

SAIC Public Comment on Draft Landfill Project Protocol Version 4.0

June 3, 2011

The updated 4.0 draft version of the Landfill Project Protocol includes a restriction that if a project generates renewable energy credits (RECs), the project will be ineligible to receive CRTs, regardless of who receives the RECs for the project. There are several options for a landfill gas-to-energy project to establish how the environmental credits associated with the project will be distributed (for example, the utility may receive the RECs and the project developer the CRTs) and the increased electricity purchase rate associated with relinquishing the RECs is often negligible. REC values vary greatly across the country and while they may provide some financial incentive to a utility, they may not be enough to provide significant financial support for the project. For example, in the Midwest, the predominant renewable energy projects are wind projects, and the predominant fuel source for power plants is coal. Therefore, utilities may only be interested in LFGTE projects to diversify their REC portfolios and often have satisfied the majority of their renewable energy requirements through wind projects. In addition, the electricity rates offered for LFGTE projects are typically within the range of coal fueled power, so projects often need any financial benefit, both the RECS and the CRTs to make the projects financially feasible. We feel CAR should re-evaluate this restriction, and/or research electricity purchase rates and the types of projects receiving RECs to compare the economics of LFGTE projects in different areas of the Country.

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