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11-RPS-01

DOCKET

02-REN-1038

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California Energy Commission (CEC)
Dockets Office, MS -4
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

**RECEIVED BY THE CEC
PUBLIC ADVISER'S OFFICE**
DATE: 3/28/12
RECVD. BY: J. JENNINGS

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

As a statewide nonprofit focused on clean air for California, we, the Coalition for Clean Air, have supported local and statewide efforts to increase the use of renewable energy resources for electricity generation, including our strong support for the landmark policy to increase California's renewable energy standard to a third (33%), as established in Senate Bill X1-2. We support these policies out of concern for reducing air pollution, preventing climate change and protecting public health. Moreover, we have a preference for non-combustion renewable energy. As such, we are particularly appreciative of the additional environmental factors included in the new standard which establishes a preference for electricity generation that provides more environmental benefits to the state, including reducing air pollution, displacing in-state fossil fuel consumption, and helping the state meet its greenhouse gas reduction goals.

In order to achieve our clean air and greenhouse gas reduction goals, we will need a private sector that is willing to partner with us. California policies, such as the RPS, provide much needed impetus and certainty to help the private sector transition towards a clean energy economy. We recognize that SBX1-2 doesn't specifically mention biomethane for detailed analysis (as is the case with run-of-river hydroelectric generating facilities in British Columbia, for example). However, the additional preferences in SBX1-2 have impacts on biomethane (due to existing legal requirements and utility preferences, pipeline biomethane is currently exclusively sourced from out-of-state). To that end, we support a thorough exploration of the issues surrounding the eligibility of biomethane for the state's RPS so that additional clarity and certainty can be provided to all stakeholders.

With the above in mind, we are grateful of the efforts by the CEC to facilitate a dialogue around the eligibility of biomethane, specifically the September 2011 workshop discussion regarding which renewable energy category (bucket) characterizes biomethane, in light of the policy preferences in SBX1-2. We want ensure to that biomethane remains a viable, low carbon fuel source, because in many cases the alternative is flaring it or releasing it into the atmosphere. Therefore, decisions to suspend

811 W. 7th Street, Suite 1100
Los Angeles, CA 90017
(213) 630-1192
fax (213) 630-1158

1140 N. Van Ness Ave, Suite 104
Fresno, CA 93728
(559) 486-3279
fax (559) 486-3669

1107 9th Street, Suite 830
Sacramento, CA 95814
(916) 498-1560
fax (916) 498-1547

existing policies must be made judiciously so as to avoid unintended consequences of paralyzing the private markets to respond positively. Considering the diverse perspectives on this issue we support efforts to make statutory changes to provide the needed clarity surrounding the eligibility of out-of-state biomethane in the RPS. We understand there are current legislative efforts to provide some additional clarity regarding the RPS eligibility of biomethane, specifically AB 1900 (Gatto) and AB 2196 (Chesbro/Skinner). We understand that on the one hand some of the opponents of the suspension have committed to find a reasonable way out of relying upon on out-of-state biomethane to fulfill the RPS. On the other hand, we understand legislative leadership also wants to ensure that complimentary policies can and should be constructed to support biomethane, for example AB 118 and the Low Carbon Fuel Standard (LCFS). We hope all parties can engage to resolve these issues.

Thank you for the opportunity to comment.

Sincerely,



Nidia Bautista
Policy Director