



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies,  
Procedures and Rules for the Self-Generation Incentive  
Program and Related Issues.

Rulemaking 20-05-012

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**PETITION OF ENGIE NORTH AMERICA, INC. FOR  
MODIFICATION OF DECISION 21-06-005**

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**I. Introduction**

Pursuant to Rule 16.4 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, ENGIE North America, Inc. (“ENGIE NA”) submits this Petition for Modification (“PFM”) of Decision 21-06-005, *Decision Revising Self-Generation Incentive Program Renewable Generation Technology Program Requirements and Other Matters* (“Decision”). This petition is being filed in the above captioned proceeding as it is the successor proceeding to the original Self-Generation Incentive Program (“SGIP”) proceeding in which D.21-06-005 was originally issued, which was Rulemaking 20-05-012.

**II. About ENGIE NA**

ENGIE NA is an independent power producer, energy services company and retail energy supplier focused on advancing the transition to a carbon-neutral future. Specific to California, ENGIE NA is focused on building large-scale battery energy storage projects and delivering comprehensive energy savings and resiliency solutions to government, educational, commercial, and industrial customers. Over the past 40 years, ENGIE NA has partnered with numerous customers to complete thousands of energy efficiency retrofits and generate more than \$2.7 billion in savings, create safe and productive environments, and dramatically reduce carbon footprints.

ENGIE NA operates the West County Wastewater Treatment Plant (“WWTP”) “Clean &

Green Energy Project” in Richmond, California (“The Project”). The Project is a comprehensive clean energy program by West County that includes Solar Photovoltaics installed on the main WWTP, energy efficiency upgrades across the plant including new blowers and pumps, a dewater system that will create Class 1 biosolids for fertilizer, wastewater sludge digesters to create biogas, and a planned 450 kilowatt (kW) cogeneration system. The cogeneration system will use the WWTP biogas generated to create onsite power for the system and critical heat for the digesters.<sup>1</sup>

### **III. SUMMARY OF REQUESTED RELIEF**

ENGIE NA respectfully requests the Commission approve an SGIP rule change to allow WWTP’s to be allowed to use biogas generated onsite from wastewater processing to generate onsite cogeneration electricity for onsite use. Currently, WWTP biogas has a lower methane content (60%) than is allowed in the Decision (96%). Because WWTP biogas is otherwise flared to the atmosphere, this rule change will result in net GHG emission reductions compared to no biogas cogeneration facilities being built, resulting in WWTP’s flaring their biogas and importing electricity and natural gas to run their systems.

The Commission’s 96% methane SGIP rule imposes unnecessary financial and environmental burdens on WWTP cogeneration projects. The suggested SGIP rule change would provide an exemption to the 96% methane rule only for WWTP’s, resulting in broader adoption of cogeneration facilities, reduced GHG emissions and improvement of WWTP operational resiliency. In addition, the Commission’s own SGIP Evaluations have recommended SGIP Program Administrators identify ways to help WWTP’s utilize excess biogas.<sup>2</sup>

Changing SGIP’s current rule to allow WWTP’s to utilize on site methane in the Decision, will

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<sup>1</sup> ENGIE North America. “[West County Wastewater Moves Forward with Backup Power Plan as part of Ongoing, Major Energy Facility Project with ENGIE.](#)” April 28, 2023.

<sup>2</sup> [2018-2019 Self-Generation Incentive Program Impact Evaluation.](#) January 14, 2021.

not increase local pollution, will reduce GHG's and is a critical step toward supporting sustainable and efficient energy solutions at WWTPs.

#### **IV. JUSTIFICATION OF THIS PETITION**

ENGIE NA seeks leave under Rule 16.4 (d) of the Commission's Rules of Practice and Procedure to file this petition more than a year following issuance of the Decision. The Project's energy upgrade plans and SGIP application for a cogeneration facility were not created and rejected until a year after The Decision. Accordingly, this Petition could not have been filed within a year of the Decision.

ENGIE NA's West County WWTP project operates at a WWTP, and is directly impacted by the Decision, which is the subject of this PFM.

#### **V. PROCEDURAL BACKGROUND**

On June 4, 2021, as part of Rulemaking 20-05-012, the Commission issued its Decision which made several revisions to SGIP requirements for renewable generation technologies. First, it ended a pause on applications using a capture/use/destroy baseline and restricted eligible biofuels to those produced within California.<sup>3</sup> Second, it strengthened documentation, verification, and enforcement requirements to ensure environmental attributes are exclusively owned by SGIP Host Customers.<sup>4</sup>

Most relevant for this PFM, the Decision states SGIP projects using 100% renewable fuels with internal combustion engines must meet the same criteria pollutant emission standards as fossil-fuel projects. This includes a Nitrogen Oxide (NOx) emissions rate standard of 0.07 pounds/Megawatt hour and a minimum efficiency of 60% as stipulated by California Air Resources Board regulations.<sup>5</sup> Furthermore, on-site SGIP biogas projects are required to adhere to the methane

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<sup>3</sup> [Decision Revising Self-Generation Incentive Program Renewable Generation Technology Program Requirements And Other Matters](#), pg 2.

