



2026 SB 1371

COMPLIANCE PLAN



Introduction

San Diego Gas & Electric Company (SDG&E or Company) submits this Biennial Compliance Plan on March 13, 2026 (Compliance Plan) as part of the Natural Gas Leak Abatement Program (NGLAP or Program). Implementation of the measures described in this Compliance Plan is planned during years 2027 and 2028 (2026 Compliance Period). For work planned in 2027, SDG&E plans to begin implementation during January 2027 because funding for such period was authorized in Resolution G-3606. For work planned in 2028, SDG&E plans to begin implementation in 2028 following the approval of SDG&E's TY 2028 GRC Application.

Measures proposed in this Compliance Plan are for activities that are incremental to safety and specific to the emission reduction goals of Decision (D.) 19-08-020. SDG&E currently has policies and procedures in place to meet environmental and safety regulations implemented by various state and federal agencies, including, but not limited to, the U.S. EPA, PHMSA, OSHA, CARB, and local air pollution control districts. Some of these policies and procedures overlap with those supporting SB 1371 requirements that are addressed in the relevant chapters herein.

Emission Reductions from 2015 Baseline

The current 2015 emissions inventory baseline for SDG&E's system is 204,878 MCF. Estimated emission reductions resulting from major activities proposed in this Compliance Plan during 2027 and 2028 are currently 6,912 MCF and 46,048 MCF, respectively. Assuming that SDG&E will be authorized to continue the activities proposed in this Compliance Plan through 2030, SDG&E estimates that it will achieve a 1% reduction from baseline in 2030. Notably, baseline emissions are periodically updated as new methodologies are identified and approved. As such, the estimated percentage reductions and emission levels presented in this Compliance Plan may differ from the results observed in future years.

Table 1 below, Major Efforts to Reduce Emissions, summarizes SDG&E's proposed major activities and estimated emission reductions proposed in the 2026 Compliance Plan based on the approved 2015 baseline.

Table 1: Major Efforts to Reduce Emissions – SDG&E

Chapter	2027 Emission Reduction, MCF	2030 Emission Reduction, MCF	Standard Cost Effectiveness (\$/MCF), (2027-2028)	Net Cost Effectiveness** (\$/MCF), (2027-2028)
Chapter 1 – Increased Leak Survey*	6,084	6,084	NA	NA
Chapter 2 – Blowdown Reduction Activities	0	7,214	56	28
Chapter 7 – Damage Prevention Public Awareness	828	2,251	375	348
Chapter 14 – Aerial Monitoring (System Only)	0	30,499	31	3
Program Totals	6,912	46,048	46	18
Percentage Reduction from Official 2015 Baseline	1%	1%		

*Cost effectiveness for Chapter 1 cannot be calculated because SDG&E is not requesting funding for this Chapter (See Chapter 1 for details)

** Net Cost Effectiveness reflects the Standard Cost Effectiveness with Avoided Cap & Invest and Social Cost of Methane Cost Benefits.

Emission Reduction Estimation Assumptions

- SDG&E is using leaker-based emission factors to estimate 2027, 2028, and 2030 Distribution Main & Service Pipeline Leak emissions. SDG&E is utilizing the same emission factors that were submitted in the 2025 Annual Emissions Report to estimate emissions for Chapters 1 and 7. SDG&E is using the emission factors that were submitted in the “SoCalGas and SDG&E 2022 Aerial Methane Mapping Research & Cost Effectiveness Summary Report” from February 2023 to estimate emissions for Chapter 14.
- To estimate overall reductions relative to baseline, SDG&E estimated the impact of the proposed activities on annual emissions during 2027 and 2030, and these volumes were assessed relative to the 2015 baseline volume.

Emission models used to forecast reductions will have some degree of variation and the final observed reduction may be higher or lower. Based on information and technologies currently available, SDG&E is proposing to implement measures that maximize cost-effective emission reductions as reasonably as possible and then maintain the reduced emission levels through 2030

and beyond. As research projects and pilots are completed, more accurate modeling may become available. Furthermore, new technologies may become commercially available to further reduce emissions beyond what is currently forecasted. Notably, in order to sustain emission reductions through 2030, programs will need continued funding for Operations & Maintenance.

In addition to the emissions forecasted to be reduced from SDG&E's system, SDG&E is proposing to use emerging technologies to reduce post-meter (customer) emissions, further discussed in Chapter 14 (Aerial Monitoring). Although these reductions are not currently reflected in SDG&E's Annual Emissions Report, these activities support the state's climate goals and the spirit of Senate Bill 1371.

Calculating Cost Effectiveness

SDG&E calculates the cost effectiveness of its projects with avoided Cap & Invest (formerly Cap & Trade) costs, and social cost of methane as follows:

Historical Standard Cost Effectiveness:

$$\frac{(RRR - \text{Cost Benefits})_{2018-2024}}{\text{Emissions Reductions}_{2018-2024}}$$

Pursuant to D.19-08-020, SDG&E also calculates cost effectiveness with avoided Cap & Invest costs, and social cost of methane as follows:

Historical Cost Effectiveness with avoided Cap & Invest Costs:

$$\frac{(RRR - \text{Cost Benefits} - \text{Avoided Cap \& Invest Costs})_{2018-2024}}{\text{Emissions Reductions}_{2018-2024}}$$

Historical Cost Effectiveness with avoided Social Cost of Methane and Cap & Invest Costs:

$$\frac{(RRR - \text{Cost Benefits} - \text{Avoided Cap \& Invest Costs} - \text{Social Cost of Methane})_{2018-2024}}{\text{Emissions Reductions}_{2018-2024}}$$

Future Standard Cost Effectiveness:

$$\frac{(AARR - \text{Cost Benefits})_{2027-2028}}{\text{Emissions Reductions}_{2027-2028}}$$

Pursuant to D.19-08-020, SDG&E also calculates cost effectiveness with avoided Cap & Invest costs, and social cost of methane as follows:

Future Cost Effectiveness with avoided Cap & Invest Costs:

$$\frac{(AARR - \text{Cost Benefits} - \text{Avoided Cap \& Invest Costs})_{2027-2028}}{\text{Emissions Reductions}_{2027-2028}}$$

Future Cost Effectiveness with avoided Social Cost of Methane and Cap & Invest Costs:

$$\frac{(AARR - \text{Cost Benefits} - \text{Avoided Cap \& Invest Costs} - \text{Social Cost of Methane})_{2027-2028}}{\text{Emissions Reductions}_{2027-2028}}$$

Cost Effectiveness Assumptions and Supporting Details

- AARR = Average annual revenue requirement, calculated by dividing the cumulative revenue requirement for each measure by the useful life of the measure or asset.
- RRR = Realized revenue requirement. It should be noted that AARR and RRR will not match up by definition. Using an “average” does not account for the “realized” due to actual timing of when costs hit and the magnitude and mix of O&M and capital spending. As such, the corresponding AARR and RRR will result in variances.
- The cost benefit values utilized in the 2026 Compliance Plan are as follows:
 - The social cost of methane is \$25.92/MCF. The social cost of methane from the 2024 Compliance Plan was adjusted for inflation using the California Consumer Price Index to arrive at the updated value.

The cost benefit of the reduced cost of gas was evaluated at the forecasted average annual Weighted Average Cost of Gas (WACOG) published in the 2024 California Gas Report, converted to cost per MCF using a BTU conversion factor of 1.0317 MCF/MMBtu, resulting in a cost benefit of \$5.46/MCF.
 - Cap & Invest costs are \$32.83/MTCO_{2e}, assuming December 2027 vintage prices, based on a 5-day average of trading days January 21 – 26, 2026. This futures data was acquired from the International Exchange. Converting from MTCO_{2e} to MCF results in a cost benefit of \$1.79/MCF.

