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PG&E Comments on Workshop on Fugitive Methane Emissions in Californiaâ€™s Natural Gas System

Additional submitted attachment is included below.

Pacific Gas and Electric Company

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June 18, 2015 **VIA E-MAIL DOCKET@ENERGY. CA.GOV**

California Energy Commission
Dockets Office, MS-4
RE: Docket No. 14-IEPR-
1516 Ninth Street, MS-45
Sacramento, CA 95814

Re: Pacific Gas and Electric Company's Comments on Commissioner Workshop on Fugitive Methane Emissions in California's Natural Gas System

Pacific Gas and Electric Company (PG&E) appreciates this opportunity to comment on the California Energy Commission's (CEC) Commissioner Workshop on Fugitive Methane Emissions in California's Natural Gas System,[1] as part of the 2015 Integrated Energy Policy Report (IEPR). PG&E is dedicated to providing safe and reliable natural gas service, in a responsible and environmentally sensitive manner, and supports the CEC's examination of fugitive methane emissions, as required by Assembly Bill (AB) 1257 (Bocanegra), Chapter 749, Statutes of 2013.

PG&E has approximately 6,750 miles of transmission pipeline in its system, interconnecting with other pipeline systems at Malin (Oregon), Topock (Arizona), and various locations in the southern San Joaquin Valley, and 42,700 miles of gas distribution pipeline, along with individual service lines, transporting natural gas to customers throughout the service area. Additionally, PG&E operates nine natural gas compressor stations on its transmission system that are used to move gas through its pipelines, three underground storage fields, and extensive billing and metering equipment.

The prevailing paradigm in California has prioritized leaks based on their potential impact to safety, consistent with Title 49 of the Code of Federal Regulations Part 192 and California Public Utilities General Order 112-E. Generally, PG&E prioritizes leaks within four broad categories, consistent with industry standards: Grade 1 leaks, which are considered hazardous and represent an existing or probable hazard to persons or property that requires immediate repair; Grade 2+ leaks, which are non-hazardous at the time of detection but requires a scheduled priority repair within ninety days; Grade 2 leaks, which are non-hazardous at the time of detection but require periodic surveillance with a scheduled repair within fifteen months; and Grade 3 leaks, which are both non-hazardous and can reasonably be expected to remain non-hazardous and require periodic surveillance.

This focus on safety is and will remain of paramount importance. However, California is, rightly focusing on the environmental impact of methane emissions, both leaked (unintentional)

[1] California Energy Commission. May 14, 2015. Notice: Rgutivive Methane Emissions in California's Natural Gas System. Website: http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-04/TN204618_20150514T135620_IEPR_Commissioner_Workshop_in_Support_of_the_AB_1257_Report_on.pdf

and vented (intentional) in the 2015 IEPR and a number of other proceedings, including: the Air Resources Board's (ARB) Short-Lived Climate Pollutant Strategy and ARB's ongoing regulation for oil and natural gas compressors and storage, the CPUC's Natural Gas Leak Abatement Order Instituting Rulemaking (OIR). PG&E is an active participant in each.

Specifically, for the CPUC Natural Gas Leak Abatement Order, both utilities recently filed a report for 2013-14 that summarizes each utility's facilities, leak management practices, and provides a list of methane leaks in 2013 and 2014 by grade.[2] This information should be incorporated into the 2015 IEPR.

Moreover, PG&E has taken a number of steps to minimize natural gas leaks from its system, reducing the number of Grade 3 leaks by 32 percent in the last three years, and has reduced its end-of-year Grade 2+ and 2 backlog by almost 99% since 2010. For example, in 2014, PG&E deployed advanced Picarro leak detection technology and created the leak survey and repair pilot team called the "Super Crew". On average, Picarro uncovers 1.5 to 2 times the number of leaks, in a fraction of the time, and at about half the cost; the Super Crew is then able to help work flow more efficiently across teams focused on performing leak survey and leak repair. PG&E plans to expand these efforts in 2015 and 2016.

Finally, as the CEC examine the potential for additional emission reductions from natural gas infrastructure and equipment, PG&E recommends it incorporate the following key principals: 1) integrate environmental considerations in a way that preserves and enhances the focus on safety; 2) given the size and complexity of the natural gas system, ensure that the individual measures (e.g., standards for compressor stations) are optimized to achieve the largest amount of emission reductions, across all types of equipment, and at the lowest cost; 3) recognize that significant increases in work volume will require funding consideration within utility rates; and 4) ensure that policy advances in pace with the rapidly developing scientific literature on the nature and sources of leaks.

Thank you again for the opportunity to provide comment. PG&E looks forward to continuing to work with the CEC on the 2015 IEPR.

Sincerely,

/s/

Matthew Plummer

[2] Pacific Gas and Electric Company. 2014. Gas Leak Report, Reporting Period 2013-14. Website: https://pgeregulation.blob.core.windows.net/naturalgasleakabatementoir//NaturalGasLeakAbatementOIR/Reports/PGE/2015/NaturalGasLeakAbatementOIR_Report_PGE_20150515_334466.pdf?sv=2014-02-14&sr=b&sig=AVh9fzgd1V5j%2F88vLN1oVvOA07eNceV5gGgNrA%2BwtMk%3D&se=2015-06-18T15%3A39%3A20Z&sp=rl