



CALIFORNIA ASSOCIATION of SANITATION AGENCIES

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California Energy Commission

DOCKETED

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Transmitted via Electronic Mail [docket@energy.ca.gov / RPS33@energy.ca.gov]

Executive Director Rob Oglesby
California Energy Commission (CEC)
1516 Ninth Street
Sacramento, CA 95814

RE: **California Energy Commission, Draft RPS Guidebook Eighth Edition
11-RPS-01**

Dear Executive Director Oglesby and CEC Staff,

The California Association of Sanitation Agencies (CASA) appreciates the opportunity to comment on the Staff Draft Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook), Eighth Edition) released in January 2015. CASA is a statewide association of municipalities, special districts, and joint powers agencies that provide wastewater collection and treatment services to more than 90% of the sewered population of California. Many of CASA's members are actively involved in anaerobic digestion activities that produce biomethane, biogas, clean bioenergy, and low carbon fuels for use in California.

CASA is a party to the California Public Utilities Commission (PUC) proceeding implementing SB 1122 and has been keenly interested in this draft update to the RPS Guidebook given that the final SB 1122 decision incorporates the most recent version of the Guidebook by reference. CASA previously testified at the January 28, 2014 workshop, and provided written comments in support of modifying the definition of prime generating equipment for repowering, and we reiterate herein our support for the CEC's proposal to revise the definition of repowering for biogas facilities to be consistent with the definition of repowering for other renewables.

The Draft RPS Guidebook definition of prime generating equipment for facilities that use biomethane (digester gas) states at page 35 that a facility qualifies as repowered (and is hence eligible by resetting its commercial operation date) if: (1) the facility's prime generating equipment is replaced with new equipment, and (2) the capital investments made to repower the facility has a value equal to at least 80 percent of the repowered facility. The change is to the definition of prime generating equipment, which now states:

“(f) Biomethane: the electricity generator and either the internal combustion engine or combustion turbine, as applicable.”

CASA fully supports this change and appreciates the removal of the requirement to replace the entire biomethane generating unit (i.e. the anaerobic digester). Given the realities of the wastewater treatment process, this requirement was both impractical and unnecessary.

Changing this definition in the Guidebook is critical to allowing wastewater facilities to participate in the SB 1122 program, as described in the final decision adopted by the PUC on December 18, 2014. SB 1122 created a 250 MW renewable Feed-in Tariff (FIT) procurement requirement from small-scale bioenergy projects that commence operation on or after June 1, 2013, including 110 MW for power derived from biogas from wastewater treatment, municipal organic waste diversion, food processing, and codigestion. The recently released decision in that proceeding states:

“Section 399.20(f)(2) requires that the Commission limit eligibility for projects seeking a FIT contract pursuant to SB 1122 to projects that “commence operation on or after June 1, 2013.” Staff relies on the CEC’s RPS Eligibility Guidebook (7th Edition, April 2013) for guidance on how to implement this provision of SB 1122...Staff recommends using the CEC’s definition of “commercial operation date” to determine whether a project is eligible to seek a FIT contract...”

The Guidebook also states that “[i]f a facility is repowered as provided in this section, the date it recommences commercial operations after repowering may be used as its commercial operation date for the RPS application instead of its initial commencement date of commercial operations.” Finally, the SB 1122 decision incorporates future editions of the Guidebook by reference, noting that:

“...the definition that controls is the definition in the Eligibility Guidebook that is in effect on the date that a generation facility submits its request for participation in the bioenergy FiT. This will prevent confusion among market participants and avoid administrative difficulties in trying to determine the controlling definition, should the CEC revise it in the future...”

Thus, if the CEC revises the Guidebook as proposed, wastewater facilities that replace only their prime generating equipment (and not their digesters) could be SB 1122 eligible by receiving a post-June 1, 2013 commence operation date. This is significant because requiring replacement of both the digester and generating equipment as part of a repower would significantly increase the cost of wastewater bioenergy project, and the prior definition would preclude most otherwise-eligible wastewater treatment projects from participating in SB 1122. CASA urges the CEC to adopt the Draft RPS Guidebook as currently proposed with the definition of “repowering” for biogas energy projects to be consistent with the definition of “repowering” for other renewable energy sources.

Thank you for the opportunity to provide comments on this important issue. If you have additional questions or concerns, please do not hesitate to contact Adam D. Link at alink@casaweb.org or (916) 446-0388.

Sincerely,



Adam D. Link, Director of Government Affairs, CASA