

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

Joint Application of Pacific Gas and Electric Company (U 39 G), Southern California Gas Company (U 904 G), San Diego Gas & Electric Company (U 902 G), and Southwest Gas Corporation (U 905 G) to Update Constituents of Concern in Standard Renewable Gas Interconnection Rule.

Application 23-10-XXX
(Filed October 20, 2023)

**JOINT APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 G),
SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), SAN DIEGO GAS &
ELECTRIC COMPANY (U 902 G), AND SOUTHWEST GAS CORPORATION
(U 905 G) TO UPDATE CONSTITUENTS OF CONCERN IN STANDARD
RENEWABLE GAS INTERCONNECTION RULE**

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October 20, 2023

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I. INTRODUCTION

Pursuant to Article 2 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC) and the Commission’s Decision (D.) 14-01-034 issued on January 22, 2014 in Rulemaking (R.) 13-02-008, Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), and Southwest Gas Corporation (Southwest Gas) (collectively, the Applicants) respectfully submit this Application¹ to make revisions to Applicants’ respective Standard Renewable Gas Interconnection (SRGI) Rules approved by the Commission in D.20-08-035 to incorporate recommendations made by the California Air Resources Board (CARB) in its April 2023 supplemental report, “Biogas Constituents of Concern and Health Protective Levels for Biomethane: Supplement Report to OEHHA AB 1900 Biogas Recommendations” (“2023 Report”).²

¹ Pursuant to Rule 1.8(d) of the Commission’s Rules of Practice and Procedure, PG&E has been authorized to submit this Application on behalf of the Applicants.

² The 2023 Report is available at <https://ww2.arb.ca.gov/sites/default/files/2023-05/AB-1900-Supplement-Report.pdf>

CARB's 2023 Report identifies 15 health protective constituents of concern (COC) by biogas source³ and associated risk management levels,⁴ and specifies COC testing requirements by biogas source (landfills, dairies, sewage treatment, food/green and other).⁵

As detailed in Applicants' joint supporting testimony, Applicants propose to incorporate CARB's COC recommendations into their respective SRGI Rules⁶ with the exception of CARB's recommendation regarding how to conduct source testing when biogas feedstock has multiple sources. For source testing when biogas feedstock has multiple gas sources, Applicants propose testing all applicable COCs for each feedstock gas source specified by the interconnector, rather than incorporating CARB's recommendation to test only the applicable COCs for the primary feedstock source specified by the interconnector. Regarding the test schedule for the identified COCs, Applicants propose to conduct the first test within CARB's recommended three month timeline, and propose the following timeline to complete all tests for existing interconnections based on currently available utility resources and the number of renewable gas interconnections, which varies among the utilities: Southwest Gas – three months; PG&E – twelve months; SDG&E – twelve months; and SoCalGas – eighteen months. This proposal is consistent with CARB's recommendation that testing for all Health Protective Constituents of Concern (HPCs) should be completed as soon as feasible or within 12-18 months of tariff approval.⁷

As directed in D.22-02-025,⁸ Applicants also recommend the adoption of an interim Carbon Monoxide (CO) trigger level as part of this Application that will apply to bio-synthetic natural gas (bio-SNG) only, such as future gasification projects. As detailed in Applicants' joint supporting testimony, Applicants have based the proposed interim CO standard on a review of publicly

³ *Id.* at 5, Table 1.

⁴ *Id.* at 6, Table 2.

⁵ *Id.* at 9, §4.1.

⁶ PG&E Gas Rule 29, SoCal Gas Rule 45, SDG&E Gas Rule 45, and Southwest Gas Rule 22.

⁷ 2023 Report at 8.

⁸ D.22-02-025, *Decision Implementing Senate Bill 1440 Biomethane Procurement Program*, issued February 2, 2022, at 37.

available reports and literature pending the results of a planned health-based study to be conducted by OEHHA.²

Applicants also propose several modifications to the SRGI tariff rule to provide greater clarity and consistency. These proposed modifications are not in response to CARB's 2023 Report, but instead are based on the Applicants' operating experience since the adoption of the SRGI Rule in D.20-08-035. These proposed modifications are detailed in Section C.2 of the Applicants' joint supporting testimony.

Additionally, Applicants request authorization going forward to propose interim updates to the SRGI Rule jointly through the Commission's Tier 2 Advice Letter process as needed.

