Bioenergy Industry Seeks Bill Requiring Renewable Natural Gas Standard

Bioenergy industry representatives are working on both administrative and legislative proposals that would require California to adopt a novel renewable natural gas standard (RGS), modeled on the state’s renewable portfolio standard (RPS), an approach the industry says would cut greenhouse gas (GHG) emissions from electricity generation and transportation fuels.

The industry is making its case in a new report that calls for California to adopt an RGS requiring 1 percent of the state’s natural gas to be renewable—derived from landfills, wastewater treatment plants and other sources—by 2020, rising to 10 percent in 2030.

“Although cleaner and cheaper than other fossil fuels, natural gas is a major source of GHG emissions, air and water pollution,” states “Decarbonizing The Gas Sector: Why California Needs A Renewable Gas Standard,” a report released this week by the Bioenergy Association of California. “Renewable gas provides a cleaner, safer and more sustainable alternative to fossil fuel gas. Made from organic waste, renewable gas can replace fossil fuel gas and provide many other benefits.” The report is available on InsideEPA.com. See page 2 for details.

The report is intended in part to bolster the industry’s viewpoints when potentially meeting with state lawmakers to convince them to introduce legislation to establish an RGS in California, as well as in discussions with state energy regulators for possible administrative implementation of such a standard.

California could produce almost 300 billion cubic feet of renewable gas per year with organic waste, from food and food processing, livestock, agriculture, yard waste, construction debris and other wood waste, soiled paper and forest biomass, the industry group claims in its report.

“Instead of landfilling or burning that waste, California could use it to generate enough renewable electricity to power 2 to 3 million homes or to generate 2.5 billion gallons of clean, ultra-low carbon transportation fuels,” the report says.

While the state has adopted several policies to promote biogas, their implementation has been slow and they do not provide the long-term certainty needed for biogas to compete with the historically low cost of natural gas, the group argues. “In order to capture the many benefits of biogas, California needs a statewide policy to expand the biogas market enough to drive down costs and become self-sustaining.”

In addition, expanding the biogas market would create jobs in California. Currently, the state imports more than 90 percent of the natural gas it uses, “costing the state thousands of jobs and billions of dollars per year,” the report claims.

The California Public Utilities Commission (CPUC) recently adopted rules to implement a 2012 law, AB 1900, which in part required the commission to develop standards for constituents in biogas to protect human health and pipeline integrity and safety. More broadly, AB 1900 requires utilities to purchase more biogas in part to help utilities meet the state’s RPS, which mandates that 33 percent of the electricity they supply comes from renewable sources by the end of 2020.

But biogas industry representatives raised objections over some of the CPUC rules, including a “heating value” compliance standard for biomethane for injection into the state’s natural gas pipeline system, arguing that the level is unnecessarily stringent, will be too expensive to meet and will hamper the industry’s potential for success in California.