

Supporting Workpapers to the Testimony of Hal Snyder and Ron Goodman (Chapters I and II)

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<u>Location in Testimony</u>	<u>Testimony Excerpt</u>	<u>Workpaper #</u>	<u>Title</u>
Ch. I pg 5 Ch. I pg 5	"Using the Climate Action Reserve's Organic Waste Protocol, SoCalGas estimates that one economical renewable natural gas injection project has annual emission reductions of 56,250 metric tons of CO2 equivalent (MTCO2e) based on 411 tons per day of landfill diverted organic waste that is anaerobically digested." "This is the equivalent of taking approximately 11,000 passenger vehicles off the road."	1 1	CO2 Reduction Calculation for Post-Consumer Food Waste Diversion Project CO2 Reduction Calculation for Post-Consumer Food Waste Diversion Project
Ch. I fn 13 Ch. I fn 15	"Approximately 300-500 tons of food waste per day is required to produce 1.5 million cubic feet per day of biogas." "Average \$/MTCO2e value between 2012 and 2027 in the 2011 MPR Model" "Also, using a carbon credit value of \$37.50/ MTCO2e would produce annual carbon credits valued at approximately \$2.1 million."	3 2	Estimated Biogas Production from Food Waste Estimated Annual Carbon Credit Calculation
Ch. I pg 5,6 Ch. I pg 8	"SoCalGas estimates that the amount of renewable natural gas that can be produced by twenty Biogas Conditioning/Upgrading Services systems is approximately 30 million cubic feet per day"	2 4	Estimated Annual Carbon Credit Calculation Estimated Amount of Renewable Natural Gas from 20 Biogas Conditioning/Upgrading Systems
Ch. I pg 8	"If all of this renewable natural gas were injected into the utility pipeline network and nominated to a RPS certified generation facility, it would provide enough fuel to generate approximately 100 MW of renewable power."	5	Estimated Amount of Renewable Power Generated from 20 RNG Pipeline Injection Projects
Ch II, pg 6	"The potential for biogas production in SoCalGas' service territory is approximately 150 million standard cubic feet per day (MMscfd) in the following customer activity areas; wastewater treatment facilities (20MMscfd), concentrated animal feeding operations (70MMscfd), and food/green waste processing (60MMscfd)"	6	Potential for Biogas Production - Wastewater Treatment Facilities
Ch II, pg 6	"The potential for biogas production in SoCalGas' service territory is approximately 150 million standard cubic feet per day (MMscfd) in the following customer activity areas; wastewater treatment facilities (20MMscfd), concentrated animal feeding operations (70MMscfd), and food/green waste processing (60MMscfd)"	7	Potential for Biogas Production - Animal Feeding Operations
Ch II, pg 7	"Ten European countries account for over 60% of the biogas upgrading plants worldwide which are successfully injecting renewable natural gas into the utility pipeline network." "If achieved, this would account for at least 300-500 tons per day of organic waste (per project) that would be diverted from a landfill and produce approximately 1.5 million cubic feet per day (per project) of biogas through an anaerobic digestion process."	8 9	Potential for Biogas Production - Landfill Diverted Food/Green Waste Breakdown of Biogas Upgrading Plants by Country - 2009
Ch. II, pg 12	"Using the Climate Action Reserve's Organic Waste Protocol ³¹ , SoCalGas estimates one economical renewable natural gas injection project has annual emission reductions of 56,250 metric tons of CO2 equivalent (MTCO2e) based on 411 tons per day of landfill diverted organic waste that is anaerobically digested." "This is the equivalent of taking approximately 11,000 passenger vehicles off the road." "Also, using a carbon credit value of \$37.50/ MTCO2e ³⁴ would produce annual carbon credits valued at approximately \$2.1 million."	3 1 1 2	Estimated Biogas Production from Food Waste CO2 Reduction Calculation for Post-Consumer Food Waste Diversion Project CO2 Reduction Calculation for Post-Consumer Food Waste Diversion Project Estimated Annual Carbon Credit Calculation