SDG&E Table of Concordance

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SDG&E Acronym Library

Acronym	Definition
49 CFR 192	PHMSA Regulation - Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards
811	National call-before-you-dig phone number
AARR	Average annual revenue requirement
AG	Above Ground
AMM	Aerial Methane Mapping/ Aerial Monitoring
AOC	Abnormal Operating Conditions
API	American Petroleum Institute
BP	Best Practice
BTU	British thermal unit
CARB	California Air Resources Board
CCSLB	California Contractor State License Board
CFR	Code of Federal Regulations
CPDR	Company Property Damage Report
CPUC	California Public Utilities Commission
DIMP	Distribution Integrity Management Program
EAL	Environmental Analysis Laboratory
EDAPO	Engineering Data Analytics and Performance Optimization
ELS	Electronic Leak Survey
EPA	Environmental Protection Agency
G.O. 112F	State General Order Governing Design, Construction, Testing, Operation, and Maintenance of Gas Gathering, Transmission, and Distribution Piping Systems
GIS	Geographic Information System
GRC	General Rate Case
GS	Gas Standard
IT	Information Technology
LiDAR	Light Detection and Ranging
M&R	Measurement and Regulation
MCF	Thousand cubic feet
MMBtu	Million British thermal units
MSP	Material Specification Properties
MTCO _{2e}	Metric tons of Carbon Dioxide equivalent
NPT	National Pipe Thread
NGLAP	Natural Gas Leak Abatement Program
NSOTA	Non-State-of-the-Art
O&M	Operations & Maintenance
P&ID	Piping and Instrumentation Diagram

Acronym	Definition
PHMSA	Pipeline and Hazardous Materials Safety Administration
PE	Polyethylene
psig	Pounds per square inch gauge
QC	Quality Control
RD&D	Research, Development, & Demonstration
RP	Recommended Practice
RRR	Realized Revenue Requirement
TIMP	Transmission Integrity Management Program
TY	Test Year
WACOG	Weighted Average Cost of Gas

2026 SB 1371 Compliance Plan
Chapter 1: Increased Leak Survey

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practices:

Best Practice 15: Gas Distribution Leak Surveys
Utilities should conduct leak surveys of the gas distribution system every 3 years, not to exceed 39 months, in areas where G.O. 112-F, or its successors, requires surveying every 5 years. In lieu of a system-wide three-year leak survey cycle, utilities may propose and justify in their Compliance Plan filings, subject to Commission approval, a risk-assessment based, more cost-effective methodology for conducting gas distribution pipeline leak surveys at a less frequent interval. However, utilities shall always meet the minimum requirements of G.O. 112-F, and its successors.
Best Practice 16: Special Leak Surveys
Utilities shall conduct special leak surveys, possibly at a more frequent interval than required by G.O. 112-F (or its successors) or BP 15, for specific areas of their transmission and distribution pipeline systems with known risks for natural gas leakage. Special leak surveys may focus on specific pipeline materials known to be susceptible to leaks or other known pipeline integrity risks, such as geological conditions. Special leak surveys shall be coordinated with transmission and distribution integrity management programs (TIMP/DIMP) and other utility safety programs. Utilities shall file in their Compliance Plan proposed special leak surveys for known risks and proposed methodologies for identifying additional special leak surveys based on risk assessments (including predictive and/or historical trends analysis). As surveys are conducted over time, utilities shall report as part of their Compliance Plans, details about leakage trends. Predictive analysis may be defined differently for differing companies based on company size and trends.

Historic Project Achievements:

Leak surveys on distribution lines have historically been performed according to the requirements in 49 CFR § 192.723. SDG&E pipelines are typically leak surveyed at intervals of 1-, 3-, or 5-years. The frequency of this survey is determined by the pipe material involved, i.e., plastic or steel, the operating pressure, whether the pipe is under cathodic protection, and the proximity of the pipe to various population densities. In 2018, SDG&E increased the survey frequency for all Vintage Plastic (Aldyl-A (PE) pipe installed before 1986) from 5-year to annual. This activity was funded by DIMP.

In the 2018 Compliance Plan, SDG&E was approved to move Vintage Steel pipe (Steel pipe installed before 1950) from 5-year to annual leak survey cycles, Plastic pipe (Yellow or Orange TR418 resin, and 1986 and later Aldyl-A pipe) was moved from 5-year to 3-year survey cycles, and protected steel (Post-1950) pipe from 5-year to 3-year leak survey cycles. All survey cycles were accelerated by early 2020. The Increased Leak Survey project was initially designed to accelerate survey cycles in alignment with proactive methane mitigation goals. However, in accordance with the direction from the CPUC in Resolution G-3606, all previously accelerated leak survey cycles were decelerated during 2025 except for Vintage Plastic which remains on a 1-year cycle.

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Chapter 1: Increased Leak Survey

Emission Reductions Achieved:

Historical Emission Reductions (MCF)

2018	2019	2020	2021	2022	2023	2024
9,468	10,724	10,627	22,319	21,977	16,339	23,782

Emission reductions from mains and services are calculated by estimating how much earlier leaks were identified by the accelerated surveys relative to the prior cycles and then multiplying the durations by the leaks' emission factors.

Cost Effectiveness Evaluation of Historic Work:

Historical Standard Cost Effectiveness (\$/MCF)

Projected in 2024 Compliance Plan	Actual Cost Effectiveness (2018-2024)
\$479	\$80

Part 2. Proposed New or Continuing Measure

Resolution G-3606 approved partial funding for 2025 and disallowed funding for 2026 for this Chapter. As a result, SDG&E returned its survey schedule to the 5-year cycles required by law, except for Vintage Plastic which remains on a 1-year cycle.

Part 3. Abatement Estimates

Forecast of Emission Reductions (MCF)*

2027	2028
6,084	6,084

*Note: Forecasted reductions are only for accelerated surveys on Vintage Plastic because SDG&E's proposal to continue additional accelerated surveys was denied in Resolution G-3606.

Forecasted emission reductions are calculated by averaging the emission reductions achieved through accelerated surveys on Vintage Plastic during 2023 and 2024.

Part 4. Cost Estimates

SDG&E discontinued this program following Resolution G-3606. No funding is requested.

Part 5. Cost Effectiveness/Benefits

Cost effectiveness cannot be calculated because SDG&E does not request funding for this Chapter during this Compliance Period.

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Chapter 1: Increased Leak Survey

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 2: Blowdown Reduction Activities

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 23: Minimize Emissions from Operations, Maintenance and Other Activities
Utilities shall minimize emissions from operations, maintenance and other activities, such as new construction or replacement, in the gas distribution and transmission systems and storage facilities. Utilities shall replace high bleed pneumatic devices with technology that does not vent gas (i.e. no-bleed) or vents significantly less natural gas (i.e. low-bleed) devices. Utilities shall also reduce emissions from blowdowns, as much as operationally feasible.
Best Practice 3: Pressure Reduction Policy
Written company policy stating that pressure reduction to the lowest operationally feasible level in order to minimize methane emissions is required before non-emergency venting of high-pressure distribution (above 60 psig), transmission and underground storage infrastructure consistent with safe operations and considering alternative potential sources of supply to reliably serve customers.
Best Practice 4: Project Scheduling Policy
Written company policy stating that any high-pressure distribution (above 60 psig), transmission or underground storage infrastructure project that requires evacuating methane will build time into the project schedule to minimize methane emissions to the atmosphere consistent with safe operations and considering alternative potential sources of supply to reliably serve customers. Projected schedules of high-pressure distribution (above 60 psig), transmission or underground storage infrastructure work, requiring methane evacuation, shall also be submitted to facilitate audits, with line venting schedule updates.
Best Practice 5: Methane Evacuation Procedures
Written company procedures implementing the BPs approved for use to evacuate methane for non-emergency venting of high-pressure distribution (above 60 psig), transmission or underground storage infrastructure and how to use them consistent with safe operations and considering alternative potential sources of supply to reliably serve customers.
Best Practice 6: Methane Evacuation Work Orders Policy
Written company policy that requires that for any high-pressure distribution (above 60 psig), transmission or underground storage infrastructure projects requiring evacuating methane, Work Planners shall clearly delineate, in procedural documents, such as work orders used in the field, the steps required to safely and efficiently reduce the pressure in the lines, prior to lines being vented, considering alternative potential sources of supply to reliably serve customers.
Best Practice 7: Bundling Work Policy
Written company policy requiring bundling of work, whenever practicable, to prevent multiple venting of the same piping consistent with safe operations and considering alternative potential sources of supply to reliably serve customers. Company policy shall define situations where work bundling is not practicable.

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Chapter 2: Blowdown Reduction Activities

Historic Project Achievements:

SDG&E has documented use of cost-effective methods to reduce vented emissions during high-pressure construction projects, including performing pressure reduction using mobile compressors, transferring gas to lower pressure systems, and isolating smaller sections of pipe using gas capture tank trailers.

Operators of natural gas pipeline systems routinely reduce line pressure and discharge gas from pipeline sections to provide safe working conditions during maintenance and repair activities. In the 2022 Compliance Plan, SDG&E was approved to continue blowdown reduction efforts on high-pressure pipelines; however, it was not approved beyond the levels of the 2020 Compliance Plan. This included purchasing compressors and cross-compression equipment to reduce blowdown emissions, field operations staff to support blowdowns, and creating a recordkeeping and compliance process to document that the requirements of the Best Practices are being met.

Two (2) Gas Standards were identified to be updated to require blowdown reduction efforts as outlined in Best Practices 3 through 7. SDG&E’s Gas Standard G7909, *Purging Pipelines and Components* has been updated and SDG&E’s Gas Standard G8148, *Gas Loss Estimation – Pipeline* was updated in 2020.

Emission Reductions Achieved:

The 2015 baseline for blowdown emissions reported for Transmission Pipelines, Transmission M&R Stations, Distribution Mains & Services, and Distribution M&R Stations totaled 3,518 MCF. Emissions from these categories in calendar years 2018 through 2022, totaled 557 MCF, 1,588 MCF, 574 MCF, 119 MCF, and 241 MCF, respectively. This equates to an estimated reduction of 2,961 MCF for 2018, 1,930 MCF for 2019, 2,944 MCF for 2020, 3,399 MCF for 2021, and 3,277 MCF for 2022.

