



CALIFORNIA ASSOCIATION of SANITATION AGENCIES

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October 21, 2013

California Public Utilities Commission
Policy and Planning Division
505 Van Ness Avenue
San Francisco, CA 94102

Subject: Proposal for the Living Pilot Symposium

Dear Mr. St Claire:

The California Association of Sanitation Agencies (CASA) is pleased to submit this proposal for consideration as part of the Living Pilot Symposium scheduled for November 6, 2013. CASA is a statewide organization representing cities, counties, and special districts that provide essential public services through wastewater collection, treatment, resource recovery and water recycling services to millions of Californians. CASA's membership includes small, medium and large agencies representing more than 90% of California's sewered population. CASA members are actively engaged in a number of state mandates and initiatives to be fulfilled by 2020, which are intended to deliver renewable energy and mitigate climate change impacts. These include: (1) providing 33% of the State's energy needs from renewable sources; (2) reducing carbon dioxide equivalent emissions to 1990 levels; (3) reducing the carbon intensity of transportation fuel used in the state by 10%; and (4) recycling 75% of the solid waste generated in the State.

Anaerobic digestion (AD) is a normal part of the wastewater treatment process employed at many Publicly Owned Treatment Works (POTWs) across the state. Almost 95% of wastewater flow in California is treated in this manner. The AD process produces biomethane, which at the majority of POTWs is converted into power that provides generally between 40 and 70 percent of the POTWs energy needs. Many POTWs are now also hauling in additional organic waste such as fats, oils, and grease (FOG) and food waste for introduction into digesters, a process that helps produce more methane (and hence, additional power production) and divert the waste from landfills. Since the subject area for the Living Pilot project is narrowly defined to a small geographic area, we do not have a particular project to propose at this time.

Nevertheless, we believe the wastewater community can provide innovative solutions to satisfy the ongoing energy needs of the state. For instance, some POTWs can respond to peak demand periods by going off the grid and relying on their own power production and operational changes during these short duration periods. Furthermore, methane can often be stored in either

Stephen St Claire, California Public Utilities Commission

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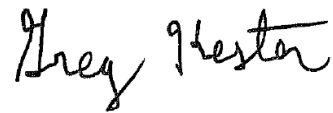
Page 2 of 2

the digester where it is produced or in separate gas storage tanks and then converted to power when needed as part of a demand-response strategy.

Incorporating existing infrastructure and engaging essential public service providers as partners in satisfying the state's energy needs is a laudable objective and a more viable long-term solution than simply building additional production facilities. The wastewater community across the state is interested in offering assistance wherever appropriate and welcomes the opportunity to work with the CPUC, the Investor Owned Utilities, CalISO, and other stakeholders to proactively achieve our shared objectives.

While we regret not having a specific proposal for the Living Pilot, the wastewater community would still welcome the chance to engage in this dialogue with the Commissioners and others at the Symposium and explain our assets and capabilities in more detail. Please let me know if further clarification or information is sought or if there are any questions. Thank you very much for your consideration of this proposal.

Sincerely,

A handwritten signature in black ink that reads "Greg Kester". The signature is written in a cursive, flowing style.

Greg Kester
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