CO2 Reduction Calculation for Post-Consumer Food Waste Diversion Project**Source for Data/Table Below**

Climate Action Reserve - Organic Waste Digestion Project Protocol

Version 2.0, June 29 2011

Table C-3 (Page 92) - Example Digester Plant, Payback Economics

http://www.climateactionreserve.org/wp-content/uploads/2011/10/Organic_Waste_Digestion_Project_Protocol_V2.0_Package_102611.pdf

Parameters	Values (See notes below)
Digester Volume	150,000 tons/year (or 411 tons/day)
Main Substrate	MSW - Post-Consumer Food Waste
Investment Costs	\$15,000,000
Annual capital repayment Costs	\$3,500,000
Other operating costs (year)	\$2,500,000
Total annual costs	\$6,000,000
Total revenue	\$9,056,000
Net income (before taxes)	\$3,056,000

Notes:

- 1) If the landfill is required to have methane controls, this reduces the methane emitted and therefore the value of GHG credits to \$450,000 annually
- 2) Based on EPA emissions factors for methane emissions from MSW in landfill (sourced from AP 42, Fifth Edition, Volume I Chapter 2: Solid Waste Disposal <http://www.epa.gov/ttn/chief/ap42/ch02/index.html>) and estimating carbon credit value at \$8/ton

Line	Assumptions	Value	Formula
1	Assume the landfill has methane controls.		
2	Digester Volume =	150,000 tons/year	
3	Carbon credit value =	\$ 8.00 per MTCO2E	
4	GHG Reduction Revenue (with methane control) =	\$ 450,000 per year	
5	Annual amount of CO2 emissions from passenger vehicle *	5.1 MTCO2E/vehicle/year	
	* Taken from EPA Greenhouse Gas Equivalencies Calculator (Calculations and References) http://www.epa.gov/cleanenergy/energy-resources/refs.html		
	Calculations		
6	Estimated amount of carbon emission reduction	56,250 MTCO2E/year	line 4 / line 3
7	Estimated carbon reduction per ton of diverted food waste	0.375 MTCO2E/ton of food waste	line 6 / line 2
	Estimated equivalent annual amount of passenger vehicles taken off the road		
9		11,029 passenger vehicles	line 6 / line 5

Workpaper #2

Estimated Annual Carbon Credit Calculation

Source for Data/Table Below

2011 Market Price Referent (MPR) Model, "Var_Comp" sheet, line 29

www.cpuc.ca.gov/NR/rdonlyres/B4F07AB3-0846-403B-ADDD-E6F495826113/0/Final2011MPR.xls

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average
\$16.29	\$22.29	\$26.08	\$27.89	\$29.88	\$32.00	\$34.25	\$36.65	\$39.20	\$41.86	\$44.71	\$47.75	\$51.00	\$54.47	\$58.23	\$37.50

<u>Line No.</u>	<u>Assumptions</u>	<u>Value</u>	<u>Formula</u>
1	Amount of carbon emission reduction per food waste project (taken from Line 6 of Workpaper #1) =	56,250 MTCO2E/year	
2	Estimated annual average carbon credit value =	\$37.50 /MTCO2E	

Calculations

Estimated annual value of carbon credits \$ 2,109,528 per year line 1 x line 2

Estimated Biogas Production from Food Waste

- 1) SoCalGas has contacted various digester manufacturers and industry consultants and the stated range of 300 to 500 tons of food waste to produce 1.5 million standard cubic feet per day (scfd) of biogas is based on these data points/sources.
- 2) The source data below is for municipal solid waste and the calculated tonnage per day of waste to produce 1.5 million scfd of biogas generally falls within the 300 to 500 tons per day range.

