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RNG Coalition Comments on 2021 IEPR Scope

Additional submitted attachment is included below.

February 19, 2020

Commissioner J. Andrew McAllister California Energy Commission 1516 Ninth Street Sacramento, California 95814-5512



RE: Draft Scoping Order for the 2021 Integrated Energy Policy Report, Docket No. 21-IEPR-01

Dear Commissioner McAllister:

The Coalition for Renewable Natural Gas (RNG Coalition) offers this letter in response to the *Draft Scoping Order for the 2021 Integrated Energy Policy Report* (IEPR). We support inclusion of renewable natural gas (RNG) issues in the scope of the IEPR and agree that this should be done as part of a holistic look into gas system evolution and in preparation for a decarbonized California.

About the RNG Coalition and the RNG Industry

The Coalition for Renewable Natural Gas (RNG Coalition) is the trade association representing and providing public policy advocacy and education for the RNG industry in the United States and Canada.¹ We advocate for the sustainable development, deployment and utilization of RNG, so that present and future generations have access to domestic, renewable, clean fuel and energy in California and across North America.

The RNG industry is nascent relative to other renewables industries but has shown extraordinary growth recently that has been driven by policies designed to promote environmental and economic goals including but not limited to clean air, improved waste management, increased job development, energy independence, and resource diversity.

The RNG Coalition supports the increased development, deployment and utilization of all renewable gases—including biomethane and hydrogen—regardless of the feedstock, indiscriminate of the competing technologies used to produce the gas, and for all sustainable end-use applications. Harmonizing the policy discussion around renewable gas issues and focusing on how to develop successful drivers to stimulate stable market for growth, regardless of end use, has long been a goal of the RNG Coalition.

Renewable gases have the potential to significantly contribute toward achieving California's climate change goals, provide a cost-effective opportunity to help decarbonize existing natural gas infrastructure, and drive economic development. It would be a fantastic outcome if, in this IEPR cycle,

¹ For more information see: <u>http://www.rngcoalition.com/</u>

the CEC could develop a clear vision on how to deploy and use renewable gas in conjunction with other necessary decarbonization strategies.²

RNG as a Decarbonization Strategy

The California Energy Commission (CEC or Commission) should continue to provide leadership to the state and the nation on how renewable gases fit as a decarbonization strategy. RNG fill a unique niche as part of a broader low-carbon technology portfolio. The ability of RNG to contribute toward decarbonization goals is well established both by prior Commission-funded work³ and, more recently, through work done by well-respected organizations such as the International Energy Agency⁴ and the World Resources Institute.⁵ CEC has considered RNG issues in previous IEPRs⁶ and the key facts have not changed since those prior cycles:

- Society's waste streams create significant methane (a critical short-lived climate pollutant) that must be dealt with in some fashion.
- Using this methane from organic wastes productively, rather than flaring it, both reduces direct emissions of methane from the waste sector and also displaces fossil fuel carbon dioxide emissions in other end use sectors.

The 2021 IEPR process—and CEC's ongoing analysis of renewable gas issues generally—should continue to provide coordination and leadership to ensure that other agencies⁷ become harmonized on how sustainable renewable gas growth can best be incentivized across all sectors and shifted toward the highest and best use over time. Pipeline-injected renewable gas projects offer the best optionality to switch the gas between end uses (as the highest and best use might conceivably change based on the success of other low-carbon technologies), but pipeline interconnection of projects must be considered in the context of all other changes to the gas system (due to electrification and other factors).⁸

² The RNG Coalition has long emphasized that our goal is not to oppose other alternatives that may help to accomplish the changes needed to meet the State's ambitious climate goals—including electrification where appropriate. We believe that RNG and other decarbonization strategies must not be dogmatically be pitted against each other and that, in fact, many strategies must work synergistically together to achieve carbon neutrality.

³ <u>https://www.ethree.com/wp-</u> content/uploads/2018/06/Deep Decarbonization in a High Renewables Future CEC-500-2018-012-1.pdf

⁴ <u>https://www.iea.org/reports/outlook-for-biogas-and-biomethane-prospects-for-organic-growth</u>

⁵ https://www.wri.org/publication/renewable-natural-gas-guidance

⁶ For example, see the 2017 and 2019 IEPRs.

⁷ Including the California Air Resources Board, the California Public Utilities Commission, etc.

⁸ We strongly support the 2017 IEPR statement that, "...determining the best destination for renewable gas is not one size fits all; the best end-use outcome can depend on a variety of factors, including feedstock, location, and timing. Priority end uses of renewable gas may evolve as California approaches 2020, 2030, and 2050 goals; as markets transform; and technologies advance. However, the state must seek near-term priorities and the most cost-effective solutions at this time to ensure achieving the 2030 SLCP reduction goals." See page 256 of the 2017 IEPR.

We applaud recent efforts⁹ to develop a clear and well-structured method to holistically plan for such changes. Without such a clear process, renewable gas project developers will lack the ability to anticipate gas system changes and will consequently delay making the needed investments in California.

Conclusion

The IEPR process has historically helped California tackle its toughest energy policy challenges, and we know the state faces many currently. We appreciate the CEC's willingness to carefully consider renewable gas issues in this IEPR cycle.

Our members look forward to investing in and constructing new methane-capturing and RNG production facilities that create clean energy sector jobs in California, and we thank the Commission for their leadership on these issues.

Sincerely,

/s/

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⁹ <u>https://gridworks.org/initiatives/cagas-system-transition/</u>