Beginning in 2023, SDG&E was required to report the volumes of mitigated Transmission Pipeline blowdowns on the Annual Emissions Report, which are now being leveraged to estimate emission reductions for 2023 and 2024. The annual mitigated blowdown emissions reported in this Compliance Plan are from the following categories: Blowdowns in Transmission Pipelines and Distribution Mains & Services. Emissions mitigated from these two (2) categories over calendar years 2023 and 2024 totaled 11,387 MCF and 3,041 MCF respectively. This equates to an estimated reduction of 6,968 MCF for 2023 and 7,460 MCF for 2024.

Historical Emission Reductions (MCF)

2018	2019	2020	2021	2022	2023	2024
2,961	1,930	2,944	3,399	3,277	6,968	7,460

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Chapter 2: Blowdown Reduction Activities

Cost Effectiveness Evaluation of Historic Work:

Historical Standard Cost Effectiveness (\$/MCF)

Projected in 2024 Compliance Plan	Actual Cost Effectiveness (2018-2024)
\$116	\$58

Part 2. Proposed New or Continuing Measure

SDG&E does not propose to continue high-pressure pipeline blowdown reduction efforts in 2027. In 2028, SDG&E plans to continue its high-pressure blowdown reduction efforts and is requesting funding in the TY 2028 GRC Application to replace aging medium gas capture tank trailers. This equipment is reaching end of life, and replacing it is necessary to maintain the reliability and effectiveness of blowdown mitigation operations.

Part 3. Abatement Estimates

SDG&E estimates the following blowdown emission reductions within the Transmission Pipeline, Transmission M&R Stations, Distribution Mains & Services, and Distribution M&R Station Categories.

Forecast of Emission Reductions (MCF)

2027	2028
0	7,214

SDG&E does not forecast emission reductions in 2027 because funding is not available. Blowdown emissions are a function of activity level. The 2028 estimate assumes the activity level remains constant and there are no unforeseen emergency blowdowns. In 2028, the forecasted emission reductions were derived from the average historical emission reductions from 2023 and 2024. SDG&E will continue evaluating opportunities to expand blowdown reduction capabilities, and emerging technologies may allow for further reductions in future Compliance Periods.

Part 4. Cost Estimates

This measure has been incorporated into SDG&E’s routine Operations & Maintenance (O&M) activities and will be included in SDG&E’s TY 2028 GRC Application.

Total Revenue Requirement over Expected Life of Investment
\$0.8 million
Average Annual Revenue Requirement
\$0.2 million

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Chapter 2: Blowdown Reduction Activities

Part 5. Cost Effectiveness/Benefits

The blowdown reduction program is an investment that minimizes methane emissions, contributing to California’s climate goals and reducing environmental impact in the communities SDG&E serves. In addition, the program directly supports system safety and affordability.

From a safety perspective, the use of cross-compression and gas capture equipment allows SDG&E to safely reduce pipeline pressure, which reduces the risk of uncontrolled releases and enhances worker and public safety. These practices are aligned with SDG&E Gas Standard, G7366, *Planning Pipeline Blowdowns and Reporting*, which promotes consistent application of mitigation procedures across all high-pressure operations.

Blowdown reduction activities saved an average annual volume of 7,214 MCF during 2023 and 2024. By using the U.S. EPA greenhouse gas equivalencies calculator,¹ the annual savings are equivalent to greenhouse gas emissions from 92 gasoline-powered passenger vehicles driven for one (1) year or CO₂ emissions from 44,496 gallons of gasoline consumed. These improvements stem from advanced gas capture and recompression techniques that align with CPUC directives and internal Company standards and procedures. In the past, it was a standard industry procedure to vent the entire volume of gas into the atmosphere, whereas now SDG&E is mitigating these vented emissions to reduce environmental impact.

The program supports affordability by injecting gas back into SDG&E’s pipeline infrastructure that would otherwise have been vented to the atmosphere. The annual cost savings of this program are expected to result in a cost benefit of \$39,312 based on the WACOG of \$5.46/MCF and estimated annual emission reductions of over 7,200 MCF in 2028. These reductions are achievable through operational enhancements that support sustained abatement across both Transmission and Distribution systems. These efficiencies minimize cost for customers while reliably mitigating blowdown emissions.

The requested funding in the TY 2028 GRC is necessary to continue providing these benefits to customers and continue SDG&E’s internal capabilities. Investing in SDG&E-owned equipment will support long-term cost control, promote compliance with SB 1371 Best Practices, and enable sustained emission reductions. This program is essential to meeting regulatory expectations and providing safe and affordable service for SDG&E gas customers. Reducing methane emissions improves regional air quality, and accelerates progress toward the state’s 2030 climate commitment and 2045 carbon neutrality goal.

Historical Achieved-Cost Effectiveness Calculations (2018-2024) (\$/MCF)

Standard Cost Effectiveness	With Cap and Invest Cost Benefits	With Cap and Invest, and Social Cost of Methane Cost Benefits
\$58	\$56	\$30

¹ [Greenhouse Gas Equivalencies Calculator | US EPA](#)

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Chapter 2: Blowdown Reduction Activities

Forecast of Cost Effectiveness Calculations (2027-2028) (\$/MCF)

Standard Cost Effectiveness	With Cap and Invest Cost Benefits	With Cap and Invest, and Social Cost of Methane Cost Benefits
\$56	\$54	\$28

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 3: Damage Prevention Algorithm and Proactive Intervention

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 24: Dig-Ins and Public Education Program
Expand existing public education program to alert the public and third-party excavation contractors to the Call Before You Dig – 811 program. In addition, utilities must provide procedures for excavation contractors to follow when excavating to prevent damaging or rupturing a gas line.
Best Practice 25: Dig-Ins and Company Standby Monitors
Utilities must provide company monitors to witness all excavations near gas transmission lines to ensure that contractors are following utility procedures to properly excavate and backfill around transmission lines.
Best Practice 26: Dig-Ins and Repeat Offenders
Utilities shall document procedures to address Repeat Offenders such as providing post-damage safe excavation training and on-site spot visits. Utilities shall keep track and report multiple incidents, within a 5-year period, of dig-ins from the same party in their Annual Emissions Inventory Reports. These incidents and leaks shall be recorded as required in the recordkeeping best practice. In addition, the utility should report egregious offenders to appropriate enforcement agencies including the California Contractor’s State License Board. The Board has the authority to investigate and punish dishonest or negligent contractors. Punishment can include suspension of their contractor’s license.

Historic Project Achievements:

The State of California mandates a pre-construction meeting with excavators requesting Locate and Mark support and requires continuous monitoring of excavations within ten feet of high-pressure pipelines pursuant to Cal. Gov. Code § 4216.2. Therefore, the requirements of Best Practice 25 are already met. SDG&E’s Public Awareness Program is driven by the requirements of 49 CFR § 192.616, Public Awareness Programs for Pipeline Operators, API RP 1162, and program expansion recommendations by regulators. SDG&E was approved to begin expanding the standby program to other areas where there could be challenges to controlling a damage, as proposed in the 2018 Compliance Plan. This implementation was pending the completion of a risk algorithm analyzing the location of 811 tickets and prioritizing them to trigger expanded standby. In 2019, this algorithm was completed and piloted. SDG&E has determined through the algorithm development that, rather than expanding standby, it would be more efficient to perform more field interventions for these higher-risk excavations. Rather than having an employee stand by and observe an excavation, which can often take multiple days, it would be more efficient to have that employee visit multiple excavators within the same timeframe to discuss damage prevention at their excavation sites.

Since implementation, using the prioritized results from the risk analysis algorithm, Company personnel can initiate communication with excavators to discuss the project and remind them of the importance of locating and protecting the natural gas pipe within their project’s delineated area. The form of communication can be a phone call, text message, email, or job site visit, prior to the date of excavation. These proactive interventions were implemented in the field, and the Company

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Chapter 3: Damage Prevention Algorithm and Proactive Intervention

personnel were able to effectively address a larger number of excavation projects than just performing standby.

In 2023, the Damage Prevention Algorithm & Proactive Intervention project for the 2022 Compliance Plan period was not approved because of its high standard cost effectiveness. Because this project is deemed a crucial component in emissions prevention, it was incorporated into SDG&E's routine Operations & Maintenance activities.

Emission Reductions Achieved:

No updates to the achieved emission reductions were made for this Compliance Period.

Cost Effectiveness Evaluation of Historic Work:

No updates on the cost effectiveness of historic work were made for this Compliance Period.

Part 2. Proposed New or Continuing Measure

SDG&E does not propose new or continuing measures for this Chapter.

Part 3. Abatement Estimates

SDG&E is not proposing new or continuing measures, and therefore, abatement estimates are not available.

