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California Energy Commission

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TN # 67422

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VIA ELECTRONIC MAIL

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

Re: *Docket Nos. 11-RPS-01; 03-RPS-1078 and 02-REN-1038: RPS
Proceeding: Implementation of Renewables Portfolio Standard
Legislation and Implementation of Renewables Investment Plan
Legislation*

Dear Chairman, Commissioners and Commission Staff:

AGL Resources Inc., on behalf of its subsidiaries Renewco, LLC ("Renewco"), a developer, owner and operator of landfill gas facilities, and Sequent Energy Management, L.P. ("Sequent"), a seller of biomethane gas in California (collectively, "AGL Resources"), hereby respectfully submits these Comments to the California Energy Commission ("CEC" or "Commission") in response to the September 11, 2012 Notice of Staff Workshop on 2008-2010 RPS Procurement Verification and SB X 1-2 RPS Procurement Verification.

AGL Resources appreciates the Commission's inclusive approach towards the development of its rules and regulations regarding the verification of biomethane for purposes of RPS eligibility. AGL Resources provides the following comments for the Commission's consideration:

- (1) The 2008-2010 RPS Procurement Verification Data Review proposes a requirement for the provision of invoices for injected biomethane for contractual verification requirements. If the Commission is intending to verify volumes that flowed to the delivery meter via such a proposal, then such a proposal would be duplicative and unnecessary. The Commission

could verify the same information with pipeline statements, which are typically utilized across the industry to generate and pay supplier invoices. In fact, the same meter/heating value data is utilized to generate the invoices as is the pipeline statements, only the invoices provide proprietary and confidential pricing based on the good-faith negotiations of parties, and may be subject to confidentiality clauses.

- (2) The 2008 – 2010 RPS Procurement Verification Data Review proposes the disclosure of contracts showing a delivery path from the Biomethane Source Facility to the RPS Certified Facility, including any transfer of ownership of the biomethane gas along the path. AGL Resources submits that this proposal is redundant and unnecessary for purposes of verifying volumetric flow of biomethane. First, the contracts may not identify the exact quantity of biomethane delivered on daily or annual basis. Typically, the contracts simply provide the general terms and conditions regarding the purchase, sale and transportation of biomethane gas. The specific volumes delivered would typically be identified in a transaction confirmation, or more likely, a pipeline statement issued after the delivery period. Secondly, such contracts may be subject to confidentiality clauses and as such any disclosure of the terms and conditions would be prohibited. Finally, the submission of contracts is unnecessary and redundant at best, and irrelevant to the issue at worst, because pipeline statement confirmations – and not contracts – would accurately identify the volumes of gas transported to a delivery point.

In conclusion, AGL Resources respects the Commission's efforts to streamline the RPS verification process. The proposed mechanisms, however, may create an unduly and unnecessarily burdensome process. Finally, AGLR submits that the current process of requiring signed attestations, which are subject to audit, from entities involved in the transactions is an appropriate and efficient way to verify the RPS compliance.

If you have any additional questions or would like to further discuss, contact me at (832) 397-3732.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Chris Russo', is positioned above the printed name.

Chris Russo
Manager, Regulatory Affairs