Source Data for Data/Table Below

GREENING WASTE: ANAEROBIC DIGESTION FOR TREATING THE ORGANIC FRACTION OF MUNICIPAL SOLID WASTES

Karena Ostrem, May of 2004

Table 1 Biogas Yield of Several AD Designs Treating MSW (Page 12)

http://www.seas.columbia.edu/earth/wtert/sofos/Ostrem_Thesis_final.pdf

AD Technology	Biogas Yield (m3/metric ton of feedstock)
BTA	80-120
Valorga	80-160
WAASA	100-150
DRANCO	100-200
Linde	100
Kompogas	130

Line No.	Assumptions	Value	Formula
1	1 metric ton =	0.907 short tons	
2	1 m3 =	35.31 standard cubic feet	
3	Digester "Up Time" =	90%	
4	Estimated amount of biogas to satisfy the economies of scale for biogas upgrading/conditioning* =	1,500,000 standard cubic feet	

AD Technology	Average biogas production m3/metric ton of feed	
	Low	High
BTA	80	120
Valorga	80	160
WAASA	100	150
DRANCO	100	200
Linde	100	100
Kompogas	130	130

* Based on SoCalGas' lifecycle cost calculations for a typical biogas upgrading/conditioning services tariff project

Calculations

AD Technology	Estimated average biogas production scf/short ton of feed	
	Low	High
BTA	2,803	4,204
Valorga	2,803	5,606
WAASA	3,504	5,256
DRANCO	3,504	7,007
Linde	3,504	3,504
Kompogas	4,555	4,555

(line 5 x line 2 / line 1) x line 3
 (line 6 x line 2 / line 1) x line 3
 (line 7 x line 2 / line 1) x line 3
 (line 8 x line 2 / line 1) x line 3
 (line 9 x line 2 / line 1) x line 3
 (line 10 x line 2 / line 1) x line 3

AD Technology	Estimated range of short tons of feed per day to produce 1.5 million scfd	
	Low	High
BTA	357	535
Valorga	268	535
WAASA	285	428
DRANCO	214	428
Linde	428	428
Kompogas	329	329

line 4 / line 11
 line 4 / line 12
 line 4 / line 13
 line 4 / line 14
 line 4 / line 15
 line 4 / line 16

Estimated Amount of Renewable Natural Gas from 20 Biogas Conditioning/Upgrading Systems

<u>Line No.</u>	<u>Assumptions/Descriptions</u>	<u>Value</u>	<u>Formula</u>
1	In speaking with customers across the waste hauling, livestock, and wastewater treatment plant industries, SoCalGas believes there will be roughly 20 projects in SoCalGas' territory over the next 5-10 years that will likely provide enough feedstock to justify an economical project without incentives.	20	projects standard cubic
2	Estimated amount of biogas to satisfy the economies of scale for biogas upgrading/conditioning* =	1,500,000	feet per day
* Based on SoCalGas' lifecycle cost calculations for a typical biogas upgrading/conditioning services tariff project			
<u>Calculations</u>			
Estimated amount of renewable natural gas that can be produced by twenty Biogas Conditioning/Upgrading Services systems =		standard cubic 30,000,000 feet per day	line 1 x line 2

Estimated Amount of Renewable Power Generated from 20 RNG Pipeline Injection Projects

