

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

Order Instituting Rulemaking to Implement  
Dairy Biomethane Pilot Projects to  
Demonstrate Interconnection to the  
Common Carrier Pipeline System in  
Compliance with Senate Bill 1383

Rulemaking 17-06-015  
(filed June 15, 2017)

**COMMENTS OF MAAS ENERGY WORKS, INC ON THE  
JOINT UTILITY DRAFT SOLICITATION FOR SB 1383 DAIRY PILOT PROJECTS**

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Pursuant to the January 31<sup>st</sup>, 2018 Workshop on the Draft Solicitation to Implement Dairy Biomethane Pilot Projects to Demonstrate Interconnection to the Common Carrier Pipeline System in Compliance with Senate Bill 1383, Maas Energy Works, Inc. respectfully submits the following comments.

**I. INTRODUCTION**

Maas Energy Works is the leading developer-operator of dairy manure digesters in the United States ([www.maasenergy.com](http://www.maasenergy.com)). Facilities developed and/or operated by Maas Energy Works generate renewable biogas on 11 different sites, processing livestock manure from 19 different west coast dairy farms using Onsite Biogas to fuel internal combustion engines or other equipment. Maas Energy Works has completed 8 of the last 10 dairy digesters built in California and a total of 13 in three states. Thank you for considering the following questions and comments:

**II. COMMENTS**

1. Chapter 1, Section 4.0 specifies “If a Pilot Project includes both delivery of biomethane to an onsite electric generator (e.g., combustion turbine, microturbine or fuel cell) and injection of biomethane into the Utility pipeline, the Pipeline Infrastructure costs that are eligible for funding shall be reduced by the percentage of the biomethane that is delivered to an onsite electric generator, rather than injected into the Utility pipeline.”

Since a variety of digesters business models may include some transitional or partial electrical generation, it is important that developers have specifics about how such a reduction in eligible funds would be applied. We suggest the reduction should be proportional to the total amount of gas delivered via the pilot project infrastructure over a ten year period. For example, if half of the biogas were delivered to an onsite electrical generator for two years, and thereafter all biogas was delivered to the pipeline, then a 10% reduction would apply.

2. Chapter 1, Section 4.1 describes that developers may claim reimbursement for costs incurred in installing gathering lines. There is no detail on what date costs on these gathering lines may be incurred to be eligible for reimbursement. It is possible that a developer could incur costs now to install gathering lines, but then not be able to later claim reimbursement due to the early install date. This timeline of expenditure issue a recurring issue in public support for digesters because it encourages projects to wait to compile state incentive funding, rather than move forward now with viable projects. Maas Energy Works has several projects in development that would like to proceed to install pipeline very soon and other that are already bidding or even laying pipe. To make the best use of the Pilot Project program to spur development, we suggest setting the earliest possible date for determining eligible costs for reimbursement—possibly as early as the passage of SB-1383.
3. Chapter 2, Section 2.4.1. states “Describe how feasible it is for the interconnect location to accept biomethane from potential additional digesters.” We appreciate the effort to maximize participation of existing digesters that may be shut down, or venting or flaring their gas, or running an onsite electric generator. Since entering the California market in 2010, Maas Energy Works has been working with dairymen successfully to restart or refurbish many of the earlier generations of digesters. These digesters were often funded at great public expense and we believe every effort should be made to harness these investments to help the state meet its goals.