Part 4. Cost Estimates

SDG&E does not request funds for this Chapter in this Compliance Period.

Part 5. Cost Effectiveness/Benefits

Cost effectiveness cannot be calculated because SDG&E does not request funding for this Chapter during this Compliance Period.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 4: Recordkeeping IT Project

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 9: Recordkeeping

Written Company Policy directing the gas business unit to maintain records of all SB 1371 Annual Emissions Inventory Report methane emissions and leaks, including the calculations, data and assumptions used to derive the volume of methane released. Records are to be maintained in accordance with G.O. 112 F and succeeding revisions, and 49 CFR 192. Currently, the record retention time in G.O. 112 F is at least 75 years for the transmission system. 49 CFR 192.1011 requires a record retention time of at least 10 years for the distribution system.

Historic Project Achievements:

Measure 1: Data Lake

In the past, developing the Annual Emissions Report required by the NGLAP involved querying various records, which were stored in varying formats, locations, databases, and with various record owners. This made report generation a time-consuming manual process. Additional challenges arose because the electronic systems were not designed for generating reports for emissions, but rather for billing, maintenance, or operational recordkeeping. To help improve efficiency, between 2020 and 2024, SDG&E developed a Data Lake with automated interfaces from various source systems to help capture data elements required for emissions reporting. In addition, the Data Lake is designed to enable seamless modification of the emissions reporting templates as they evolve annually. The scope of the Data Lake expanded to capture the dynamic improvement of the Company's technical system upgrades and incorporate new emissions estimation methodologies and reporting requirements. The automated capture of source system data has reduced the effort needed by the critical experienced staff and made the data capture and reporting process more accurate and reliable.

Milestones Completed:

- Developed the Data Lake with automated interfaces from source systems.
- Modified the automated interfaces when source system technical upgrades occurred.
- Enhanced the automated interfaces when new data elements became available.
- Modified and enhanced the automated reports to align with updated emissions estimation methodologies and reporting requirements.

Measure 2: Engineering Data Analytics and Performance Optimization (EDAPO)

The EDAPO project was described in the 2022 Compliance Plan for SDG&E. However, this project was only initiated for SoCalGas and was inadvertently included in the SDG&E Compliance Plan. SDG&E did not spend nor request any funding for this project. As such, there are no updates or further details to provide in the SDG&E 2026 Compliance Plan for this project.

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Chapter 4: Recordkeeping IT Project

Measure 3: Asset Field Verification

Prior to the 2018 Compliance Plan, SDG&E maintenance and inspection work management systems were designed for billing, maintenance, or operational recordkeeping purposes only. Moreover, because consistent naming conventions were not in place, records used varying types of nomenclature relevant to specific departments. Querying records from numerous departments in the Company and combining them to generate a single report was challenging and not readily available.

To improve asset data in the Company's source systems, SDG&E performed Asset Verification projects at its Transmission facilities. The Asset Verification projects enhanced existing systems to include additional data elements required for the methane emission calculations, which enabled field personnel to record required information into systems that were previously incapable of recording certain component data (e.g., manufacturer, date of installation, and photos). Having such data readily available enhanced the emission estimations for the mandated Annual Emissions Reports associated with these assets, and it has also allowed departments to refer to assets by a unified naming method and improve data governance.

Milestones Completed:

- Field verification of Transmission assets completed Q2 of 2022.

Measure 4: Real-time Data Management for Methane Abatement/Monitoring Support for Other Gas Operational Units

Real-time data management and monitoring is an essential tool to analyze methane emissions and implement efforts to reduce methane emissions effectively across all operational areas. SDG&E purchased a software license to modernize real-time data management to improve existing and new methane emission reduction projects. This tool's Operational & Maintenance cost was distributed to the end of 2025 to comply with regulatory accounting requirements. The tool enabled SDG&E to improve maintenance/performance practices of its assets in Transmission and Distribution facilities. Moreover, the collected data is used to develop analytical capabilities to provide the ability to integrate with enterprise initiatives across the Company.

Milestones Completed:

- Obtained Enterprise license.
- Enabled additional analytics capabilities and gained the ability to integrate with other enterprise initiatives.
- Integrated existing infrastructure into the NGLAP solutions to enhance the Company's compliance with methane emission requirements.

Measure 5: Develop Mobile Field Forms

Prior to the 2022 Compliance Plan, the work management system used by Transmission did not include digitized forms or mobile capabilities. Enhancement efforts to address these deficiencies commenced in 2021 with software module updates to the work management system. The second

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part of the enhancement was to digitize forms and add mobile and spatial capabilities. Such improvements facilitated data recovery for maintaining assets, improved safety, and eliminated inconsistencies that the paper form may have caused. The project is anticipated to be completed in Q2 of 2026.

Milestones Completed:

- Modernized and enhanced mobile solutions to have offline capabilities by Q2 of 2022.
- Enabled spatial capabilities to the mobile solution by Q2 of 2022.

Measure 6: Historizing Emission Sensor Data (HESD)

The RD&D Pilot – Evaluation of Stationary Methane Detectors – did not identify current monitors that could be deployed to cost-effectively scan for emissions. Therefore, the sensor data intended to be historized by the HESD project does not exist at this time. However, the Emission Reduction Analytical Tools (ERAT) project showed promise for identifying new areas to target for emission reductions. As such, HESD funding from the 2022 Compliance Plan was reallocated to ERAT initiatives.

Measure 7: Emission Reduction Analytical Tools (ERAT)

During 2024, a tool for forecasting annual emissions from Distribution Main & Service leaks was completed within the ERAT portfolio. The tool allows the user to forecast emissions based on targeted repair durations and projected leak counts.

Milestones Completed:

- Produced a tool for forecasting emissions from Distribution Main & Service leaks.
- Initiated development of several tools for identifying areas to focus emission reduction efforts before the project was paused to support affordability.

Measure 8: Program Process Improvement

The NGLAP is focused on the technology, data, and Best Practices that guide SDG&E in reducing emissions. The NGLAP is structured to support the elements of satisfying regulatory requirements, tracking financials and compliance requirements, responding to data requests, establishing dashboard(s) with metrics/project controls, and implementing the projects as outlined in the SB 1371 Compliance Plan for emission reductions.

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The NGLAP developed and integrated tools to support these efforts that help enhance consistency and accuracy across the Program. This allowed for improved tracking of key performance indicators and decision-making. This process improvement utilized tools and methodologies to effectively manage the program's workflow, including the below workstreams:

- Finance & Regulatory.
- Project Execution.
- Research & Development.
- Policy & Communication.

Milestones Completed:

- Created metrics dashboard in support of analytics for decision making and resource planning.

Emission Reductions Achieved:

The measures in Chapter 4 were designed to comply with mandatory Best Practice 9 established by D.17-06-015. Due to the nature of Best Practice 9, emission reductions cannot be quantified.

Cost Effectiveness Evaluation of Historic Work:

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 2. Proposed New or Continuing Measure

Measure 1: Data Lake

SDG&E plans to maintain the previously approved project and does not propose any new measures. For 2027, SDG&E will utilize the authorized funds from Resolution G-3606, and the 2028 funding will be requested in SDG&E's TY 2028 GRC Application.

Part 3. Abatement Estimates

The measures in Chapter 4 were designed to comply with mandatory Best Practice 9 established by D.17-06-015. Due to the nature of Best Practice 9, emission reductions cannot be quantified.

Part 4. Cost Estimates

The 2027 costs are authorized by Resolution G-3606. The 2028 funding will be requested in SDG&E's TY 2028 GRC Application.

Part 5. Cost Effectiveness/Benefits

The measures in this Chapter were developed to comply with mandatory Best Practice 9 from D.17-06-015. Best Practice 9 requires SDG&E to maintain records, data, calculations, and

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assumptions associated with emissions reporting, and D.17-06-015 states that accurate reporting, including estimation methodologies and assumptions, is critical for regulatory audits to promote compliance. SDG&E maintains compliance with these requirements by developing tools to gather, track, and improve program data.

In addition, these tools enhance affordability by reducing the amount of time that staff need to spend gathering data for annual reporting and general program management, and the tools bolster the resilience and reliability of SDG&E's reporting and project management processes by automating part of the processes. The automation helps to confirm that data are prepared in a consistent and accurate manner.

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 5: Geographic Tracking

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 9: Recordkeeping
Written Company Policy directing the gas business unit to maintain records of all SB 1371 Annual Emissions Inventory Report methane emissions and leaks, including the calculations data and assumptions used to derive the volume of methane released. Records are to be maintained in accordance with G.O. 112 F and succeeding revisions, and 49 CFR 192. Currently, the record retention time in G.O. 112 F is at least 75 years for the transmission system. 49 CFR 192.1011 requires a record retention time of at least 10 years for the distribution system. Exact wording TBD by the company and approved by the CPUC, in consultation with CARB, as part of the Compliance Plan filing.
Best Practice 20b: Geographic Tracking
Utilities shall develop methodologies for improved geographic tracking and evaluation of leaks from the gas systems. Utilities shall work together, with CPUC and ARB staff, to come to agreement on a similar methodology to improve geographic evaluation and tracking of leaks to assist demonstrations of actual emissions reductions. Leak detection technology should be capable of transferring leak data to a central database in order to provide data for leak maps. Geographic leak maps shall be publicly available with leaks displayed by zip code or census tract.

