

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

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

(1st DATA REQUEST FROM THE AGRICULTURAL CONSUMERS ASSOCIATION)

**DATE RECEIVED: 10-4-19
DATE RESPONDED: 10-14-19**

QUESTION 1:

At pages 11 and 12 of Chapter 5 of the SoCalGas and SDG&E Testimony, You state that CARB's Mandatory GHG Reporting Regulation ("MRR") rules could be used to verify RNG supply, with the result that the state (1) "not only benefits from the emission reductions due to the sequestered methane that the RNG facilities provide," but it can also (2) "be confident that the value of the benefits claimed are real and additional." Is it Your proposal to apply the MRR rules to RNG that is produced outside of California?

If your answer to this question is "Yes," please answer the following questions:

- a. Please explain how the MRR rules would apply to emission reductions due to methane sequestered at out-of-state facilities.
- b. Is it Your contention that California would benefit from out-of-state emission reductions due the sequestered methane that out-of-state RNG facilities provide?

If Your answer to this question is "Yes:"

- (i) Please explain how California would benefit from such out-of-state methane emission reductions.
- (ii) Please explain how such out-of-state emissions reductions would be counted toward California's GHG emission reduction targets. Please include cites to applicable provisions of law and regulation in support of Your answer.
- c. Is it Your contention that the out-of-state emission reductions associated with sequestered methane that out-of-state RNG facilities provide would result in benefits realized in California that are "real and additional"? If Your answer to this question is "Yes:"

Please explain how such out-of-state methane emission reductions would be recognized as "real and additional benefits" in California. Please include cites to applicable provisions of law and regulation in support of Your answer.

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

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

(1st DATA REQUEST FROM THE AGRICULTURAL CONSUMERS ASSOCIATION)

**DATE RECEIVED: 10-4-19
DATE RESPONDED: 10-14-19**

RESPONSE 1:

Yes.

- a. The MRR and Cap-and-Trade Regulations apply equally to RNG production sources originating in the state of California and out-of-state and have requirements to ensure additionality. See 17 CCR §§ 95852.1.1 (“Eligibility Requirements for Biomass-Derived Fuels”), 95852.2 (“Emissions without a Compliance Obligation”) and 17 CCR §§ 95100-95157.
- b. Yes.

(i) All the RNG purchased for the RNG Tariff program will reduce the amount of GHGs that would otherwise go directly into the environment and because GHGs are global pollutants, sourcing RNG from other states and reducing GHGs that would otherwise go directly into the environment also benefits California.

(ii) The Utilities object to this question to the extent it misrepresents the Utilities’ statement as it is characterized in this question. The Utilities make no claim that “out-of-state emissions reductions [will] be counted toward California’s GHG emission reduction target.” The Utilities do not contend that provisions of law and regulation allow for such reductions, and further, the Utilities do not propose any changes to the state’s GHG inventory process or methodology.

- c. Yes, all the RNG purchased for the RNG Tariff program will reduce the amount of GHGs that would otherwise go directly into the environment and because GHGs are global pollutants, sourcing RNG from other states and reducing GHGs that would otherwise go directly into the environment also benefits California.

(i) The Utilities object to this question to the extent it misrepresents the Utilities’ statement as it is characterized in this question. The Utilities make no claim that “out-of-state emissions reductions [will] be counted toward California’s GHG emission reduction target.” The Utilities do not contend that provisions of law and regulation allow for such reductions and further, the Utilities do not propose any changes to the state’s GHG inventory process or methodology.

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

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

(1st DATA REQUEST FROM THE AGRICULTURAL CONSUMERS ASSOCIATION)

**DATE RECEIVED: 10-4-19
DATE RESPONDED: 10-14-19**

QUESTION 2:

At page 10 of Chapter 5 of the SoCalGas and SDG&E Testimony, You state that “[c]ompliance with the MRR and Cap-and-Trade Regulations will provide a proven safeguard against over-estimating emissions reductions, double-counting and/or false claims.”

Please explain how the MRR and Cap-and-Trade Regulations will provide a safeguard against over-estimating emissions reductions, double-counting and/or false claims in connection with out-of-state emissions reductions associated with sequestered methane emissions that out-of-state RNG facilities provide. Please include cites to applicable provisions of law and regulation in support of Your answer.

RESPONSE 2:

The MRR and Cap-and-Trade Regulations rules apply equally to RNG production sources originating in the state of California and out-of-state. See 17 CCR §§ 95852.1.1 (“Eligibility Requirements for Biomass-Derived Fuels”), 95852.2 (“Emissions without a Compliance Obligation”) and 17 CCR §§ 95100-95157.

**SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY**
APPLICATION FOR RENEWABLE NATURAL GAS TARIFF
(A.19-02-015)

(1st DATA REQUEST FROM THE AGRICULTURAL CONSUMERS ASSOCIATION)

DATE RECEIVED: 10-4-19
DATE RESPONDED: 10-14-19

QUESTION 3:

Have You discussed with the California Air Resources Board (“CARB”) whether CARB believes the MRR rules may be used in connection with out-of-state emissions reductions associated with sequestered methane emissions that out-of-state RNG facilities provide.

If so, please explain CARB’s position regarding whether the MRR rules may be used in connection with out-of-state emissions reductions associated with sequestered methane emissions that out-of-state RNG facilities provide, such that those emissions reductions that may be counted toward state GHG emission reduction targets.

RESPONSE 3:

No.

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

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

(1st DATA REQUEST FROM THE AGRICULTURAL CONSUMERS ASSOCIATION)

**DATE RECEIVED: 10-4-19
DATE RESPONDED: 10-14-19**

QUESTION 4:

At page 8 of Chapter 5 of the SoCalGas and SDG&E Testimony, You state that “[a]ll the RNG purchased for the RNG Tariff program will reduce the amount of GHGs that would otherwise go directly into the environment and because GHGs are global pollutants, sourcing RNG from other states and reducing GHGs that would otherwise go directly into the environment also benefits California.” Is it your contention that California should take credit toward its GHG emission reduction goals for GHG emission reductions that occur in a different state?

If Your answer to this question is “Yes:”

- a. Please explain whether out-of-state emissions reductions associated with sequestered methane emissions that out-of-state RNG facilities provide count as emission reductions under applicable regulatory frameworks in other states? Please include cites to applicable provisions of law and regulation in support of Your answer.
- b. Please explain the statutory or regulatory framework that allows California to count out-of-state emissions reductions that out-of-state RNG facilities provide toward California’s GHG emission reduction goals. Please include cites to applicable provisions of law and regulation in support of Your answer.
- c. Please explain whether this proposal would result in double counting of the GHG emissions on a global level, i.e., once in the state where the reduction occurred, and once in California. Please provide the basis for Your conclusions.
- d. Please explain whether You have discussed with other states the potential for California to count out-of-state GHG emissions reductions toward California’s GHG emissions reduction goals. If you have done so, please Identify which states agree that GHG emissions reductions from RNG facilities that occur in their state may be counted toward GHG emissions reduction targets in California. If You have not done so, please explain why.

RESPONSE 4:

No. The Utilities do not propose any changes to the state’s GHG inventory process or methodology.