Applicants anticipate the need to incorporate subsequent interim updates to the 2023 Report due to errata or newly available information pertaining to test methods for COCs, updates to COC risk management levels, or to address operational issues more efficiently. Using the Commission's Advice Letter process will enable implementation of updates and improvements to the utilities' respective SRGI Rules on an ongoing, more streamlined basis than the Article 2 Application process, which is currently required per D.14-01-034 every five years or sooner to incorporate updates to COC standards in response to input from the California Office of Environmental Health Hazard Assessment (OEHHA) and CARB.

Likewise in the interest of streamlining future regulatory updates to the SRGI Rule, the Applicants recommend that the Commission provide notice to the service list of R.13-02-008 of subsequent updates issued by OEHHA and/or CARB to ensure the Commission takes official notice of these important updates pertaining to health protective COCs. In the instance where subsequent OEHHA/CARB updates are due to errata and/or updates where the Applicants support adoption of all updates as recommended, the Applicants propose these updates can be reviewed and approved through the Tier 2 Advice Letter process. For more substantive updates recommended by

² It is the Applicants' understanding that OEHHA is working with the Commission on contracting with a company that can produce bio-SNG for a health-based study, and that the Commission issued a request for proposals ("Secondary RFP 22NC1485 for Preparation of Research Quantities of Syngas and Bio-Synthetic Natural Gas from Biomass Waste") on July 18, 2023.

OEHHA/CARB, the Applicants concur that an Article 2 Application is appropriate pursuant to D.14-01-034. The Applicants further recommend that the Commission establish a minimum period of six (6) months following issuance of an OEHHA/CARB update for the utilities to file a Tier 2 Advice Letter or Application as described above.

II. PROCEDURAL BACKGROUND

In collaboration with OEHHA, on April 25, 2023, CARB issued its 2023 Report which provides recommendations for updating California's biomethane safety standards and supplements OEHHA's 2020 report, *AB 1900 Biogas Recommendations, Biogas Constituents of Concern and Health-Protective Levels for Biomethane*.

The OEHHA and CARB joint memo transmitting the 2023 Report to the Commission on April 25, 2023, provides the following background summary:

[Assembly Bill] 1900, authored by Assemblyman Mike Gatto and chaptered into law on September 27, 2012 (Chapter 602, Statutes of 2012), requires the [CPUC] to adopt standards for constituents of concern in biogas to protect human health and pipeline integrity and safety by December 31, 2013 (Health and Safety Code Section 25421(d)). To support CPUC's efforts, AB 1900 specifies that CARB and OEHHA develop health protective standards for constituents of concern in biomethane and to update these standards every 5 years or sooner if the data warrant (Health and Safety Code Section 25421I).

The first biomethane safety standards were adopted by the CPUC in D.14-01-034. Ordering Paragraph 7 of that Decision required California's large gas IOUs to file an Application with the CPUC every five years so that the CPUC could update those standards pursuant to the timeline specified in state statute. However, new biomethane safety standards were not proposed by CARB and OEHHA for the first update cycle (i.e., Jan 1, 2014 through Dec 31, 2018). As such, the IOUs on November 16, 2018 requested pursuant to Rule 16.6 of the CPUC's Rules of Practice and Procedure to be relieved of the obligation to file that Application until a later date. That request was granted by the CPUC's then-Executive Director Alice Stebbins on Dec 10, 2018 with a specification that the IOUs file a new Application no later than six months from the date that a new report is issued by CARB and OEHHA with recommendations for further revisions to the established biomethane safety standards.

The enclosed recommendations satisfy these requirements in Paragraph 8 of D.14-01-034, and include an updated list of constituents of concern, their associated health protective levels, and recommendations for monitoring, testing, reporting and

recordkeeping requirements. These recommendations were developed through a public process including a public workshop and stakeholder meetings...

The Applicants have evaluated CARB's 2023 Report and, as required by the Commission on December 10, 2018, are now filing this Application within six (6) months of the 2023 Report's publication to make revisions to established biomethane safety standards in response to CARB's recommendations.

III. PURPOSE OF APPLICATION AND RELIEF SOUGHT

The primary purpose of this Application is to propose revisions to the biomethane safety standards in Applicants' respective SRGI Rules to incorporate the recommendations in CARB's 2023 Report, with the exceptions noted in Section I above, and to incorporate an interim CO trigger level as directed in D.22-02-025.

As also noted in Section I above, Applicants additionally propose several modifications to their respective SRGI Rules to provide greater clarity and consistency, and request authorization going forward to update the SRGI Rule jointly through the Commission's Tier 2 Advice Letter process as needed.

