

October 22, 2008

California Climate Action Registry
523 West 6th Street, Suite 428
Los Angeles, CA 90014

Re: CCAR's Landfill Project Reporting Protocol Draft v2.0

DTE Biomass Energy (DTE) is pleased to submit comments on CCAR's proposed Landfill Project Reporting Protocol. DTE is a wholly owned subsidiary of DTE Energy Company, a leading national energy provider with revenues exceeding \$9 billion. DTE has participated landfill gas (LFG) projects since 1987 and is considered a leading developer, operator and owner of landfill gas-to-energy facilities in the United States. DTE's portfolio currently includes 28 facilities located in 12 states; DTE recovers approximately 120 million cubic feet of LFG each day. DTE's comments on sections of the CCAR proposed Landfill Project Reporting Protocol are below.

Section 2.3: Additional GHG Reduction Activities in the Solid Waste Sector

As presently written, the CCAR protocol will not consider landfill operations that utilize anaerobic bioreactor technologies. The reason given is that: "it is unclear what effects the bioreactor may have on the net total and temporal distribution of fugitive methane emissions relative to project baseline conditions."

It is DTE's view and position that the exclusion of landfill operations that utilize anaerobic bioreactor technologies is inconsistent with the goal of CCAR's Landfill Project Reporting Protocol, which is the collection and destruction of methane. In our experience it is clear what effects the bioreactor has on both the net total and temporal distribution of methane generated by the landfill. The introduction of leachate and other materials to enhance the decomposition of waste does not impact the total amount of methane that is generated by the landfill, but rather only increase the rate of decomposition and corresponding generation of methane. No more or less methane is created when anaerobic bioreactor technologies are employed; the methane is just generated more quickly than it is in a landfill that does not utilize anaerobic bioreactor technologies. Therefore there is no impact relative to project baseline conditions, when considering the total amount of methane emissions over the life of a landfill. Addition of bioreactor technologies simply speeds up the methane creation process.

Section 3.3.1: Performance Standard Test

As presently written, landfills currently collecting and destroying landfill gas to comply with NSPS and EG regulations are not eligible to register GHG reductions associated with the early installation of gas control systems during expansion into new cells.

We feel that exclusion of “early action” GHG reductions in such cells runs contrary to the goal of CCAR’s Landfill Project Reporting Protocol, which is the collection and destruction of methane. Under present NSPS regulations, there are no regulatory requirements to collect landfill gas during expansion into new cells at a NSPS regulated landfill. Presently, the CCAR protocol states: “A project developer passes the Performance Standard Test by installing a landfill gas collection system at a landfill that is not required to do so by regulations.” However, it is our contention that new cells should be thought of as the equivalent of separate non-NSPS landfills within a larger regulated landfill. We believe that the actions taken to collect gas early (i.e., prior to when required by regulations) satisfy both regulatory additionality and financial additionality, as further described below.

Regulatory Additionality: Landfill operators are not required to collect gas for a period of five years after first placement of waste or two years after final cover, therefore new cells in a landfill are not required to have gas collection systems installed until that point in time. In the regulatory framework that exists, a new cell is essentially its own pre-NSPS landfill. Given that there does not exist a regulation that compels landfill operators to collect gas that would otherwise be passively vented, early construction of gas collection systems in these new cells should satisfy the test for regulatory additionality. The Regulatory Test is to ensure that the emission reductions achieved by a project would not have occurred in the baseline case due to federal, state, or local regulations.

Financial Additionality: With regard to financial additionality, the expense associated with the early installation of gas control systems into such non-NSPS regulated new cells is significant. The placement of such a system within an active, working cell can be expensive due to the amount of activity (machinery, people, etc.) that can be found on such a cell. Wells need to be periodically re-drilled due to ever-changing topography and pipes need to be repaired because of the damage done by filling operations. Aside from these obvious, tangible additional costs, there is a significant cost of capital incurred by the organization responsible for installing the early collection system.

As a result, it does not make financial sense for early gas collection system installation and the methane gas in such cells simply vents uncontrolled into the atmosphere prior to the date on which systems are required to be installed by NSPS. By incenting landfill operators to collect and destroy such gas prior to NSPS regulation via carbon credits, the CCAR protocol will further promote and achieve its goal of reducing GHG emissions.

If CCAR does amend its protocol to allow these “early action” GHG reductions, the gas collection systems can be designed and installed to satisfy the other requirements found under Section 3.3.1, which is to say the system will be entirely separate and monitored separately. Certainly this is more difficult and costly for the landfill gas collection system operators, and something that would only be done if the “early action” GHG reductions were allowed.

Section 5.1: Baseline Emissions Calculation

As presently written, unless a landfill incorporates a synthetic liner as part of its final cover system, a default methane oxidization rate of 10% is to be used when calculating the baseline scenario. This implies that 10% of the methane generated in landfills is naturally oxidized to carbon dioxide by methanotrophic bacteria in the cover soils of well managed landfills.

Rather than utilizing the bright line test currently in place, CCAR should allow developers the opportunity to prove that their projects yield a lower quantity of naturally oxidized carbon dioxide in the same manner that Voluntary Carbon Standard allows them to provide evidence of flare efficiency that exceeds the default value. With the burden of proof entirely on the developers, validators and verifiers can determine accuracy of the proposed baseline calculation.