Historic Project Achievements:

To improve capabilities of leak surveys performed at complex high-pressure facilities, SDG&E modeled and created the digital twin for the existing facility to enable a quick query of its facility. The intelligence found in the 3D model and the P&IDs will enable engineering and operations to identify and track the digital asset records. It will enable future reporting from these databases that can include mileage of pipeline/service, the type of equipment and location, and the capability to connect the 3D model database systems to other SDG&E database systems.

In the 2020 Compliance Period,² SDG&E completed the digitizing and mechanical walkdown of 15 P&IDs and one (1) 3D modeling for its facilities. These intelligent P&IDs allowed engineering to locate tags for equipment or instrumentation that is currently found in these facilities. SDG&E is able to query data based on a tag, type of equipment, service, location, etc. The tags in the 3D model link to the P&IDs, enabling proper engineering information to be provided. The 3D model provided material information to help identify connection points and support queries for potential leak points in the existing facilities.

² 2020 Compliance Plan described scope and work conducted for SoCalGas instead of SDG&E. This scope has been corrected for SDG&E in this statement for the time frame 2020-2022.

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Chapter 5: Geographic Tracking

Emission Reductions Achieved:

The measures in Chapter 5 were designed to comply with mandatory Best Practices 9 and 20b established by D.17-06-015. Due to the nature of Best Practices 9 and 20b, emission reductions cannot be quantified.

Cost Effectiveness Evaluation of Historic Work:

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 2. Proposed New or Continuing Measure

SDG&E does not propose new or continuing measures for this Chapter.

Part 3. Abatement Estimates

The measures in Chapter 5 were designed to comply with mandatory Best Practices 9 and 20b established by D.17-06-015. Due to the nature of Best Practices 9 and 20b, emission reductions cannot be quantified.

Part 4. Cost Estimates

SDG&E does not request funds for this Chapter in this Compliance Period.

Part 5. Cost Effectiveness/Benefits

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 6: Electronic Leak Survey

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 20b: Geographic Tracking

Utilities shall develop methodologies for improved geographic tracking and evaluation of leaks from the gas systems. Utilities shall work together, with CPUC and ARB staff, to come to agreement on a similar methodology to improve geographic evaluation and tracking of leaks to assist demonstrations of actual emissions reductions. Leak detection technology should be capable of transferring leak data to a central database in order to provide data for leak maps. Geographic leak maps shall be publicly available with leaks displayed by zip code or census tract.

Historic Project Achievements:

SDG&E implemented a mobile application for the ELS process. This implementation allows leak surveyors to use tablets equipped with a mobile application that provides GIS-generated leak survey routes instead of paper maps. Leak survey instrumentation and equipment are used to identify leaks and collect leak data electronically which is uploaded into GIS. Breadcrumb (GIS Location) data are collected for the survey path walked. The requirements gathering and vendor selection for mobile applications were completed in 2018. The system design activities were completed in 2019. Due to reduced funding and delays, development of mobile and supporting portal applications were completed in 2024. Required hardware (tablets, accessories, storage) and support software were acquired to conduct system integration testing to validate integration paths and end-to-end functionality. Application rollout and deployment activities for all distribution districts were initiated in 2024. A change management team engaged stakeholders to provide information on the mobile application through Digi Boards at district locations, intranet articles, and district visits, supporting the transition.

Emission Reductions Achieved:

The measures in Chapter 6 were designed to comply with mandatory Best Practice 20b established by D.17-06-015. Due to the nature of Best Practice 20b, emission reductions cannot be quantified.

Cost Effectiveness Evaluation of Historic Work:

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 2. Proposed New or Continuing Measure

SDG&E plans to maintain the existing ELS software and does not propose new measures for this Chapter.

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Chapter 6: Electronic Leak Survey

Part 3. Abatement Estimates

The measures in Chapter 6 were designed to comply with mandatory Best Practice 20b established by D.17-06-015. Due to the nature of Best Practice 20b, emission reductions cannot be quantified.

Part 4. Cost Estimates

This measure has been incorporated into SDG&E's routine Operations & Maintenance activities and will be included in SDG&E's TY 2028 GRC Application.

Part 5. Cost Effectiveness/Benefits

The implementation of the ELS project delivers significant operational and compliance benefits aligned with organizational goals for emission reductions, safety, reliability, and affordability.

By eliminating reliance on paper-based leak survey maps, including plotting, printing, reviewing, and mailing maps, the initiative strengthens operational controls by reducing cost exposure, decreasing resource consumption, and lowering associated environmental impacts. This transition to digital workflows also mitigates risks related to document loss and process inefficiencies.

Integration with Company software improves geographic accuracy and tracking of leaks and other AOCs, supporting timely follow-up and reducing the risk of human error through auto-populated GIS coordinates.

By automating the leak survey work assignment process within Distribution, the system enhances efficiency and flexibility in cross-district assignments and routing, improving workforce utilization and reducing dependency on manual processes. Automation enhances safety and reliability by providing near real-time access to leak survey data, enabling rapid response during critical events such as system overpressure, seismic activity, fires, and floods.

Additionally, Construction Supervisors and Gas Operations Compliance Coordinators receive near real-time updates via the portal app, strengthening oversight and decision-making, which was previously inaccessible on-the-go.

The project also provides valuable data inputs for advanced analytics, supporting future initiatives aimed at cost reduction, enhanced safety, and improved operational efficiency in alignment with regulatory and environmental standards.

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 7: Damage Prevention Public Awareness

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 24: Dig-Ins and Public Education Program
Expand existing public education program to alert the public and third-party excavation contractors to the Call Before You Dig – 811 program. In addition, utilities must provide procedures for excavation contractors to follow when excavating to prevent damaging or rupturing a gas line.
Best Practice 25: Dig-Ins and Company Standby Monitors
Utilities must provide company monitors to witness all excavations near gas transmission lines to ensure that contractors are following utility procedures to properly excavate and backfill around transmission lines.
Best Practice 26: Dig-Ins and Repeat Offenders
Utilities shall document procedures to address Repeat Offenders such as providing post-damage safe excavation training and on-site spot visits. Utilities shall keep track and report multiple incidents, within a 5-year period, of dig-ins from the same party in their Annual Emissions Inventory Reports. These incidents and leaks shall be recorded as required in the recordkeeping best practice. In addition, the utility should report egregious offenders to appropriate enforcement agencies including the California Contractor’s State License Board. The Board has the authority to investigate and punish dishonest or negligent contractors. Punishment can include suspension of their contractor’s license.

Historic Project Achievements:

SDG&E implements a federally mandated Public Awareness program, as prescribed in 49 CFR § 192.616, which contributes to enhanced public safety. In addition, the State of California mandates a preconstruction meeting with excavators requesting Locate and Mark support and requires continuous monitoring of all excavations within ten feet of high-pressure pipelines pursuant to Cal. Gov’t Code § 4216.2. The Public Awareness program is also driven by the requirements of 49 CFR. § 192.616, the technical document, Public Awareness Programs for Pipeline Operators, API RP 1162, and program expansion recommendations by regulators.

SDG&E conducted the following activities:

- Contractor and Excavator Outreach
 - Paradigm Excavator Outreach Meetings – Additional safety outreach across the service territory.
 - Contractor Damage Prevention Awareness Meetings – Quarterly virtual meetings with DigAlert.
 - Damage Prevention Analyst Engagements
 - On-site education including:
 - 2,501 proactive engagements in 2024.
 - 278 dig-in investigations in 2024.
 - 78 Outreach engagements in 2024.
 - 182 “Stop the Job” interventions in 2024.

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- Plumber/Sewer Contractor Outreach – Development of stand-alone pipeline safety mailers.
- Community and Nonprofit Partnerships
 - Community Relations Pilot Partnership – Outreach through major nonprofit organizations.
 - Public Affairs Pilot Partnership – Collaborations with cities, municipalities, and nonprofits.
 - Community Outreach Team Engagement – Participation in monthly local events with damage prevention brochures.
- Media and Marketing Campaigns
 - 811 Media Campaign – Digital content and social media ads during 811 Day.
 - Social Media Boosts – Targeted outreach across service territory.
 - General Safety Marketing Campaign – Multilingual, multimedia outreach including radio, digital display, online video, print, and out-of-home advertising with over 30 million impressions across platforms.
- Sports Partnerships
 - MLB San Diego Padres Outreach – Damage prevention messaging included: 811-branded outfield wall signage, homeplate pad exposure, fan giveaway of 40,000 branded beanies, and streaming spots on PadresTV.
 - Common Ground Alliance Collaborations – 811 Day events with other operators.
- Innovative Programs
 - Enertech Geofencing Program – Targeted messaging using keyword search and location data: 1 million impressions, 1,371 ad clicks, 0.14% clickthrough rate.
 - Good Neighbor Program – 811 postcards sent to neighbors of USA ticket submitters based on risk scoring.
 - Doorhanger Distribution Program – Doorhangers left at homes after ground marking to promote 811 awareness.

