPS increases the ability for the

renewable energy market to demonstrate reliability and provides further credibility that the 33 percent goals of the RPS can actually be achieved by 2020.

Those who oppose biomethane's participation also argue that biomethane's continued participation in California's RPS program will massively displace other, new renewable energy production otherwise needed to meet the RPS. However, according to a June 2009 California Public Utility Commission report, California will need an additional 75 TWh (terrawatt hours) of renewable generation the state currently has in place to meet the RPS target of 33% by 2020. We have not seen any convincing data to indicate that biomethane could represent any more than approximately 3 to 4% of this new renewable generation.

For all of these reasons, the Energy Coalition believes that the proposed "suspension" is bad for California, bad for the State's economy and bad for the environment. The "unintended consequences" of this proposed action will be harmful – rate instability and job losses will most certainly be the result. We strongly urge the Commission to deny this proposed suspension of biomethane under the RPS.

Sincerely,



Craig Perkins
Executive Director

Cc: Carla Peterman, Commissioner
Karen Douglas, Commissioner
Governor Gerald Brown, Jr.
Hon. Darrell Steinberg, Senate President Pro Tempore
Hon. John A. Perez, Speaker of the Assembly
Hon. Steven Bradford, Assemblymember, 51st District
Hon. Wesley Chesbro,
Hon. Nancy Skinner
