

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**

**APPLICATION FOR NATURAL RENEWABLE GAS TARIFF
(A.19-02-015)**

(DATA REQUEST SIERRA CLUB-SEMPRA UTILITIES-03)

**DATE RECEIVED: 9-27-19
DATE RESPONDED: 10-11-19**

QUESTION 1:

Under the RNG TARIFF, could the Sempra Utilities procure biomethane that was generated in a previous year?

- a. If yes, how many years previously could the biomethane have been generated to meet customer demand in the current year?
- b. If yes, what is the allowable vintage (date/year) of the biomethane purchases under the RNG TARIFF?
- c. Please identify the witness(es) responsible for this answer.

RESPONSE 1:

While biomethane generated in a previous year may be eligible for biomethane exemption under the rules and regulations of the Cap-and-Trade program and the MRR such as from grandfathered contracts executed prior to January 1, 2012, as stated in Response 4.a. of Sierra Club Data Request #2, "the Utilities do not intend to initially procure such RNG supplies since there will likely be sufficient supplies that do not fall into this category."

- a. See Response 1 above.
- b. See Response 1 above.
- c. Andrew Cheung

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QUESTION 2:

In response to Sierra Club's March 13, 2019 Data Request (DR 1), Question 8(c) ("Please explain how greenhouse gas reductions will be calculated"), the Sempra Utilities stated that "[i]n order to align with California's Cap and Trade program, CO2 emissions from combustion of biomass-derived fuels will result in zero GHG emissions as per Section 95852.2 of the Regulations for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms." This response does not explain how GHG reductions attributable to the RNG TARIFF will be calculated.

- a. How will Sempra Utilities calculate GHG reductions attributable to the RNG TARIFF?
- b. How will the RNG TARIFF "result in zero GHG emissions" as stated in Sempra Utilities' response to DR 1, Question 8(c)?
- c. Please identify the witness(es) responsible for this answer.

RESPONSE 2:

- a. In order to calculate GHG reductions attributable to the RNG Tariff, the Utilities will follow the GHG calculation methodology of the MRR for exempt biomass-derived fuels. Please see Section 95122(b) 2:8 of the MRR, which details the methods and formulas used to calculate GHG emissions.
- b. The Utilities object to this question to the extent it misrepresents the Utilities' prior response. The Utilities' made no claim in Response to DR1, Question 8(c) that the RNG Tariff will result in zero GHG emissions. Rather, when asked how GHG reductions will be calculated, the Utilities responded by describing the treatment of CO2 emissions from combustion of biomass-derived fuels per Section 95852.2 of the Regulations for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms, which results in zero GHG emissions instead of the standard natural gas emissions factor as per the code section above.
- c. Andrew Cheung

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QUESTION 3:

Page 8: 8-12 of the Supplemental Testimony states that “[a]ll RNG procured from California state producers will remove GHG emissions in California in alignment with, and supporting, California Air Resources Board’s (CARB) Scoping Plan. This includes reduction of emissions of high global-warming potential gases with short atmospheric lifetimes, as further described in CARB’s Short-lived Climate Pollutants (SLCP) Reduction Strategy.”

- a. Will the Sempra Utilities disclose the amount of biomethane procured from “California state producers”?
 - i. If yes, in what form and at what time will this disclosure occur?
 - ii. If not, how will customers know whether or not the RNG TARIFF is contributing to in-state reductions of GHGs and short-lived climate pollutants?
- b. Please identify the witness(es) responsible for this answer.

RESPONSE 3:

- a. Yes, the Utilities will provide customers with an annual report on their participation in the RNG Tariff program, including the sources of RNG and the location by state.
- b. Grant Wooden

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QUESTION 4:

Page 10:3-4, 12-13, of the Supplemental Testimony states that “the purchased RNG supplies will be verified by a third-party independent verification body” and that “the verification body must make itself and its personnel available for a CARB audit.”

- a. Please explain what, if any, auditing process will be utilized for the third-party independent verification body used under the RNG Tariff.
- b. Given that CARB’s MRR and Cap-and-Trade regulations do not contemplate that CARB will have jurisdiction, responsibility, or resources to audit verifiers of voluntary RNG tariffs such as the RNG TARIFF, what assurance do RNG TARIFF customers have that CARB will audit the verifiers of the biomethane procured for the RNG TARIFF?
- c. Please identify the witness(es) responsible for this answer.

