

Dairy and Livestock Working Group
 Digester Subgroup
 DRAFT Working Recommendations for Discussion
 September 20, 2018

Deliverable #2: Electricity Generation and Grid Interconnectivity
Recommendations for cost effective ways to further mitigate criteria pollutant emissions for on-site electricity generation projects, including market development incentives, policy development, removing barriers, and regulatory or legislative action.

Issue	Discussion	Recommendation
<p>A) Electricity production and sales, including programs like the BioMAT FiT program, provides an important revenue stream and financial diversification for dairy digesters.</p>	<p>a) In March 2018, CPUC adopted a decision to continue the BioMAT FiT program, which expires in 2021.</p> <p>b) CPUC staff is currently conducting a program review and plans on releasing draft recommendations in the near future. CPUC may open a new phase of the proceeding to consider staff's recommendations and other proposals to revise the program</p>	<p>1) <u>The BioMAT Fit program provides an important revenue stream for financing dairy digester projects and should be extended by the CPUC.</u>¹</p> <p>2) <u>As part of the BioMAT FiT program review and any follow-up proceeding, the CPUC should ensure public discussion and consideration of the following program revisions:</u></p> <p>a. <u>ways to modify the BioMAT FiT program that will provide greater flexibility for project operations to migrate to and from electric generation, onsite vehicle fueling and/or pipeline injection.</u></p> <p>b. <u>Possible ways to capture value from LCFS electric pathway opportunities for both procuring and producing parties.</u></p>

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¹ PG&E recognizes the importance of electric generation contracts in diversifying dairy digester project financing opportunities but does not support extension of the BioMat FiT program at this time. PG&E prefers dairy digester biomethane be utilized for pipeline injection.