<u>Line No.</u>	<u>Assumptions</u>	<u>Value</u>	<u>Formula</u>
1	Estimated Number of Biogas Conditioning/Upgrading Projects =	20	
2	Estimated amount of biogas to satisfy the economies of scale for biogas upgrading/conditioning* =	1,500,000 cubic feet/day	
3	Methane content of biogas =	60%	
4	Methane recovery from Biogas Conditioning/Upgrading System =	90%	
5	Biogas Conditioning/Upgrading Services capacity factor =	95%	
6	Heating value of injected renewable natural gas (RNG) =	990 btu/cubic foot	
7	Heat rate of Combine Cycle Power Plant (RPS Certified) =	6924 btu/kWh **	
8	Base load capacity factor for power plant =	0.92	
* Based on SoCalGas' lifecycle cost calculations for a typical biogas upgrading/conditioning services tariff project			
** From 2011 Market Price Referent (MPR) Model - "Heat Rate" Sheet. Avg of adjusted heat rate value.			
www.cpuc.ca.gov/NR/rdonlyres/B4F07AB3-0846-403B-ADDD-E6F495826113/0/Final2011MPR.xls			
Calculations			
9	Total amount of biogas =	30,000,000 cubic feet/day	line 1 x line 2
10	Total amount of RNG injected into pipeline =	15,390,000 cubic feet/day	line 3 x line 4 x line 5 x line 9
11	Convert cubic feet per day into btu per day =	15,236,100,000 btu/day	line 6 x line 10
12	Total amount of kWh's produced from RNG =	2,200,477 kWh's per day	line 11 / line 7
13	Convert kWh's into MWh's =	2,200 MWh's per day	line 12 / 1,000
	Generation capacity from RNG =	100 MW	(line 13 / line 8) / 24

Potential for Biogas Production - Animal Feeding Operations

Source for Data/Table Below

United States Department of Agriculture National Agricultural Statistics Service

May 22, 2012

http://www.nass.usda.gov/Statistics_by_State/California/Publications/County_Estimates/201005lvscef.pdf

Data has been sorted to only reflect estimated number of milk cows within SoCalGas' service territory

<u>Line No.</u>	<u>Description</u>	<u>Value</u>	<u>Formula</u>
Cow Count by County within SoCalGas Service Territory			
	County	Milk Cows	
1	Fresno*	57,500	
2	Kern	160,000	
3	Kings	165,000	
4	San Joaquin	100,000	
5	Tulare	435,000	
6	Imperial	10,200	
7	Los Angeles	4,100	
8	Riverside	48,500	
9	San Bernardino	89,000	
10	Santa Barbara	2,800	
11	Total	1,072,100	

Calculations

12 Biogas production per milk cow** = 65 scfd
 Total Biogas Production Potential = 70 MMscfd line 11 x line 12 / 1,000,000

* Assumes 50% of the milk cows in Fresno are within SoCalGas' service territory

** Source: "CPUC Self Generation Program - Cost-Effectiveness of Distributed Generation Technologies", Appendix A-6

Prepared by ITRON

February 9, 2011

http://www.cpuc.ca.gov/NR/rdonlyres/2EB97E1C-348C-4CC4-A3A5-D417B4DDD58F/0/SGIP_CE_Report_Final.pdf

36-AA-0074	Mitsubishi Cement Plant Cushmanbury L.F.	San Bernardino	0	0	0	0	0
36-AA-0087	San Timoteo Sanitary Landfill	San Bernardino	29,285	31,410	30,815	31,990	123,500
40-AA-0001	City Of Paso Robles Landfill	San Luis Obispo	9,230	9,430	9,311	8,300	36,271
40-AA-0002	Camp Roberts Landfill	San Luis Obispo	0	0	0	0	0
40-AA-0004	Cold Canyon Landfill Solid Waste DS	San Luis Obispo	35,496	36,468	36,887	34,685	143,536
40-AA-0008	Chicago Grade Landfill	San Luis Obispo	13,469	14,681	15,986	15,063	59,199
42-AA-0011	Foxen Canyon Sanitary Landfill	Santa Barbara	0	0	0	0	0
42-AA-0012	Vandenberg AFB Landfill	Santa Barbara	2,146	1,730	1,189	1,272	6,337
42-AA-0015	Tajiguas Sanitary Landfill	Santa Barbara	45,061	45,512	44,667	43,564	178,804
42-AA-0016	Santa Maria Regional Landfill	Santa Barbara	22,354	23,427	23,483	23,146	92,410
42-AA-0017	City Of Lompoc Sanitary Landfill	Santa Barbara	8,187	8,255	8,507	7,934	32,883
54-AA-0001	Earlimart Disposal Site	Tulare	0	0	0	0	0
54-AA-0004	Teapot Dome Disposal Site	Tulare	12,149	14,115	13,111	13,191	52,566
54-AA-0008	Woodville Disposal Site	Tulare	19,527	19,684	19,890	20,862	79,963
54-AA-0009	Visalia Disposal Site	Tulare	9,290	12,029	15,688	13,083	50,090
56-AA-0005	Toland Road Landfill	Ventura	80,709	83,525	86,939	85,591	336,764
56-AA-0007	Simi Valley Landfill & Recycling Center	Ventura	173,946	17,399	174,888	175,471	541,704
Grand Total:			4,509,331	4,421,014	4,579,136	4,572,430	18,081,911