Applicants also make recommendations for streamlining future regulatory updates to the SRGI Rule in response to subsequent COC updates issued by OEHHA and/or CARB.

There is no revenue requirement or other cost recovery mechanism necessary.

IV. ENVIRONMENTAL & SOCIAL JUSTICE ACTION PLAN CONSIDERATIONS

The Applicants are committed to safety and providing reliable utility service to their customers. Local, state, and federal agencies that have review and approval authority over the biomethane facilities are charged with enforcing safety, environmental, and other regulations for the project, including decommissioning. Further, the Applicants' respective contract provisions reinforce the developer's obligations to safety by requiring them to operate in accordance with all applicable safety laws, rules, and regulations. As such, the Applicants believe this Application aligns with the CPUC's Environmental and Social Justice (ESJ) Action Plan, which guides the CPUC's decisions and makes sure its broad regulatory authority continues to advance equity

throughout the state.¹⁰ Specifically, this Application aligns with Goal 6: Enhance enforcement to ensure safety and consumer protection for all, especially for ESJ communities. Approval of this Application will ensure biomethane safety standards are updated accordingly.

V. ORGANIZATION OF SUPPORTING TESTIMONY

Support for the Applicants' requests is provided in the accompanying prepared joint direct testimony and Attachment A to the testimony. The direct testimony consists of one chapter titled "Constituents of Concern Update," and is jointly sponsored by the following witnesses: (1) Karli Maeda, for PG&E; (2) Maria Martinez, for SoCalGas and SDG&E; and (3) Ron Castle, for Southwest Gas.

Applicants' supporting joint direct testimony provides information on (a) the regulatory background of the Application; (b) the SRGI Rule updates and recommendations, including specific proposed changes to Applicants' respective SRGI Rules to incorporate the recommendations in CARB's 2023 Report and to incorporate a CO standard as directed in D.22-02-025; (c) several additional proposed modifications to Applicants' respective SRGI Rules to provide greater clarity and consistency; and (d) Applicants' request for authorization going forward to propose interim updates to the SRGI Rule jointly through the Commission's Tier 2 Advice Letter process as needed.

VI. STATUTORY AND PROCEDURAL REQUIREMENTS

This Application is made pursuant to California Public Utilities Code Sections 451, 454, 701, and 1701, Rule 5.2 of the Commission's General Order 96-B, Section 6 of Article XII of the California Constitution, the Commission's Rules of Practice and Procedure, D.14-01-034, D.22-02-025, and relevant decisions, orders, and resolutions of the Commission. In accordance with Rule 2.1(a)-(c) of the Commission's Rules of Practice and Procedure, the Applicants provide the following information.

¹⁰ Environmental and Social Justice Action Plan, Version 2.0
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M465/K846/465846599.pdf>

a. Rule 2.1(a) – Legal Names of Applicants

PG&E is a public utility corporation organized and existing under the laws of the State of California. PG&E’s principal place of business is 300 Lakeside Drive, Oakland, California 94612.

SoCalGas is a public utility corporation organized and existing under the laws of the State of California. SoCalGas’ principal place of business and mailing address is 555 West Fifth Street, Los Angeles, California 90013.

SDG&E is a public utility corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E’s principal place of business is 8330 Century Park Court, San Diego, California 92123.

Southwest Gas is a public utility corporation organized and existing under the laws of the State of California, whose exact legal name is Southwest Gas Corporation. Southwest Gas is engaged in the business of providing gas service in portions of San Bernardino County in Southern California and portions of Placer, El Dorado, and Nevada Counties in Northern California. Southwest Gas is also engaged in the intrastate transmission, distribution, and sale of natural gas as a public utility in certain portions of Nevada and Arizona. Southwest Gas’ principal place of business is 8360 South Durango Drive, Las Vegas, Nevada 89113.

b. Rule 2.1(b) – Correspondence

All correspondence, communications and service of papers to PG&E regarding this Application should be addressed to:

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All correspondence and communications to SoCalGas and SDG&E regarding this

Application should be addressed to:

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c. Rule 2.1(c) – Category, Hearings, Issues, Schedule

i. Proposed Category of Proceeding

The Applicants propose that this Application be categorized as quasi-legislative, as the Application seeks to establish policy or rules affecting a class of regulated entities and does not seek to set or investigate utility rates.

ii. Need for Hearings

The Applicants anticipate that evidentiary hearings will not be necessary.