RESPONSE 4:

- a. On CARB’s website for Mandatory GHG Reporting – Verification, it states the following:

“CARB has established and implemented a verification program to support mandatory GHG reporting. Two primary components are an accreditation program for GHG verification bodies and individual verifiers and a verifier performance oversight program. CARB is responsible for evaluating the verification services provided by CARB-accredited verification bodies and verifiers to ensure California's high quality standards are achieved.”¹

In addition, CARB has provided the following guidance:

“[E]ach reporting year ARB staff audits every active verification body to ensure verifiers are providing high quality verification services. ARB staff also audits verifications of multiple facilities within the same economic sector to ensure consistent verification services are being provided by different verification bodies. Audit findings and observations are sent to

¹ See <https://ww2.arb.ca.gov/verification>.

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verification bodies at the completion of verification services in order for each verification body to take any necessary actions to improve their performance.”²

- b. The Utilities object to the extent the request assumes facts that have not been established. See Response 4.a.
- c. Andrew Cheung

² See California Air Resources Board Greenhouse Gas Verification Program: Requirements for Accreditation of Verification Bodies and Verifiers (October 2011), at 2.

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QUESTION 5:

In response to DR Sierra Club-SempraUtilites-1, Questions 5 (a) and (b) regarding whether or not the Sempra Utilities will disclose the geographic location of the sources of biomethane procured under the RNG TARIFF program and the type of source procured (e.g. dairy, landfill or wastewater treatment plant), the Sempra Utilities responded that “No, SoCalGas and SDG&E do not currently intend to provide the specific locations of RNG purchased for the program” and that it was “[u]nknown at [that] time” whether or not the fuel source information will be disclosed.

- a. Do the Sempra Utilities maintain that they will not disclosure any geographic information about the source of biomethane procured for the RNG TARIFF program?
 - i. If yes, please explain why the geographic information about the biomethane source will not be publicly disclosed.
 - ii. If not, please explain in what form and at what time this disclosure will occur.
- b. Do the Sempra Utilities have an updated response as to whether or not they will disclose the amount of biomethane procured from the different types fuel source (i.e. dairy, landfill, wastewater treatment)?
 - i. If the Sempra Utilities will not disclose the type of biomethane fuel sources procured for the RNG TARIFF program, please explain why not.
- c. Please identify the witness(es) responsible for this answer.

RESPONSE 5:

- a.
 - i. The Utilities object to this question to the extent it misrepresents the Utilities’ prior response. The Utilities made no claim in Response to DR1, Question 5(a) or Question 5(b) that they will not disclosure [sic] any geographic information or different fuel types of sources for biomethane procured for the RNG TARIFF program. Responses to DR1, Question 5(a) or Question 5(b) were specifically in response to questions about disclosure of geographic information and fuel source information on the *enrollment website*. Depending on the timing of CPUC approval, program enrollment, and commencement of service under the RNG Tariff, specific locations and fuel types of RNG purchased for the program may not be available for inclusion on the enrollment website.

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ii. No, the Utilities will provide customers with an annual report on their participation in the RNG Tariff program, including the sources of RNG and location by state.

b.

i. The Utilities object to this question to the extent it misrepresents the Utilities' prior response. The Utilities made no claim in Response to DR1, Question 5(a) or Question 5(b) that they will not disclosure any geographic information or different fuel types of sources for biomethane procured for the RNG TARIFF Question 5 of DR1 was Grant program. Responses to DR1, Question 5(a) or Question 5(b) where specifically in response to questions about disclosure of geographic information and fuel source information on the enrollment website. Depending on the timing of CPUC approval, program enrollment, and commencement of service under the RNG Tariff, specific locations and fuel types of RNG purchased for the program may not be available for inclusion on the enrollment website. Yes, the Utilities will provide customers with an annual report on their participation in the RNG Tariff program, including the sources of RNG and location by state.

c. Grant Wooden

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QUESTION 6:

Page 15:2-22 of the Supplemental Testimony states that marketing content will inform customers “that producers are cleaning up those waste streams and turning them into RNG for delivery to homes and business.”

- a. Does “cleaning up” in this sentence refer to water quality impacts from sources of biomethane?
 - i. If yes, please explain how the RNG TARIFF functions to “clean up” water quality impacts from sources of biomethane.
 - ii. If no, please explain how representations can be made that “producers are cleaning up” waste streams that continue to impact water quality.

- b. Does “cleaning up” in this sentence refer to air quality impacts from sources of biomethane?
 - i. If yes, please explain how the RNG TARIFF functions to “clean up” air quality impacts.
 - ii. If no, please explain how representations can be made that “producers are cleaning up” waste streams that continue to impact air quality.

- c. Does “cleaning up” in this sentence refer to odor impacts from sources of biomethane?
 - i. If yes, please explain how the RNG TARIFF functions to “clean up” odor impacts.
 - ii. If no, please explain how representations can be made that “producers are cleaning up” waste streams that continue to impact odor impacts.

- d. Please identify the witness(es) responsible for this answer.

