JOINT COMMENTS OF THE BIOENERGY ASSOCIATION OF CALIFORNIA AND THE CALIFORNIA ASSOCIATION OF SANITATION AGENCIES ON THE PROPOSED DECISION REGARDING BIOMETHANE TASKS IN SENATE BILL 840

DATED: February 11, 2019

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Rulemaking to Adopt Biomethane Standards
and Requirements, Pipeline Open Access
Rules, and Related Enforcement Provisions

Rulemaking 13-02-008
(Filed February 13, 2013)

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SENATE BILL 840

The Bioenergy Association of California (BAC) and the California Association of
Sanitation Agencies (CASA) submit these comments on the Proposed Decision
Regarding Biomethane Tasks in Senate Bill 840 (the “Proposed Decision”) in
accordance with Rule 14.3 of the Commission’s Rules of Practice and Procedure. BAC
and CASA strongly support the Proposed Decision for the reasons set forth below and
encourage the Commission to immediately begin a new phase of this Rulemaking to
address the issues raised in the Assigned Commissioner’s Ruling of November 19,
2018 (“Assigned Commissioner’s Ruling”). Adopting the Proposed Decision and
beginning a new phase to address the issues raised in the Assigned Commissioner’s
Ruling will help to accelerate pipeline injection of biomethane and other forms of renewable methane, which will in turn help to meet the state’s climate change, air quality and low carbon fuels requirements.

BAC represents more than 70 public agencies, local governments, private companies, utilities and others working to convert organic waste to pipeline biogas, low carbon fuels, and renewable energy in California. BAC was the sponsor of the 2016 legislation that was incorporated into Senate Bill 840, section 10, requiring the Commission to hire the California Council on Science and Technology (CCST) to review the BTU and siloxanes requirements for pipeline biogas.¹ BAC believed then, and continues to believe, that it is critical to increase pipeline biogas injection and to do so based on the best available science, which CCST has provided. BAC was also the sponsor of AB 2313, which required the Commission to increase the monetary incentive for pipeline biogas interconnection and to consider rate-basing of pipeline biogas interconnection costs.² BAC’s comments, below, relate to both pieces of legislation.

The California Association of Sanitation Agencies (CASA) is a statewide association of cities, counties, special districts, and joint powers agencies that provide wastewater collection, treatment, water recycling, and biosolids management services to more than 90% of the sewered population of California. CASA members are key partners in helping to achieve the state’s greenhouse gas reduction, low carbon fuel and renewable energy goals. More than 94% of the state’s wastewater flow is treated through aerobic digestion which generates biomethane. When used as a transportation fuel, biomethane from large wastewater treatment facilities is the single lowest carbon fuel – or transportation of any kind – recognized by the California Air Resources Board. With co-digestion of fats, oils and grease (FOG) or food waste, California’s wastewater treatment facilities could significantly increase biomethane production for pipeline injection, furthering the purpose of AB 1900 and helping to meet other state policies.

¹ The language in Senate Bill 840, Section 10, was originally in Assembly Bill 2206 (Williams, 2016), which BAC sponsored. Due to the urgency of addressing pipeline biogas standards, the Governor’s Office included the language in the Governor’s Budget Trailer Bill, SB 840.
² Assembly Bill 2313 (Williams), Statutes of 2016, Chapter 571.
1. BAC and CASA Strongly Support the Proposed Decision

BAC and CASA strongly support the Proposed Decision as it gives due deference to CCST’s recommendations regarding the siloxanes and heating value requirements for pipeline biogas. In particular, BAC and CASA support the Proposed Decision to:

- Reduce the heating value requirement to 970 BTU. BAC urges the Commission to require this for all four gas utilities, including PG&E and Southwest Gas.
- Maintain the current siloxanes requirements.
- Reduce the testing requirements for biogas sources that are unlikely to contain siloxanes.
- Allow blending of biogas with a lower BTU requirement where appropriate.

BAC and CASA support the Proposed Decision which, as required by SB 840, gives due deference to CCST’s recommendations. In doing so, the Commission is making changes based on the best available science that will accelerate the development of pipeline biogas projects, which will help to reduce short-lived climate pollutant emissions, provide low carbon fuels and renewable energy.

2. BAC and CASA Urge the Commission to Open a New Phase of This Rulemaking to Consider Interconnection Rate-Basing and Other Issues Raised in the Assigned Commissioner’s Ruling.

The Commission raised many other important issues in the Assigned Commissioner’s Ruling of November 19, 2018, which BAC and CASA urge the Commission to address immediately following the adoption of the Proposed Decision. In particular, BAC and CASA urge the Commission to open a new phase of this Rulemaking to consider the following issues:
a. The need for additional incentives for renewable gas, as required by AB 1900,\(^3\) AB 2313,\(^4\) and SB 1383.\(^5\)
b. The requirement of AB 2313 and AB 3187 to consider rate-basing of pipeline interconnection.\(^6\)
c. The need to adopt a biomethane procurement program that includes all potential sources of biomethane, including biogas from anaerobic digestion and from the gasification of organic waste in accordance with Public Resources Code section 40106.
d. The adoption of a definition of renewable methane that includes all renewable sources.

We look forward to working with the Commission and other parties on these issues in the next phase of this Rulemaking.

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\(^3\) Assembly Bill 1900 (Gatto), Statutes of 2012, Chapter 602, added Public Utilities Code section 399.24(a) which requires that “the commission shall adopt policies and programs that promote the in-state production and distribution of biomethane.”

\(^4\) Assembly Bill 2313 (Williams), Statutes of 2016, Chapter 571, added Public Utilities Code section 784.2, which requires the Commission to consider additional options to further the goals of section 399.24 and requires the Commission to consider rate-basing pipeline interconnection for pipeline biogas.

\(^5\) Senate Bill 1383 (Lara), Statutes of 2016, Chapter 395, added section 39730.8, which requires the Commission to “consider additional policies to support the development and use in the state of renewable gas, including biomethane and biogas, that reduce short-lived climate pollutants in the state.”

\(^6\) Assembly Bill 2313, footnote 4 above; Assembly Bill 3187 (Grayson), Statutes of 2018, Chapter 598, adding the requirement to Public Utilities Code section 784.2 that the Commission must open a proceeding by July 1, 2019 to consider rate-basing of pipeline biogas interconnection.
DATED: February 11, 2019

Respectfully submitted,

/s/ Julia A. Levin

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VERIFICATION

I am a representative of the non-profit organization herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 11th day of February in Avon, Colorado.

/s/ Julia A. Levin

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