<sup>4</sup> [Ibid](#), pg 49.

<sup>5</sup> [Ibid](#), pg 28.

purity standard, which mandates that the biogas contain at least 96% methane to ensure that contaminants are minimized and emissions are controlled.<sup>6</sup>

**VI. THE SGIP 96% METHANE RULE SHOULD BE REMOVED FOR COGENERATION UNITS INSTALLED AT WASTE WATER TREATMENT PLANTS OPERATING ON ONSITE DIGESTER GAS**

The requested rule change to remove the current SGIP 96% methane rule for cogeneration units installed at WWTPs operating on onsite digester gas is essential to optimize the environmental and operational benefits of these systems. Now, a WWTP could only meet the 96% methane rule by utilizing expensive CO<sub>2</sub> removal equipment that would result in increased GHG's due to the energy used in the CO<sub>2</sub> removal process. Anaerobic digestion is a biological process and occurs at all WWTP's which produce methane and CO<sub>2</sub>. No volatile organic compounds such as chlorinated hydrocarbons, aromatic compounds, and other toxic gases are generated at WWTP's.

The 96% methane rule is unnecessary for cogeneration units at WWTPs for several reasons: these units are already subject to stringent air quality standards that ensure their emissions are comparable to or better than those of pipeline natural gas combustion; the levels of CO<sub>2</sub> emitted into the atmosphere are equivalent pre and post combustion; and WWTP's can produce both electricity and useful heat, which can be used on-site, thus improving the energy efficiency of the WWTPs and reducing the need for external energy sources.

Finally, cogeneration units enhance the resiliency of WWTPs by providing a reliable power source during utility outages, thereby reducing dependence on highly polluting diesel backup generators. This capability is crucial for maintaining critical wastewater treatment operations during grid disruptions. The electricity generated by cogeneration units offsets the need for grid-supplied power, which often includes non-renewable sources, leading to further GHG emission reductions.

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<sup>6</sup> [Ibid](#), pg 30.

From a statewide perspective, if cogeneration units were installed at all eligible WWTPs in California, the potential environmental benefits would be substantial. These units could produce approximately 347,521 MWh of electricity annually, avoiding 83,579 tons of CO<sub>2</sub> emissions from electricity generation.<sup>7</sup> Additionally, the heat produced by these units would replace a significant amount of natural gas otherwise used in boilers, avoiding 241,095 tons of CO<sub>2</sub> emissions from gas consumption. In total, cogeneration at WWTPs could result in a reduction of 324,674 tons of CO<sub>2</sub> emissions annually.<sup>8</sup>

The Commission's 96% methane SGIP rule imposes unnecessary financial and environmental burdens on cogeneration projects at WWTPs. Removing this requirement would facilitate the broader adoption of cogeneration technologies, leading to significant GHG reductions, enhanced energy efficiency, and improved operational resiliency at WWTP's across California. Therefore, revising the SGIP methane purity requirement is a critical step toward supporting sustainable and efficient energy solutions at WWTPs.

Lastly, the CPUC's Annual SGIP Evaluation for program years 2018-2019 recommends that *"the [program administrators] identify ways to increase adoption of self-generation technologies at dairies, landfills, wastewater treatment plans, and other facilities that produce excess biogas or decrease barriers to directed biogas projects."*<sup>9</sup> Furthermore, increasing the adoption of these technologies not only aligns with California's ambitious GHG reduction goals but also addresses significant environmental challenges. By removing SGIP's 96% methane requirement for WWTP's using onsite biogas, California can make strides in reducing its carbon footprint while encouraging innovation and investment in renewable energy technologies.

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<sup>7</sup> See Appendix A, Table 2.

<sup>8</sup> See Appendix A, Table 2.

<sup>9</sup> [2018-2019 Self-Generation Incentive Program Impact Evaluation](#). January 14, 2021.

## VII. CONCLUSION

ENGIE NA appreciates the opportunity to submit this Petition for Modification of D. 21-06-005 and respectfully urges the Commission to grant the relief requested herein as soon as practicable.

Respectfully submitted this October 4, 2024 from Oakland, California.

Respectfully submitted,

*By:* /s/ \_\_\_\_\_  
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