



December 24, 2013

California Energy Commission
Office of the Executive Director
1516 9th Street, MS-39
Sacramento, CA 95814-5512
Attn: Robert Oglesby, Executive Director

California Energy Commission

DOCKETED

11-RPS-01

TN 72917

APR 17 2014

Re: G2 Energy Hay Road Power Plant
CEC-RPS-ID No. 61205A
REQUEST FOR RECONSIDERATION
REQUEST FOR EXEMPTION OR WAIVER

Dear Mr. Oglesby:

On behalf of G2 Energy LLC and its project subsidiary, G2 Energy (Hay Road) LLC, I am writing to request reconsideration of the certification date for our Hay Road landfill gas to electric power facility. By letter dated November 26, 2013 the California Energy Commission (CEC) notified G2 Energy (Hay Road) LLC that this facility was certified to be RPS eligible as of November 15, 2013. We are requesting that the eligibility date for this facility be changed to no later than July 2, 2013. The basis and support for this request is set out below.

1. The facility in question is a 1.6 MW electric power plant located near Vacaville, CA at the Recology Hay Road landfill. The facility address is 6426 Hay Road, Vacaville, CA 95687. Electric generation is by a Caterpillar 3520 engine which is exclusively powered by landfill gas from the Recology Landfill where it is located. Interconnection is with PG&E at the distribution level. The power is being sold to Marin Clean Energy (previously Marin Energy Authority) under a long term Power Purchase Agreement (PPA).
2. Application for interconnection with PG&E was filed in 2009. The facility was pre-certified with CEC on September 14, 2010. While it was anticipated that the facility would be completed and on line in 2010 or 2011, due to delays by PG&E and changes required by PG&E, construction of the facility did not begin until early 2013.
3. The facility was completed in June of 2013, and power began to be generated at the beginning of July. Full production began on July 2, 2013 and CAISO declared the facility commercial on July 9, 2013.
4. At the time of pre-certification Mr. Nick King was a member of G2 Energy and was responsible for handling CEC certification of this facility. By the time this facility was actually built and went commercial, Mr. King was no longer a member of G2 Energy. But he was still assisting G2 with matters he had handled prior to his departure. And, at the time of the pre-certification, G2 maintained a mail drop at a Regus Corporate Suites office in Atlanta where Mr. King picked up mail to G2. At the time of construction and

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completion of the facility, Mr. King was also picking up any mail that went to the Atlanta office, as this mail drop was referred to. The corporate offices of G2 are located in Boise, Idaho, and all mail currently is slated to go to that location. At the time of pre-certification Mr. King set up the company address with CEC at the Atlanta office. While G2 believed Mr. King was continuing to pick up mail at the Atlanta Office through the summer and fall of 2013, he apparently ceased doing so at or near the time construction at Hay Road was complete around the end of June, 2013.

5. G2 Energy Hay Road began selling power to Marin Clean Energy (MCE) on July 2, 2013. Under the PPA between G2 and MCE, all power must be CEC certified as RPS eligible. G2 Energy was under the mistaken belief that the Hay road power was eligible, and no further action was taken at that time.
6. On October 28, 2013, the undersigned went to the Atlanta office to retrieve a package that we learned had been sent to that address. For some time we have been moving all mail to the Boise office. Upon picking up the mail, a letter from CEC was included. It was dated July 29, 2013. It informed G2 that our Hay Road facility was suspended from RPS eligibility due to the failure to submit CEC-RPS form 2196. This was the first G2 became aware of this new requirement. Upon receipt of this letter, the undersigned contacted CEC that same day by email indicating we were using a different address and that Mr. King was no longer with G2. We asked for direction and indicated we would review CEC's requirements and submit all required documents as soon as possible. We also requested advice on where to make changes to CEC's records for our address and contact information.
7. On November 1, 2013, we filed by email, and also sent by Federal Express, those documents we believed were required to comply with CEC's filing requirements. We were advised by outside consultants at that time that only forms RPS-1 and RPS-1.S1 were required. CEC wrote back that an additional form was required and that we needed to resubmit. We immediately re-filed the complete package, now including form S4, the only delay being the time it took to get the landfill owner to review and sign form S4. This package was accepted and resulted in the project being certified effective November 15, 2013, by letter dated November 26, 2013.
8. By letter dated November 5, 2013, G2 wrote to CEC outlining the change in personnel and address referred to above. We also noted that we could not find any notices from CEC prior to the July 29, 2013 suspension letter. This includes the email that was said to have been sent to us on May 21, 2013 and a warning letter on July 19, 2013. We asked that, in light of these difficulties and lack of notice, that consideration be given to having our effective date remain the pre-certification date of 2010. The driver of this request was that our contract with MCE requires our energy sold to them to be CEC certified, and they had now been buying power since July. We also noted that we had in fact been generating 100% renewable energy since July with no intent to ignore or circumvent the CEC's procedures. Had we received either of the two notices we would have immediately rectified the situation in July.
9. The Certification approval letter from CEC dated November 26, 2013 set our effective date for RPS eligibility as November 15, 2013. When questioned in a follow up email whether our letter of November 5, 2013 had been taken into consideration, we were informed it had. But, since we had not met the 90 day requirements in the Guidebook, our start date would be changed to November 2103, not the original pre-certification date in 2010.