iii. Issues to be Considered

The principal issues to be considered in this Application are (a) whether the Commission should approve the proposed revisions to the biomethane safety standards in Applicants’ respective SRGI Rules to incorporate the recommendations in CARB’s 2023 Report; (b) whether the Commission should approve the Applicants’ proposed interim Carbon Monoxide trigger level for bio-SNG; (c) whether the Commission should approve Applicants’ additional proposed

modifications to their respective SRGI Rules; (d) whether the Commission should authorize Applicants to propose interim updates to their respective SRGI Rules jointly through the Commission’s Tier 2 Advice Letter process as needed, in addition to the Article 2 Application process currently required per D.14-01-034 every five years or sooner to incorporate updates to COC standards in response to input from OEHHA and CARB; and (e) whether the Commission should grant the relief requested as summarized in Section VI. below.

iv. Relevant Safety Considerations

In D.16-01-017, the Commission amended Rule 2.1(c) requiring an applicant to identify all relevant safety considerations implicated by an Application to which the assigned Commissioners and presiding officer could refer to during the proceeding. As demonstrated in this Application and the prepared joint direct testimony, there do not appear to be relevant safety concerns with respect to this Application.

v. Proposed Schedule

The Applicants propose the following schedule for this Application:

Activity	Date
Application filed	October 20, 2023
Protests and Response filed and served	30 days after Daily Calendar Notice
Reply to Protests filed and served	7 days after Protests and Responses
Prehearing Conference	7 days after Reply to Protests
Scoping Memo	30 days after Prehearing Conference
Intervenor Reply Testimony	30 days after Scoping Memo Issued
Applicants’ Rebuttal Testimony	30 days after Intervenor Testimony Served
Status Conference	10 days after Rebuttal Testimony Served
Evidentiary Hearings, if needed	20 days after Status Conference (if needed)
Concurrent Opening Briefs	30 days after Intervenor Testimony or Close

Activity	Date
	of Evidentiary Hearings (if necessary)
Concurrent Reply Briefs	20 days after Opening Briefs
Proposed Decision	90 days after Reply Briefs
Final Decision	30 days after proposed decision issued

d. Rule 2.2 – Articles of Incorporation

A copy of PG&E’s Amended and Restated Articles of Incorporation, effective June 22, 2020, was filed with the Commission on July 1, 2020, in connection with Application (A.) 20-07-002, and is incorporated herein by reference.

A copy of SoCalGas’ Restated Articles of Incorporation, as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on October 1, 1998, in connection with A.98-10-012, and is incorporated herein by reference.

A copy of SDG&E’s Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was filed with the Commission on September 10, 2014, in connection with SDG&E’s A.14-09-008, and is incorporated herein by reference.

A copy of Southwest Gas’ Articles of Incorporation with Statement of Conversion, dated January 4, 2017, were filed in A.18-02-008 and are incorporated herein by this reference.

VII. CONCLUSION

For the reasons described above and in the joint testimony supporting this Application, the Applicants respectfully request that the Commission:

- 1) Authorize the Applicants’ proposed modifications to the SRGI Rule necessary to implement CARB’s 2023 Report recommendations;
- 2) Adopt the Applicants’ proposed interim Carbon Monoxide trigger level for bio-SNG;
- 3) Authorize Applicants’ other proposed modifications to address operational issues identified in the current SRGI Rule;

- 4) Authorize the Applicants' proposal to streamline future regulatory updates to the SRGI Rule in response to subsequent COC updates issued by OEHHA and/or CARB; and
- 5) Authorize the Applicants' proposal to file a Tier 2 Advice Letter to implement modifications to their respective SRGI Rules 45 days after issuance of a final decision.

Respectfully Submitted,

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ Jonathan D. Pendleton
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Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: October 20, 2023

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. The matters stated in the foregoing Application are true to my own knowledge, except as to matters that are stated therein on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 20th day of October 2023, at San Diego, California.

By: /s/ Tashonda Taylor
Tashonda Taylor

Vice President – Gas Operations for:

SAN DIEGO GAS & ELECTRIC COMPANY

I am an officer of Southwest Gas Corporation and am authorized to make this verification on its behalf. The matters stated in the foregoing Application are true to my own knowledge, except as to matters that are stated therein on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 20th day of October 2023, at Las Vegas, Nevada.

By: /s/ Jerome T. Schmitz
Jerome T. Schmitz

Vice President/Engineering Staff for:

SOUTHWEST GAS CORPORATION