Emission Reductions Achieved:

Historical Emission Reductions (MCF)

2018	2019	2020	2021	2022	2023	2024
N/A	377	0	339	1,184	1,775	2,726

Emission reductions were estimated by taking the difference between Appendices 1 and 4 excavation damage emissions from emission year 2018 and the Appendices 1 and 4 excavation damage emissions for each respective year. Emission year 2018 was used as the baseline because implementation for this program began during 2019. Annual reductions from Chapter 9 (Repeat Offenders) were subtracted from the totals because Chapter 9 contributes emission reductions to the same area.

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Chapter 7: Damage Prevention Public Awareness

Cost Effectiveness Evaluation of Historic Work:

Historical Standard Cost Effectiveness (\$/MCF)

Projected in 2024 Compliance Plan	Actual Cost Effectiveness (2018-2024)
N/A	\$379

Part 2. Proposed New or Continuing Measure

SDG&E plans to maintain the previously approved project and does not propose any new measures. For 2027, SDG&E will utilize the authorized funds from Resolution G-3606, and the 2028 funding will be requested in SDG&E’s TY 2028 GRC Application.

Part 3. Abatement Estimates

Forecast of Emission Reductions (MCF)

2027	2028
828	2,251

The 2028 emission reductions were estimated as the average of the 2023 and 2024 reductions. The 2027 reductions were adjusted downward to account for the reduction in program funding.

Part 4. Cost Estimates

The 2027 costs are authorized by Resolution G-3606. The 2028 funding will be requested in SDG&E’s TY 2028 GRC Application. Revenue requirement for the work planned during 2027 and 2028 is included in the table below.

Total Revenue Requirement over Expected Life of Investment
\$1.2 million
Average Annual Revenue Requirement
\$0.6 million

Part 5. Cost Effectiveness/Benefits

In addition to reducing emissions, the Damage Prevention Public Awareness project enhances public safety by educating stakeholders of the risks of damaging pipelines during excavations. Through a wide range of outreach efforts, including contractor meetings, targeted mailers, and proactive field engagements, the project helps to prevent dig-ins that could lead to gas leaks.

These efforts advance affordability objectives by reducing costly emergency repairs. The project increases SDG&E system reliability by equipping contractors and communities with the awareness to avoid damaging infrastructure. This is achieved by deploying innovative tools like geofencing and mobile outreach, and through real-time interventions that protect pipeline integrity. With

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Chapter 7: Damage Prevention Public Awareness

expanded partnerships, multimedia campaigns, and community engagement, the project demonstrates a comprehensive and evolving approach to public awareness and damage prevention.

Historical Achieved Cost Effectiveness Calculations (2018-2024) (\$/MCF)

Standard Cost Effectiveness	With Cap and Invest Cost Benefits	With Cap and Invest, and Social Cost of Methane Cost Benefits
\$379	\$377	\$351

Forecast of Cost Effectiveness Calculations (2027-2028) (\$/MCF)

Standard Cost Effectiveness	With Cap and Invest Cost Benefits	With Cap and Invest, and Social Cost of Methane Cost Benefits
\$375	\$374	\$348

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 8: Pipe Fitting Specifications

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 22: Pipe Fitting Specifications

Companies shall review and revise pipe fitting specifications, as necessary, to ensure tighter tolerance/better quality pipe threads. Utilities are required to review any available data on its threaded fittings, and if necessary, propose a fitting replacement program for threaded connections with significant leaks or comprehensive procedures for leak repairs and meter set assembly installations and repairs as part of their Compliance Plans. A fitting replacement program should consider components such as pressure control fittings, service tees, and valves metrics, among other things.

Historic Project Achievements:

SDG&E has a Supply Management department that works with vendors in purchasing materials that meet SDG&E MSP requirements for all components. When materials are received, samples are inspected at a warehouse facility to verify requirements are met. Pipe fittings are components used to join pipe sections together with other fluid control products like valves and pumps to create pipelines. If there are any concerns regarding the quality of materials, including the threaded components and fittings, the Supply Management department is engaged to correct the issue and either engage the current vendor to increase quality assurance standards or begin contract negotiations with alternative vendors to confirm all concerns are addressed.

In 2019, SDG&E hired a third-party consultant to review its QC process and MSP standards to identify consistent requirements across component categories, which resulted in enhancements to the following processes:

- Manufacturing and QC.
- Shipping, Handling, and Storage.
- Construction and Installation.
- Operations & Maintenance.

The purpose of these improvements is to reduce emissions from threaded pipe fittings by improving manufacturers' tolerances and thread quality. In 2021, SDG&E hired a Project Manager to create a project plan necessary to drive the project to completion. Within the project plan, the scope was separated into two (2) phases. Phase 1 of the project focused on updating all the material specifications and QC inspection instruction standards. A third-party consultant was hired to assist with updating all standards. Phase 2 focused on implementing the updated standards during the inspection process, shipping and handling, and construction and installation. A training program was completed during Phase 2 to introduce Company stakeholders to recommended best practice improvements. SDG&E's Gas Standard G8304, *Threaded Connections* was updated with quality improvements for threaded connections. A pilot program was conducted with a QC inspection team at a central location to evaluate process controls during inspection of select threaded components while using a temporary outdoor covered storage area. The pilot program was successful as components were protected with a storage solution that also fit QC and Logistics

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Chapter 8: Pipe Fitting Specifications

team needs. Visual quality inspections were conducted, and SDG&E was better able to anticipate future storage and staffing needs. The study also highlighted improvements needed in manufacturing quality.

Additional accomplishments include:

- Required manufacturers' thread fabrication process and product conform to the NPT tolerances.
- Mandated that manufacturers apply plastic protectors to preserve thread quality during shipping and logistics.
- Developed and implemented a training program for QC inspection team focusing on updated material standards.
- Required indoor storage of all threaded components at QC inspection location.
- Conducted quarterly inventory studies and established metrics to monitor thread quality and NPT thread tolerance from manufacturers.
- Required manufacturers to demonstrate higher level of thread quality.
- Confirmed manufacturer conformance to updated material standards from QC programs.
- Provided leak survey fitting repair and replacement reports to all internal stakeholders of the process, including QC and MSP engineer, for further evaluation.
- Developed recommendations for fitting replacement program.

Emission Reductions Achieved:

The measures in Chapter 8 were designed to comply with mandatory Best Practice 22 established by D.17-06-015. Due to the nature of Best Practice 22, emission reductions cannot be quantified.

Cost Effectiveness Evaluation of Historic Work:

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 2. Proposed New or Continuing Measure

SDG&E plans to maintain the previously approved project and does not propose new measures in 2027. The 2028 funding will be requested in SDG&E's TY 2028 GRC Application.

Part 3. Abatement Estimates

The measures in Chapter 8 were designed to comply with mandatory Best Practice 22 established by D.17-06-015. Due to the nature of Best Practice 22, emission reductions cannot be quantified.

Part 4. Cost Estimates

This measure has been incorporated into SDG&E's routine Operations & Maintenance activities and will be included in SDG&E's TY 2028 GRC Application.

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Chapter 8: Pipe Fitting Specifications

Part 5. Cost Effectiveness/Benefits

The Pipe Fitting Specifications project supports multiple strategic goals by improving the quality and consistency of threaded pipe fittings used across the system. By imposing stricter manufacturing tolerances on thread geometry, the project directly contributes to emission reductions, as tighter seals minimize leaks. The project also promotes affordability by reducing the frequency of leak-related repairs and emergency maintenance, streamlining procurement through standardized materials, and improving vendor quality assurance.

In addition, this project increases system resiliency through standardized installation procedures that provide consistent performance under varying conditions. The project contributes to reliability improvements by addressing fitting-related issues, which can help maintain system performance and consistent gas delivery. Each of these enhancements also provide the co-benefit of improved safety for customers. The project's training programs and updates to SDG&E's Gas Standards further reinforce these benefits by embedding best practices into field operations. Overall, the project demonstrates a comprehensive approach to infrastructure improvement that delivers value across environmental, operational, and customer-focused dimensions.

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 9: Repeat Offenders IT Systems

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 26: Dig-Ins and Repeat Offenders
Utilities shall document procedures to address Repeat Offenders such as providing post-damage safe excavation training and on-site spot visits. Utilities shall keep track and report multiple incidents, within a 5-year period, of dig-ins from the same party in their Annual Emissions Inventory Reports. These incidents and leaks shall be recorded as required in the recordkeeping best practice. In addition, the utility should report egregious offenders to appropriate enforcement agencies including the California Contractor’s State License Board. The Board has the authority to investigate and punish dishonest or negligent contractors. Punishment can include suspension of their contractor’s license.

