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California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512



RE: Docket No. 13-IEP-M Comments of Southern California Gas/San Diego Gas & Electric Workshop on Challenges to Procuring Biomethane in California

Dear Commissioners:

The Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) appreciate the opportunity to provide comments on the California Energy Commission's (CEC) May 31, 2013 workshop: "Challenges to Procuring Biomethane in California" (Workshop). The Workshop was organized to assess the challenges to biomethane procurement in California and potential solutions to these challenges. SoCalGas and SDG&E support the goals of this workshop and the long-term objective of creating a competitive and robust bioenergy market in California. SoCalGas and SDG&E, however, stress that these objectives must be accomplished in a way that supports the safe and reliable operation of California's pipeline systems.

SoCalGas and SDG&E agree that to promote the development of biomethane in California there must be ongoing efforts to gather data and assess benefits and risks. SoCalGas and SDG&E support workshop recommendations to gather additional data on biomethane and engage in research and development efforts. These efforts, as well as other incentives to overcome cost barriers, could lower project impediments and improve project economics.

Some of the recommendations made during the workshop, however, could potentially threaten pipeline system operations and customer safety. First, some parties recommended lowering SoCalGas' and SDG&E's 990 btu/cf minimum gross heating value requirement. SoCalGas and SDG&E's minimum gross heating value requirement was developed and approved by the California Public Utilities Commission¹ in order to promote safe and proper end-use operation (e.g., prevention outages). Recommendations to lower the minimum heating value should be rejected.

Second, some parties argued that overall gas quality could be maintained by blending non-compliant biomethane with compliant natural gas in the pipeline. Blending is not always possible and is not a reliable way to operate our system. In order to provide customers with tariff compliant gas, California produced gas (including biomethane gas) delivered into the SoCalGas system should be tariff compliant at the point of delivery.²

¹ Approved in California Public Utilities Commission Decision 06-09-039.

² SoCalGas and SDG&E are not opposed to biomethane producers blending biomethane with natural gas prior to interconnecting with the utility system, but stress that the gas entering the utility system must meet applicable gas quality specifications.

Finally, developer concerns about biomethane monitoring and testing costs should be put in perspective. These costs need to be considered relative to what they are intended to achieve; namely, the ongoing monitoring and testing necessary to confirm that biomethane is meeting gas quality standards and not potentially impacting pipeline integrity or customer health and safety. Furthermore, as was discussed at the Workshop, the testing and monitoring costs are a small portion of the overall costs to upgrade, condition, and inject biogas into the utilities' pipeline systems. SoCalGas and SDG&E's monitoring, testing, and enforcement protocols will be installed as needed to support safe and reliable gas delivery to customers.

The development of a functioning biomethane market is important to California's long-term energy goals and SoCalGas and SDG&E support the CEC's efforts to ease impediments to biomethane procurement. Development of this resource, however, must be done in a way that manages and monitors biomethane to support the safe and reliable operation of California's pipeline systems.

Thank you for the opportunity to provide these comments,

A handwritten signature in black ink that reads "Mitch Mitchell". The signature is written in a cursive, slightly slanted style.