RESPONSE 6:

- a.
 - i. No.
 - ii. “Cleaning up” in this sentence refers to the purification and conditioning of gas to pipeline quality that is required for delivery to homes and businesses. “Waste streams” is a reference to waste pathways. The Utilities do not state that RNG production also cleans up water, air quality, or odor issues, and the utilities will not state such claims unless they are true.

- b.

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- i. No.
 - ii. See Response 6.a.ii.
- c.
- i. No.
 - ii. See Response 6.a.ii.
- d. Grant Wooden

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QUESTION 7:

Page 16:4-5 of the Supplemental Testimony states that marketing content will “[d]escribe what California is doing to incorporate RNG generated from these waste streams into the existing natural gas infrastructure.”

- a. Can all of the biomethane procured from the RNG TARIFF originate from outside California?
 - i. If yes, please explain how marketing material would inform customers of “what California is doing to incorporate RNG generated from these waste streams.”
- b. Please identify the witness(es) responsible for this answer.

RESPONSE 7:

- a. Please see response to question #11 in Sierra Club data request #02.

The creation of marketing material has not begun (please see response #11 in Sierra Club request #02) however examples of what California is doing to incorporate RNG generated from waste streams could include;

On September 23, 2018, Governor Brown signed SB1440 which requires the Public Utilities Commission, in consultation with the State Air Resources Board, to consider adopting specific biomethane procurement targets or goals for each California gas corporation.

In 2015, California Public Utilities Commission Decision 15-06-029, adopted the biomethane interconnector monetary incentive program to encourage the development of biomethane projects that are interconnected to the utilities’ gas pipeline systems. The initial incentive program contributed up to 50 percent of the interconnection costs, with a cap of \$1.5 million per project. The statewide funding for the monetary incentive program is capped at \$40 million. In 2016, the interconnector monetary incentive program was modified when Gov. Jerry Brown signed AB 2313 into law that increased the maximum funding for this incentive program to up to \$3 million per project. This bill also allows for dairy cluster projects, defined as three or more dairies in close proximity, to include gathering line costs as a qualifying

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interconnection expense, and increases the maximum incentive for these projects to \$5 million per project.

Under Senate Bill 1383 the California Air Resources Board, in consultation with the California Energy Commission and California Public Utilities Commission, must establish energy infrastructure development and procurement policies needed to encourage dairy biomethane projects to reduce methane emissions from livestock and dairy manure management operations by up to 40 percent below the sector's 2013 levels by 2030.

b. Grant Wooden

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QUESTION 8:

8. Page 13:19-21 of the Supplemental Testimony states that the “RNG purchased for the RNG Tariff program...will conform to eligibility and reporting requirements of the Cap-and-Trade Regulation and MRR and will therefore reduce SoCalGas’ annual GHG emissions compliance obligation.”

- a. Is SoCalGas currently meeting its emissions compliance obligations under existing law?
 - i. If yes, how will SoCalGas demonstrate that the biomethane procured for the RNG TARIFF and used by SoCalGas to reduce its compliance obligation will result in additional GHG emissions reductions above the business-as-usual baseline?
- b. Please identify the witness(es) responsible for this answer.

RESPONSE 8:

- a. Yes.
 - i. See Data Request Sierra Club-02, Response 9.a.
- b. Andrew Cheung

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QUESTION 9:

Will the Sempra Utilities procure biomethane for the RNG TARIFF program that conforms to the additionality requirements established for carbon Offsets under the Cap-and-Trade program? See, e.g., Section 3.4 on Additionality from the “Compliance Offset Protocol Livestock Projects Capturing and Destroying Methane from Manure Management Systems.”

- a. Please identify the witness(es) responsible for this answer.

RESPONSE 9:

No, the biomethane procured for the RNG Tariff will be used to reduce the participating customers’ cap-and-trade compliance obligation, and as such, will not be eligible for generating carbon offsets. Therefore, there would be no requirement for biomethane procured for the RNG Tariff to conform to the additionality requirements for carbon offsets under the cap-and-trade program.

- a. Andrew Cheung

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QUESTION 10:

Will the Sempra Utilities procure biomethane for the RNG TARIFF program that is required by law to be captured?

- a. Please identify the witness(es) responsible for this answer.

RESPONSE 10:

The Utilities object to the request as vague and ambiguous. Notwithstanding that objection, to the extent that this question is about additionality, the Utilities will follow the CARB rules that exempt qualifying RNG from emissions compliance (see Response 8.a. to Sierra Club Data Request #2).

- a. Andrew Cheung

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QUESTION 11:

Please provide data request responses to date from Sempra Utilities to parties in this proceeding that have not already been provided to Sierra Club as part of previous data request responses.

RESPONSE 11:

All data request responses provided to date are posted on SoCalGas' website:
<https://socalgas.com/regulatory/A19-02-015.shtml>.