



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by WMM Date 12/12/09
General Manager

DATE: December 11, 2009
TO: General Manager
FROM: Information Systems Manager
SUBJECT: Status Report on Listing of Carbon Offset Credits With Climate Action Reserve (CAR), and Supplying Renewable Energy to Regional Water Project

Listing of Carbon Offset Credits With Climate Action Reserve

On November 12, 2009 the District's Landfill Gas (LFG) to Energy Project became "listed" with the Climate Action Reserve. This means the District's project has been accepted and upon verification of the operating records, the District will be issued carbon credit certificates. This is good news for the District as the request for exclusion of the 2001 Test Flare was approved. The verification process is essentially an extensive audit and will cost around \$15,000. How staff approaches verification is linked to the marketing of the projected certificates. Staff is exploring these options for marketing the certificates:

- Hiring a firm to manage the verification process along with all remaining administrative steps, and take ownership of the future certificates for a pre-agreed upon price. This is a common approach for many landfills, but usually includes the application process which the District has already completed.
- District staff managing the verification process and selling the certificates directly through a Request for Offers process.
- District staff managing the verification process and selling the certificates through a broker.

Other options may arise and staff expects to prepare a recommendation for the Board by June 2010. Staff is also working to ensure the District maximizes the quantity of certificates generated. A separate memo addresses staff's request for equipment for the purpose of continuous monitoring of the landfill gas.

Supplying Renewable Energy to Regional Water Project

On November 23rd, District staff met with Marina Coast Water District (MCWD) General Manager and staff, and Lyndel Melton of RMC (representing Water for Monterey County Coalition [WFMCC] – formerly REPOG). The discussions were informative and included the project's EIR status with the PUC, possible funding options, the current time table for District power being needed by the end of 2012, and the District's plan for supplying the renewable power.

Attached is a copy of the PUC's response to the District's letter of support for the Water Project dated November 10, 2009. It is interesting to note the PUC's evaluation of the project used the "worst cast" scenario of PG&E supplying the power instead of the District. District staff is still, of course, preparing to support the Water Project with District renewable power.

The expansion of the District's power plant will be included with future Water Project funding efforts. Mr. Melton did bring to staff's attention the possibility of Department of Energy (DOE) funding for the expansion through a contact he made in Colorado. District staff has looked at other DOE funding options without success, but will follow up with Mr. Melton's contact.

District staff has made a preliminary cost estimate of a million dollars for the necessary equipment, electrical engineering, and infrastructure changes needed to divert power from the existing LFG power plant location, across the site, to the proposed desalination plant location on the Armstrong Ranch. With the pending approval of the EIR by the PUC, staff will be engaging a consultant to prepare a report on the specific steps necessary and estimated cost, to construct the power line and power plant modifications. The cost for the consultant will be less than \$10,000.



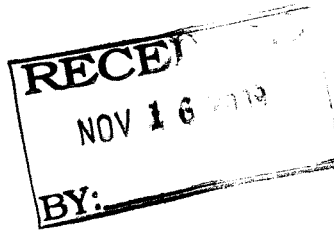
Don Prescott

Attachment



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transmittal

date November 10, 2009

attached via regular mail

to Leo Laska
Board of Directors Chair
Monterey Regional Waste Management District
14201 Del Monte Boulevard
Box 1670
Marina, CA 93933

via messenger via overnight mail

project Coastal Water Project

items 1 CD copy of the Final EIR

comments As a local, state or federal agency that commented on the CalAm Coastal Water Project DEIR, we are providing with this transmittal a copy of the FEIR on CD as well as a hard copy of responses to your comments. Your comment letter is contained in Volume 4 and the responses to your comments are contained in Volume 5. This CD is being provided to your agency, consistent with CEQA Guidelines Section 15088(b); Evaluation of and Response to Comments.

The CPUC will consider Certification of the Coastal Water Project EIR at its December 17, 2009 meeting in San Francisco. The November 6, 2009 Proposed Decision and other correspondence related to this proceeding can be found here:

<http://docs.cpuc.ca.gov/published/proceedings/A0409019.htm>

sent by Eric Zigas

cc

Monterey Regional Waste Management District, Leo Laska, Board of Directors Chair, 03/20/09

L_MRWMD-1 The DEIR evaluated the impacts of using power directly from the grid (from PG&E), as representing a “worst case” scenario. If alternative energy sources can be developed and made available to any of the alternatives, this could result in a reduction to impacts disclosed in the DEIR. However, the use of landfill gas, as suggested by the commenter, is not without environmental impacts of its own. Landfill gas is about 40-60 percent methane (which is a greenhouse gas), with the remainder being mostly carbon dioxide (CO₂). Landfill gas also contains varying amounts of nitrogen, oxygen, water vapor, sulfur and a hundreds of other contaminants -- most of which are known as “non-methane organic compounds.” Inorganic contaminants like mercury are also known to be present in landfill gas. Consequently, burning landfill gas tends to be dirtier than burning natural gas. Whether using an internal combustion engine or a gas turbine, burning landfill gas to produce energy can tend to emit more contaminants per kilowatt hour than natural gas does (EJN, 2009).

The comment states that they are exploring the feasibility of different ways to expand their co-generation capacity. Given that they are in this stage of development, it would be speculative to assume any one of the commenter’s suggested energy possibilities would be available and what the potential environmental effects might be with respect to the Proposed Project(s). Should any of the commenter’s projects go forward, their power project would receive its own environmental review, project approvals, and appropriate permits to operate. In such a case, it would be possible for the Regional Project or North Marina alternative to benefit from the close proximity of that future potential generation source, but until such time as a firm project is proposed, it is not possible to consider this as a practical alternative for the purposes of evaluation in this document.