Line No. Assumptions

Line No.	Assumptions	Value	Formula
1	Tons of MSW landfilled in 2010 (per table above) =	18,081,911 tons	
2	California diversion/recycling rate in 2010* =	65%	
3	Assumed tons of MSW generated before diversion/recycling =	27,818,325 tons	line 1 / line 2
4	Breakdown of MSW (based on national data)**		
5	- Food Scraps	13.9%	
6	- Yard Trimmings	13.4%	
7	Assumed number of tons per day (50/50 food to yard waste ratio) for biogas upgrading project to be economical =	500 tons/day	
7	Estimated amount of biogas generated per landfill diversion project =	1,500,000 scfd	

* <http://www.calrecycle.ca.gov/lcentral/goalmeasure/DisposalRate/MostRecent/default.htm>

** <http://www.epa.gov/osw/conserve/materials/organics/food/fd-basic.htm>

Calculations

8	Total tons of Food Scraps and Yard Trimmings per Year =	7,594,403 tons/year	line 3 x (line 4 + line 5)
9	Estimated total number of potential landfill diversion projects =	42	line 8 / (line 6 x 365)
	Total Biogas Production Potential =	62 MMscfd	(line 7 x line 9) / 1,000,000

Breakdown of Biogas Upgrading Plants by Country - 2009

Source for Data/Table Below

"Biogas upgrading technologies - developments and innovations" (pages 16-18)

Anneli Petersson and Arthur Wellinger

October 2009

http://biogasmax.info/media/iea_2biogas_upgrading_tech_025919000_1434_30032010.pdf

Line No.	Country	Total Upgrading Plants*	Upgrading Plants Injecting into "Gas Grid"
1	Austria (European)	5	4
2	Canada	1	1
3	France (European)	1	0
4	Germany (European)	31	30
5	Iceland (European)	1	0
6	Japan	2	0
7	Norway (European)	3	1
8	Netherlands (European)	6	6
9	South Korea	0	0
10	Spain (European)	2	0
11	Sweden (European)	39	8
12	Switzerland (European)	16	14
13	USA	10	9
14	United Kingdom (European)	1	0
15	Totals	118	73
16	Europe Totals	105	63
17	Non-Europe Totals	13	10

* If "Utilisation" column does not identify how the biogas is utilized, it has been omitted from the table

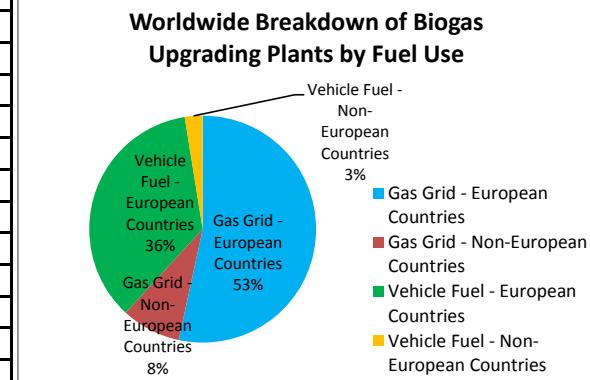
Calculations

Percentage of "gas grid" injection plants located in

European Countries =

86%

Formula



(line 16 / line 15)