

Renewable Natural Gas Policy in California

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Together, Building
a Better California

Our Mission

To safely and reliably deliver affordable and clean energy to our customers and communities every single day, while building the energy network of tomorrow.

Our Vision

With a sustainable energy future as our North Star, we will meet the challenge of climate change while providing affordable energy for all customers.

SB 32: Statewide target 40% below 1990 levels by 2030

PG&E supports the State's initiatives and focus on cleaner energy solutions. Consideration should include:



Maintain safety to customers and our pipeline infrastructure

Understanding of a mixed fuel portfolio to support climate initiatives without increasing stranded assets



Continue research efforts to understand feasibility of producing RNG

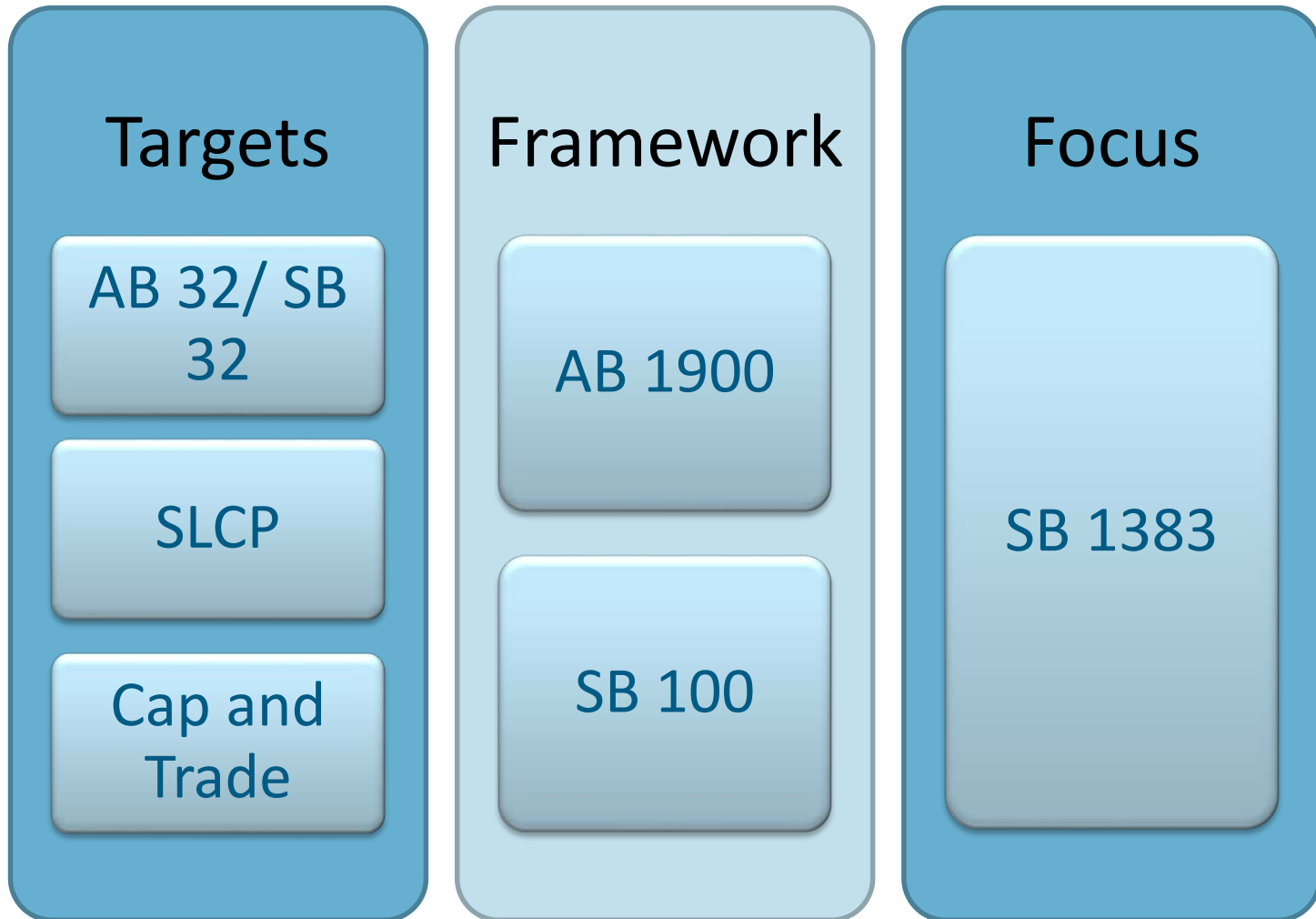
Identify cost effective solutions



Minimize rate burden to customers

Engage stakeholders for partnerships

Policy creates a framework to understand costs, ensure safety to public, and minimize financial impact



