

Biogas Developer Joint Comments on February 10, 2020 Proposed Modification to the Fuel Cell Net Energy Metering (“NEM”) Greenhouse Gas Emissions Standards Proposed Regulation Order

The undersigned biogas companies thank the California Air Resources Board (“CARB” or the “Board”) for the opportunity to comment on the Fuel Cell Net Metering GHG Standard proceedings (“FCNEM” or the “Proceedings”). CARB’s efforts in developing this standard have led to a first-of-its-kind biogas policy for fuel cells. Commercial and industrial customers choose to install fuel cells because they provide resilient and reliable baseload electricity and reduce harmful local air pollutants. Fuel cells are unique amongst behind-the-meter electricity generation technologies because they can actually help to reduce GHGs when they run on biogas.

We commend the Board and Staff for recognizing this and for wanting to push the limits of the standard beyond simply addressing the consequences of climate change to actually addressing the causes of it. Rules that will require the use of biogas in fuel cells show the progressive thinking of CARB and the agency’s commitment to improving the State’s air quality for all of its citizens.

CARB should explicitly allow fuel cells in the State the ability to use Cap and Trade compliant biogas to meet GHG requirements for FCNEM compliance. Doing so would serve to reduce air pollution while simultaneously expanding the overall market for biogas, which is consistent with the Board’s mission.

Not only can biogas be a key renewable resource, but it is unique in that it is substantially carbon negative. By converting organic materials such as animal or food waste, municipal waste, and landfill gases into fuel, the production of biogas is actually destroying previously vented methane – a GHG that is itself at least 21x more potent than carbon dioxide.

The development of a robust and stable biogas market is critical to meeting California’s goals of improving air quality and reducing GHGs. The key to developing a healthy market for biogas is a clear set of rules that are consistent across jurisdictions. CARB’s own policy on the use of biogas under the Cap and Trade program can and should be applied here. Consistency will ensure long-term market viability and result in less price volatility. Biogas projects are long-term investments and our members look for stable market conditions when deciding where to develop projects.

CARB has the unique opportunity to provide the regulatory framework for a biogas market that provides certainty and long-term stability. Doing so will maximize the number of market participants and projects that are developed, which will ultimately result in more GHG reducing projects and better air quality in the State.

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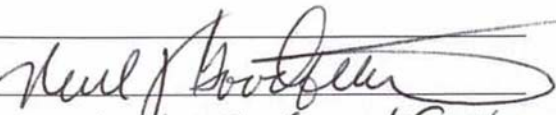
For these reasons, the undersigned biogas developers encourage CARB to explicitly ensure that fuel cell installations in the State can also use Cap and Trade compliant biogas to meet the increasingly stringent GHG requirements for FCNEM compliance. Doing so will help increase the market for biogas by creating additional customer demand and ultimately, help support the decarbonization of the gas being used in the State.

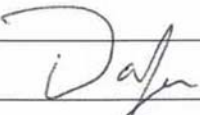
Carbon Cycle Energy, LLC


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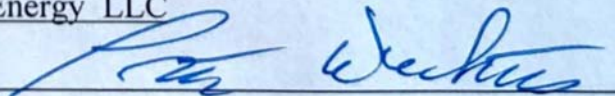
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