10. At that time the undersigned contacted Kate Zocchetti of CEC to discuss the situation as she was the person who had signed our approval letter. Ms. Zocchetti indicated that she understood our plight and seemed sympathetic, but indicated that staff did not have the ability to make the adjustment requested. Hence this appeal to you as Executive Director.
11. The CEC seems to have interpreted our letter of November 5, 2013 regarding our inability to find any email or other notice from CEC in May and July, as indicating that because Mr. King was no longer with the company that is why we did not receive them. And we had not yet changed our contact information to remove Mr. King (who was still involved financially. He was to be removed upon conclusion of construction and financial close out with him). This is incorrect. Mr. King had a continuing obligation to G2 Energy through the summer of 2013 to assist with all matters necessary to ensure that this project (and another finished in late August) was completed and commercial and all related issues were managed and completed. Compensation to Mr. King from G2 was conditioned on this. He did forward all email received, and all land mail received up to the middle of July 2013.
12. When this issue first became apparent to G2 on October 28, 2013, Mr. King was questioned about both the May email and the July notice letter. He was not told what the issue was, only to find all email he had received from CEC on or about May 21, 2013. He said he had none. At the same time, the undersigned searched all received email. Nothing was received from Mr. King on or about May 21, 2013, or at any time thereafter, forwarding an email from CEC regarding new requirements and pending suspensions. A search of the undersigned's own email shows no email from CEC at that time. Nor was Mr. King aware of any letter dated July 19, 2013 from CEC in this same regard. At the same time, when the undersigned picked up the mail on October 28, 2013, it included mail from early July. There was no letter from CEC in that mail. We simply cannot find that G2 Energy ever received any notice from CEC concerning the new requirements or any impending suspension.
13. In reviewing the Guidebook from CEC regarding this issue, we can find no provision or example that exactly fits this scenario. However, some things are clear from that review. First, the purpose and premise of the Guidebook and this program is to ensure that power is fairly and honestly certified so as to avoid fraud, duplication or inaccuracies. Second, while there is no example or particular provision we can find that matches our situation, it is clear that efforts have been made to provide some latitude and discretion in granting or barring certification to allow for unusual circumstances or inequities. Third, the Executive director has some power of reconsideration regarding staff decisions. We are requesting that that power be exercised in this instance to avoid a very unbalanced and harsh result in an innocent situation.
14. G2 Energy has made some mistakes in handling the CEC registration requirements for Hay Road. Some of that is due to newness and lack of familiarity and some due to changes in personnel and unfortunate timing. But some things are clear. First, we did pre-certify this facility. We were trying to follow CEC's requirements to meet our customer's needs. Two, there would be no reason for G2 or Mr. King to ignore CEC requirements or notices if we were aware of them. Three, we can find no evidence that we received any notice from CEC in May or July about the new 2196 requirements. Four, had we received those notices, we would have immediately taken action and all these issues or any other requirements would have been thrashed out and rectified. And

our power would have been certified back to day one of production. There is no question that our power is RPS compliant, and has been since day one of production.

15. G2 energy is a very small company. We have three facilities. One in Florida, and one was just expanded near Wheatland, and this facility was just built near Vacaville. We have gone to great expense and risk to develop these facilities. We were delayed substantially and the cost of these facilities has been much more than planned due to air permit requirements and unique PG&E interconnection specifications and costs. We are using landfill gas exclusively to fuel our facilities. We are producing renewable energy as the State of California wants and requires-within the difficult permit requirements imposed by the air boards.
16. Because our certification now states that it is effective from November, 2013, the power we have sold to MCE from July through October is not consistent with what is required under our contract. If we cannot get the certification date approved as of our start of commercial production, we will incur a \$250,000 reimbursement obligation to MCE. This has a massive negative financial impact on G2 and our ability to operate and continue to develop renewable facilities in California.
17. There is no fraud in this scenario. We have, in fact, been producing renewable energy since July. CEC has verified we are 100% renewable- and nothing has changed since day one of commercial production. The only real issue is failure to meet some administrative requirements that were immediately resolved as soon as we were aware of the requirements in that regard. Had we been aware of the 2196 requirements in May or July we would have investigated and resolved those requirements and any others at that time.
18. The nature of the omission, especially in the face of the question of notice, seems very small in comparison to the damages G2 will incur if our certification date is changed as opposed to remaining as pre-certified. This is not to say that CEC procedures and guidelines are not important or can be ignored. All recognize the need for structure and controls. But we have done an enormous amount of things correctly with a lot of effort and risk to get to this point and have this happen. As such, we ask that our situation be reconsidered and a simple remedy be employed. We have been making green energy at Hay Road since July. We were pre-certified. We are now fully certified. We simply ask that our certification date stay as it was when pre-certified, or that it be July 2, 2013, the date we started full production.
19. We feel this is appropriate and consistent with the purpose of the entire green energy program. We do not feel making this decision will harm CEC or the renewable program in any fashion, while maintaining the current situation will harm G2 enormously. The Guidebook and other requirements were made to coordinate this program and ensure true green power is being produced, not to damage green energy producers who have gotten innocently tangled in procedures.

We would appreciate your consideration and assistance in this matter.

Yours truly,


Rodney C. Jones
Managing member
G2 Energy LLC