

From: [Redacted]
Sent: 11/2/2011 9:08:08 AM
To: 'Turhal, Cem' (cem.turhal@cpuc.ca.gov)
Cc: [Redacted]
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[Redacted] Allen, Meredith
(/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)

Bcc:
Subject: RE: Follow Up Email from ED - Biomass information

Hi Cem,

Thanks for sending your questions again after our conversation. PG&E's answers are provided below. Please let me know if you have any other questions.

Thanks,
Karen

Question 1: Can you send me the ARB language that describes the facility qualification metrics? So that I may be able to better understand and identify how/which facilities count as renewable resources and what their reporting requirements might be.

Answer 1:

There are two relevant regulations: ARB's final draft Cap-and-Trade regulation and ARB's Mandatory Reporting Rule (MRR).

-§95852 of the Cap-and-Trade regulation specifies the compliance obligations for biomass-derived fuels. The point of regulation would be the GHG-emitting facility.

-Biomass-fuel entities with GHG emissions > 10,000 mtCO₂e/yr are required to report and verify their emissions pursuant to the MRR.

Under the Cap-and-Trade regulation, there are exemptions from a compliance obligation for combustion of fuels reported as Biomass CO₂ in a verified emissions data report, and for combustion of certain fuel types. These exemptions are specified in more detail in §95852.1.1 and §95852.2. For example, per §95852.2(a)(4), wood and wood wastes are exempt if they are harvested pursuant to an approved timber management plan and for the purpose of fire fuel reduction or forest stand improvement. §95852.2(a)(8) exempts biomethane and biogas from animal, plant, and other organic waste, and landfills and wastewater treatment plants.

Link to Cap and Trade Regulation: <http://www.arb.ca.gov/regact/2010/capandtrade10/ctfro.pdf>

Link to MRR: <http://www.arb.ca.gov/regact/2010/ghg2010/mrrfro.pdf>

Question 2: Can you send me a list of all your biomass fleet (19 facilities I believe) that are not a renewable resources (do not count as renewable facility) and how their GHG looks like.

Answer 2:

While the legacy standard form QF contracts did not address GHG, we expect that all of the biomass combusted at renewable facilities under contract to PG&E would qualify for the biomass exemption and thus have no Cap-and-Trade compliance obligation. Biomass facilities with GHG emissions > 10,000 mtCO₂e/yr (the reporting threshold under the MRR) are, however, still subject to the MRR's reporting and verification requirements.

From: Turhal, Cem [mailto:cem.turhal@cpuc.ca.gov]

Sent: Monday, October 31, 2011 1:42 PM

To: [Redacted]

Subject: Biomass information

Hello Alice,

Per our conversation earlier I was wondering if you could help me understand a few things in terms of Biomass GHG accounting.

-Can you send me the ARB language that describes the facility qualification metrics? So that I may be able to better understand and identify how/which facilities count as renewable resources and what their reporting requirements might be.

-Can you send me a list of all your biomass fleet (19 facilities I believe) that are not a renewable resources (do not count as renewable facility) and how their GHG looks like.

I am looking to better understand the Biomass emissions counting rules and regulations so if you have any other information on this issue please do not hesitate to share.

Hope all is well,

Thanks,

Cem Turhal,

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