Historic Project Achievements:

Best Practice 26 required a solution for capturing and reporting all dig-in incidents. Incidents caused by contractors are identified using contractor identification data from the CCSLB, and this data enabled accurate identification and reporting of repeat offenders. Incident information was captured on a paper form called the CPDR. The Repeat Offenders IT System project converted the paper form to an electronic form called the eCPDR and made it available on mobile devices. The eCPDR shared the form data across the systems used by the Customer Service, Distribution, and Claims departments. The data continues to be shared with the Data Lake (discussed in Chapter 4), which enables emissions reporting. In addition to identifying repeat offenders, the Repeat Offenders IT System eliminated manual effort and potential for data errors in managing paper damage forms, as well as improved the timeliness of reporting through automated data sharing and claim creation. The implementation of the Repeat Offenders IT System commenced in Q4 of 2020.

Emission Reductions Achieved:

Historical Emission Reductions (MCF)

2018	2019	2020	2021	2022	2023	2024
N/A	N/A	N/A	N/A	0	22	0

Emission reductions were estimated by determining the difference in repeat offender incidents that occurred during 2021 relative to each respective year following. The reduction in incidents was multiplied by the average excavation damage volume from Appendices 1 and 4 for each respective year to estimate the volume of emission reductions.

Cost Effectiveness Evaluation of Historic Work:

Historical cost effectiveness was not evaluated because implementation of the system commenced in Q4 of 2020.

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Chapter 9: Repeat Offenders IT Systems

Part 2. Proposed New or Continuing Measure

The Repeat Offenders IT System data will continue to be used to prevent damages and reduce emissions.

Part 3. Abatement Estimates:

Forecast of Emission Reductions (MCF)

2027	2028
11	11

The forecast for 2027 and 2028 assumes that the average level of reductions from 2023 and 2024 will be maintained.

Part 4. Cost Estimates

SDG&E does not request funds for this Chapter in this Compliance Period.

Part 5. Cost Effectiveness/Benefits

The Repeat Offenders IT Systems project was designed to comply with the requirements of Best Practice 26. The implementation of this work has reduced emissions, enhanced safety, and bolstered reliability.

Cost effectiveness cannot be calculated because SDG&E does not request funding for this Chapter during this Compliance Period.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 10: Gas Speciation

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 17: Enhanced Methane Detection

Utilities shall utilize enhanced methane detection practices (e.g. mobile methane detection and/or aerial leak detection) including gas speciation technologies.
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Historic Project Achievements:

SDG&E has a robust laboratory known as the EAL. When a methane source is in question, the EAL dispatches a mobile gas speciation van to identify the chemical content of the gas and identify its source.

SDG&E expanded the capacity of the EAL by increasing staff and equipment to respond to requests from Operations for leak speciation where a methane source is in question. These resources were also required to address lower detection limits of new advanced leak detection instrumentation and the increased level of leak survey activities being driven by the program.

Emission Reductions Achieved:

The measures in Chapter 10 were designed to comply with mandatory Best Practice 17 established by D.17-06-015. Due to the nature of Best Practice 17, emission reductions cannot be quantified.

Cost Effectiveness Evaluation of Historic Work:

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 2. Proposed New or Continuing Measure

SDG&E plans to maintain the previously approved project and does not propose new measures in 2027. The 2028 funding will be requested in SDG&E's TY 2028 GRC Application.

Part 3. Abatement Estimates

The measures in Chapter 10 were designed to comply with mandatory Best Practice 17 established by D.17-06-015. Due to the nature of Best Practice 17, emission reductions cannot be quantified.

Part 4. Cost Estimates

This measure has been incorporated into SDG&E's routine Operations & Maintenance activities and will be included in SDG&E's TY 2028 GRC Application.

2026 SB 1371 Compliance Plan
Chapter 10: Gas Speciation

Part 5. Cost Effectiveness/Benefits

The Gas Speciation project plays a vital role in reducing emissions, enhancing safety, and supporting operational efficiency. Through the expansion of SDG&E's EAL and the deployment of the mobile gas speciation van staffed with additional qualified technicians, the Company has significantly enhanced its ability to conduct gas speciation analyses. This increased capacity enables more rapid and accurate identification of the chemical composition and source of methane leaks, thereby supporting timely and effective leak mitigation efforts. This capability enables SDG&E to quickly differentiate leaks near other combustible gas sources such as gas seepage from natural occurring sources, sewer lines, or third-party oil & gas pipelines, and initiate repair efforts once the Gas Speciation team confirms that the leak originates from SDG&E's system. As a result, the project directly supports emission reductions by enabling faster verification and repair of leaks—minimizing the duration that methane is released into the atmosphere and reducing health and safety risk to the general public. Ultimately, the Gas Speciation project delivers significant benefits by enhancing safety, reducing environmental impact, and promoting timely and effective leak response.

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 11: Public Leak Maps

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 20b: Geographic Tracking

Utilities shall develop methodologies for improved geographic tracking and evaluation of leaks from the gas systems. Utilities shall work together, with CPUC and ARB staff, to come to an agreement on a similar methodology to improve geographic evaluation and tracking of leaks to assist in demonstrations of actual emissions reductions. Leak detection technology should be capable of transferring leak data to a central database in order to provide data for leak maps. Geographic leak maps shall be publicly available with leaks displayed by zip code or census tract.

Historic Project Achievements:

Each year since 2020, SDG&E has developed and published publicly available geographic maps of Distribution Main & Service leak information (e.g., ZIP codes & volume of emissions). The list of the Distribution Main & Service leaks is also available to the public under Appendix 4 of the Annual Emissions Reports. SDG&E plans to update the leak information in its public leak maps in Q3 each year because the submission date of the Annual Emissions Report is usually June 15th of each year. The maps allow customers to navigate the service territory via ZIP codes and view the current and historic volume of emissions associated with each ZIP code. The website address for the maps is as follows: <https://www.sdge.com/sdge-distribution-mains-services-methane-emissions-map>

Emission Reductions Achieved:

The measures in Chapter 11 were designed to comply with mandatory Best Practice 20b established by D.17-06-015. Due to the nature of Best Practice 20b, emission reductions cannot be quantified.

Cost Effectiveness Evaluation of Historic Work:

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 2. Proposed New or Continuing Measure

SDG&E proposes to maintain and annually update, in Q3, the publicly available geographic maps of Distribution Main & Service leak information with the latest data from the Annual Emissions Report.

2026 SB 1371 Compliance Plan
Chapter 11: Public Leak Maps

Part 3. Abatement Estimates

The measures in Chapter 11 were designed to comply with mandatory Best Practice 20b established by D.17-06-015. Due to the nature of Best Practice 20b, emission reductions cannot be quantified.

Part 4. Cost Estimates

The 2027 costs are authorized by Resolution G-3606. The 2028 funding will be requested in SDG&E's TY 2028 GRC Application.

Part 5. Cost Effectiveness/Benefits

The activities of Chapter 11 are completed to comply with mandatory Best Practice 20b from D.17-06-015. Best Practice 20b requires utilities to create publicly available geographic leak maps, which enhances public accessibility to the NGLAP data.

Due to the nature of this work, emission reductions and cost effectiveness cannot be quantified.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 12: Accelerated Leak Repair - Transmission

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 21: Find It, Fix It
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Utilities shall repair leaks as soon as reasonably possible after discovery, but in no event, more than three (3) years after discovery. Utilities may make reasonable exceptions for leaks that are costly to repair relative to the estimated size of the leak.

SDG&E has historically repaired transmission leaks to meet requirements of 49 CFR Part 192 and CPUC’s G.O. 112-F based on safety risk, and has coded leaks as grades 1, 2, or 3 based on proximity to buildings, population density, and concentration of the leak. In the past, leak repair prioritization was solely based on safety and was not correlated to emission volumes.

From 2018 to 2024, SDG&E did not have the opportunity to accelerate any leak repairs on Transmission assets.

Emission Reductions Achieved:

The emission reductions for this program were not evaluated because funding was not authorized for this program.

Cost Effectiveness Evaluation of Historic Work:

Historical cost effectiveness was not evaluated because there was no authorized funding for the 2022 Compliance Period.

Part 2. Proposed New or Continuing Measure

SDG&E does not propose new or continued measures for this Chapter.

Part 3. Abatement Estimates

SDG&E is not proposing new or continuing measures, and therefore, abatement estimates are not available.

Part 4. Cost Estimates

SDG&E does not request funds for this initiative in this Compliance Period.

Part 5. Cost Effectiveness/Benefits

Cost effectiveness cannot be calculated because SDG&E does not request funding for this Chapter during this Compliance Period.