AB 1900

- Developed standards to understand constituents of concern and protect human health and pipeline integrity

AB 2313

- Incentive program for biomethane projects where utilities cover part of pipeline infrastructure costs

AB 398

- Extends Cap-and-Trade program to 2030

SB 100 – (*did not pass*)

- Introduced concept of Renewable Gas Standard (RGS)

SB 1383

- Implement a minimum of 5 dairy pilots

Dairy Pilot OIR – CPUC

Summary

- Proceeding to implement SB 1383 dairy pilot projects. Will establish pilot selection, definition of infrastructure, cost recovery framework, data gathering

Current Developments

- Final Scoping Memo released September 21, 2017

Why Does it Matter for Decarbonization?

- The pilots could demonstrate how successful and viable dairy biomethane projects can work and lay the groundwork for more projects and the expansion of the in-state biomethane market. One of the key constraints on using RNG to decarbonize the natural gas system is the uncertainty of sufficient RNG supply

Dairy Pilot Financial Mechanism – Air Resources Board

Summary

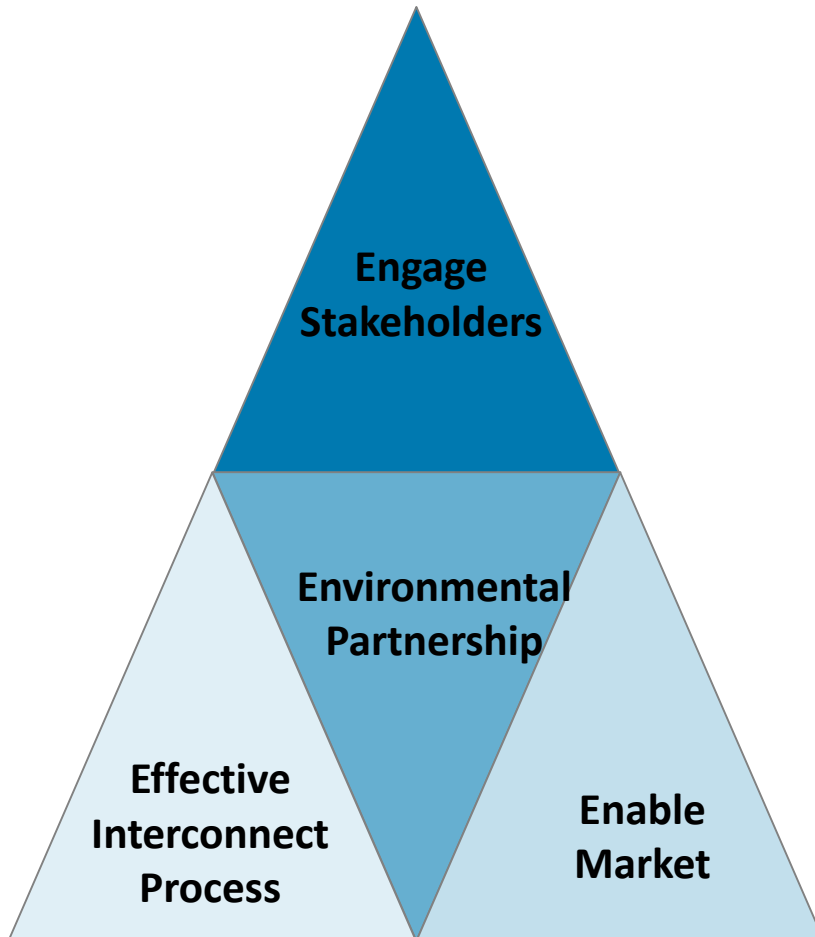
- SB 1383 directs ARB to develop a financial mechanism to reduce the economic uncertainty associated with the value of environmental credits (Low Carbon Fuel Standard - LCFS) from dairy-related projects.

Current Developments

- Ongoing workshops

Why Does it Matter for Decarbonization?

- LCFS revenues are an important revenue stream for developers and the financial mechanism could help offset upfront capital costs or securing funding for developers.



- 1. Ensure an effective biomethane interconnect process**
 - cost-effective and competitive projects
 - prepared for increased interconnection work
- 2. Continuing to advocate for trucking biomethane**
 - Increases potential locations for interconnection
 - Cost competitive
- 3. Engage Stakeholders**
 - Educate stakeholders on position for RNG support
 - Interest in supporting trucking biomethane
- 4. Environmental Partnership**
 - Emphasis on disadvantaged communities and partnerships
- 5. Ensure Market for Renewable Natural Gas**
 - Representation in trade organizations (CNGVC)
 - Support the use of RNG in Transportation