2026 SB 1371 Compliance Plan
Chapter 12: Accelerated Leak Repair - Transmission

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 13: Distribution Above Ground Leak Surveys

Part 1. Evaluate the Current Practices Addressed in this Chapter

This Chapter addresses the following Best Practice:

Best Practice 19: Aboveground Leak Surveys
Utilities shall conduct frequent leak surveys and data collection at above ground transmission and high-pressure distribution (above 60 psig) facilities including Compressor Stations, Gas Storage Facilities, City Gates, and Metering & Regulating (M&R) Stations (M&R above ground and pressures above 300 psig only). At a minimum, above ground leak surveys and data collection must be conducted on an annual basis for compressor stations and gas storage facilities.

Historic Project Achievements:

In the 2018 Compliance Plan, SDG&E requested and was approved funding to provide M&R Technicians with instrumentation to begin performing and recording instrumented leak surveys. SDG&E purchased the required instruments to perform instrumented survey.

No incremental staffing was required to implement this measure. Training of existing M&R Technicians on the new instruments was completed at the end of 2020 along with using the purchased equipment to measure and document emissions found at regulator stations.

2022 was the first full year that the instrumented survey on M&R stations was implemented.

Emission Reductions and Cost Effectiveness

Historical Emission Reductions (MCF)

2018	2019	2020	2021	2022	2023	2024
N/A	N/A	57	139	215	0	0

Historical emission reductions were updated using the latest approved emission factors for Appendix 5 leaks.

Historical cost effectiveness was not evaluated because there was no authorized funding for the 2022 Compliance Period.

Part 2. Proposed New or Continuing Measure

SDG&E will continue performing instrumented above ground leak surveys.

Part 3. Abatement Estimates

Forecast of Emission Reductions (MCF)

2027	2028
82	82

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Chapter 13: Distribution Above Ground Leak Surveys

The forecasted emission reductions during 2027 and 2028 represent the average achieved reductions between 2020 and 2024. The average from 2020 through 2024 was utilized because the emission reductions were highly variable between 2020 and 2024.

Part 4. Cost Estimates

SDG&E does not request funds for this Chapter in this Compliance Period.

Part 5. Cost Effectiveness/Benefits

Cost effectiveness cannot be calculated because SDG&E does not request funding for this Chapter during this Compliance Period.

Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
Chapter 14: Aerial Monitoring

Part 1. Evaluate the Current Practice Addressed in this Chapter

This Chapter addresses the following Best Practice(s):

Best Practice 16: Special Leak Surveys
Utilities shall conduct special leak surveys, possibly at a more frequent interval than required by G.O. 112-F (or its successors) or BP 15, for specific areas of their transmission and distribution pipeline systems with known risks for natural gas leakage. Special leak surveys may focus on specific pipeline materials known to be susceptible to leaks or other known pipeline integrity risks, such as geological conditions. Special leak surveys shall be coordinated with transmission and distribution integrity management programs (TIMP/DIMP) and other utility safety programs. Utilities shall file in their Compliance Plan proposed special leak surveys for known risks and proposed methodologies for identifying additional special leak surveys based on risk assessments (including predictive and/or historical trends analysis). As surveys are conducted over time, utilities shall report as part of their Compliance Plans, details about leakage trends. Predictive analysis may be defined differently for differing companies based on company size and trends.
Best Practice 17: Enhanced Methane Detection
Utilities shall utilize enhanced methane detection practices (e.g. mobile methane detection and/or aerial leak detection) including gas speciation technologies.
Best Practice 20a: Quantification
Utilities shall develop methodologies for improved quantification and geographic evaluation and tracking of leaks from the gas systems. Utilities shall file in their Compliance Plan how they propose to address quantification. Utilities shall work together, with CPUC and ARB staff, to come to agreement on a similar methodology to improve emissions quantification of leaks to assist in the demonstration of actual emissions reductions.

Historic Project Achievements:

RD&D tests completed in 2024 in targeted areas of SDG&E territory indicated an aerial LiDAR gas detection program can successfully detect fugitive gas emissions from SDG&E’s system and non-system (customer side). As required in Best Practice 16, the pilot program targeted the pipeline systems with known risks for leakage, specifically Vintage Plastic (Aldyl-A (PE) pipe installed before 1986) and Vintage Steel (Steel pipe installed before 1950). The limited pilot test run also indicated that the program economics is potentially cost-effective. SDG&E anticipates that as the program matures, costs will be lower and the cost-effectiveness will improve.

Part 2. Proposed New or Continuing Measure

SDG&E is proposing to move the project into implementation phase during 2028.

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Chapter 14: Aerial Monitoring

Derisking Vintage Aldyl-A pipe:

SDG&E currently operates Vintage Aldyl-A Plastic pipes. In a June 11, 2014 report titled Hazard Analysis and Mitigation Report,³ the CPUC’s staff outlined the risks associated with Vintage Aldyl-A pipes. The report states that “Vintage Aldyl-A pipes were identified as a major potential hazard affecting gas pipeline safety.” The Aerial Monitoring program specifically targets the Vintage Aldyl-A pipes and Vintage Steel pipes in SDG&E’s distribution pipelines. Therefore, the Aerial Monitoring program helps mitigate a hazard which the CPUC staff report classified as a “major potential hazard.” As demonstrated, the Aerial Monitoring program provides benefits beyond methane reduction and customer safety—it also offers significant safety enhancements for SDG&E’s distribution assets.

Part 3. Abatement Estimates

Distribution Mains & Services

Forecast of Emission Reductions (MCF)

Source of Emissions	2027*	2028
System Leaks	0	30,499
Non-System Leaks Abated	0	50,222

*Aerial Monitoring not funded in 2027

Emission reductions associated with this project may increase over time as advancements in LiDAR technology enhance detection capabilities. Additionally, future consideration of post-meter incomplete combustion could further contribute to these reductions.

As the program is implemented and more data is collected, these emission numbers and assumptions may be updated. These elements will be revised and updated in the next Compliance Plan to reflect actual implementation results.

Post-Meter Emissions

Drawing from SoCalGas’ AMM implementation, SDG&E anticipates identifying approximately 263 post-meter leaks on customer facilities annually.

SDG&E also expects to detect around 126 emission sources each year resulting from incomplete combustion in customer equipment. The reduction of these emissions was not included in the customer emission reductions because it is too early to estimate the actual reductions from incomplete combustion detection.

³ California Public Utilities Commission, *Hazard Analysis and Mitigation Report on Aldyl-A Polyethylene Gas Pipelines in California*, prepared by Steven Haine, P.E., with technical assistance from Gene Palermo, Palo Alto Plastics Pipe Consulting, June 11, 2014, at 29 (identifying Vintage Aldyl-A pipes as a “major potential hazard affecting gas pipeline safety”).

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Given the advancements of aerial technology – such as the introduction of Beyond Visual Line of Sight Drone – and the advancement of LiDAR, SDG&E expects the cost effectiveness to improve over time.

Part 4. Cost Estimates

This measure will be incorporated into SDG&E’s routine Operations & Maintenance activities and will be included in SDG&E’s TY 2028 GRC Application.

Total Revenue Requirement over Expected Life of Investment
\$1.1 million
Average Annual Revenue Requirement
\$0.6 million

Part 5. Cost Effectiveness/Benefits

The program offers significant environmental, affordability, and safety benefits. From an environmental perspective, it enables SDG&E to detect leaks more quickly, which helps reduce emissions from its gas distribution system. In terms of safety, some leaks are categorized as Code 1, indicating a higher risk. By identifying and repairing these leaks sooner, the program improves the overall safety of the system. It also detects and resolves leaks on the customer side, further enhancing safety for end users. Regarding affordability, when customer-related emissions are included, the total value of gas abated—both from the system and customer sources—combined with the avoided Cap & Invest and social costs, exceeds the overall cost of the program. In other words, the financial benefits of the program outweigh its costs, delivering affordability advantages for customers.

System emissions only calculation:

Forecast of Cost Effectiveness Calculations (2027-2028) (\$/MCF)

Standard Cost Effectiveness	With Cap and Invest Cost Benefits	With Cap and Invest, and Social Cost of Methane Cost Benefits
\$31	\$29	\$3

System + Confirmed Non-system emissions calculation:

Forecast of Cost Effectiveness Calculations (2027-2028) (\$/MCF)

Standard Cost Effectiveness	With Cap and Invest Cost Benefits	With Cap and Invest, and Social Cost of Methane Cost Benefits
\$8	\$7	-\$19

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Part 6. Supplemental Information/Documentation

Not applicable.

2026 SB 1371 Compliance Plan
RD&D Summary

Resolution G-3606 did not authorize funding for SDG&E's NGLAP research program during 2025-2027 and advised that SDG&E could move its NGLAP RD&D projects into its broader RD&D portfolio within the TY 2028 GRC. However, as SDG&E explained in its comments to the CPUC, this is not possible because a broader gas RD&D program does not exist at SDG&E. As a result of Resolution G-3606, the NGLAP RD&D program at SDG&E is currently discontinued.