

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

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

**(DATA REQUEST SIERRA CLUB SEMPRA UTILITIES-05)**

**DATE RECEIVED: 04/15/20  
DATE RESPONDED: 04/29/20**

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**QUESTION 1:**

In response to Question 1 of Set 1 of SoCalGas Data Request to Sierra Club/Leadership Counsel for all communications between Sierra Club, Earthjustice and/or Leadership Counsel and the California Air Resources Board (“CARB”) “that mention biomethane, RNG, biogas, MRR, cap and trade, the proposed RNG tariff, and/or cap-and-trade regulations,” Sierra Club provide the emails on CARB responses to Sierra Club questions of Section 95852.1.1 of the cap-and-trade regulations, which is attached to this Data Request as Attachment A and excerpted in part below:

5) Section 95852.1.1(b) stated that “Generation of Renewable Energy Credits is excluded from this analysis and will not prevent a biomass-derived fuel that meets the requirements in this section from being exempt from a compliance obligation.” Does this allow a source of contracted biomethane to be used for both cap-and-trade and renewable compliance purposes (whether for CA RPS, another state’s RPS, or a voluntary renewable program)?  
Yes, that is allowed.

- a. Is it the Sempra Utilities position that the cap-and-trade verification requirements for biomethane procured under Section 95852.1.1 requires the verifier to determine whether any Renewable Energy Credits (“RECs”) from biomass-derived fuel have been used for renewable compliance purposes? If yes, please explain your answer.
- b. Please identify the witness responsible for this answer.

**RESPONSE 1:**

- a. Verification requirements are stipulated under the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR) and not the cap-and-trade regulations. Section 95852.1.1(b) of the cap-and-trade regulations stipulates that the *generation* of RECs is allowable and will not prevent an otherwise eligible biomass-derived fuel to be exempt from an emissions compliance obligation. But as stated in the Settlement Agreement (Section IV.C.4), the Settling Parties have agreed that “the Utilities will not generate nor sell [RECs] for purposes of the RNG Tariff.” See Responses 2.b, 2.c and 2.d below for how this will be verified and enforced. Furthermore, Sierra Club provides an excerpt from their emails on CARB responses to questions of Section 95852.1.1 of the cap-and-trade regulations, which they included in this Data Request at Attachment A.

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Also found in Attachment A, and is part of CARB's response to Sierra Club pertaining to Question 1a, although excluded above, is the following excerpt from CARB:

For more information about the background of the requirements included in the Cap-and-Trade Regulation, section 95852.1.1, see pages 19-20 of the C&T 2010 Final Statement of Reasons, also excerpted below.

-----start excerpt

Section 95852.1.1(b) specifies that as part of a biomass-derived fuel's eligibility to avoid a compliance obligation, no party may sell, trade, give away, claim, or otherwise dispose of any of the carbon credits, carbon benefits, carbon emissions reductions, carbon offsets, or allowances, howsoever entitled, attributed to the fuel production that would prevent the resulting combustion from not having a compliance obligation. This section was necessary to specify that Generation of Renewable Energy Credits is allowable and will not prevent a biomass-derived fuel that meets this section's requirements from being exempt from a compliance obligation. However, to prevent double-counting of the environmental attributes of utilizing biomass derived fuel, the section prevents another source from claiming the benefits realized or using the benefits to fulfill a compliance obligation, or for any other purposes.

-----end excerpt

The Utilities want to emphasize that the regulation prevents double-counting of environmental attributes, as stated in last sentence of the excerpt above, "[the cap-and-trade regulation] prevents another source from claiming the benefits realized or using the benefits to fulfill a compliance obligation, or for any other purposes."

b. Cheung

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**QUESTION 2:**

Section IV.C.6 of the PROPOSED SETTLEMENT AGREEMENT states that “[i]n order to prevent double counting, Utilities will procure all environmental attributes associated with RNG supplies and require sellers to demonstrate that the RNG has not been used to comply with environmental or procurement requirements in any other state.”

- a. Does “all environmental attributes” include any RECs generated by contracted supplies of RNG? If yes, please explain how the Sempra Utilities will verify that any RECs generated by a source of RNG contracted under the PROGRAM have “not been not been used to comply with environmental or procurement requirements in any other state.”
- b. Please explain what the Sempra Utilities will specifically require of sellers in order for sellers “to demonstrate that the RNG has not been used to comply with environmental or procurement requirements in any other state.”
- c. Please explain how the Sempra Utilities will verify the seller’s demonstration “has not been used to comply with environmental or procurement requirements in any other state.”
- d. What is the consequence to the seller in the event it sold or used environmental attributes associated with RNG procured under the PROGRAM to comply with environmental or procurement requirements in any other state?
- e. Will the Sempra Utilities disclose any of these supplier representations in their Tier 3 Advice Letter to the Commission, their Quarterly Reports to the Commission, or their Annual Report to customers?
- f. Does the PROPOSED SETTLEMENT AGREEMENT require sellers to demonstrate that they have not used or sold any environmental attribute of RNG for the purpose of compliance with voluntary renewable procurement programs?
- g. Please identify the witness responsible for this answer.

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**RESPONSE 2:**

- a. No. As stated in the Section IV.C.4 of the Settlement, the “Utilities will not generate nor sell [RECs] for purposes of the RNG Tariff.”
- b. Sellers will be required to demonstrate through supporting documentation the chain of custody. Additionally, the Seller will be contractually obligated through the purchase agreement to only deliver environmental attributes to the Utilities that have not been used to comply with environmental or procurement requirements of any other state.
- c. The Utilities will review the supporting documents provided by the Seller and review the contract to ensure it meets the requirements stated in Response 2.b. Additionally, through the MRR reporting process, the Utilities will use a CARB authorized third-party verifier to review all claims and protect against double-counting, as required by the MRR.
- d. Sellers who fail to provide RNG pursuant to the terms of their contracts would be subject to breach of contract, and the Utilities would have contractual remedies as a result.
- e. No. They will be available to the Commission upon request.
- f. See Responses 2.b and 2.c.
- g. Cheung

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**QUESTION 3:**

Section IV.C.4 of the PROPOSED SETTLEMENT AGREEMENT states that “Utilities will not generate nor sell Renewable Energy Credits (“RECs”) for purposes of the RNG Tariff.”

- a. Will the Sempra Utilities report the purchase and retirement of RECs from biomethane procured under the RNG Tariff? If yes, please explain (i) how this information will be reported and (2) whether it will be publicly available.
- b. Please identify the witness responsible for this answer.

**RESPONSE 3:**

- a. No. The Utilities will not purchase or retire RECs. Therefore, there will be nothing to report.
- b. Cheung

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**QUESTION 4:**

Section II.B.1 of the PROPOSED SETTLEMENT AGREEMENT states that the Utilities will submit a Tier 3 Advice Letter three years after the date of the first customer bill for participation, and that that Advice Letter will include “[e]stimates of net GHG and SLCP emissions reductions achieved under the program, and reductions in the Cap-and-Trade obligations incurred by the Utilities.”

- a. How will the Sempra Utilities calculate the “reductions in the Cap-and-Trade obligations incurred by the Utilities”?
- b. How will the Sempra Utilities calculate the “net GHG reductions” that it includes in the Tier 3 Advice Letter?
- c. Will the Sempra Utilities report the percentage of gas procured for the RNG TARIFF that does not meet the definition of “renewable” under California’s Renewable Portfolio Standard?
- d. Please identify the witness responsible for this answer.

**RESPONSE 4:**

- a. The Utilities will follow the rules set forth in MRR Section 95115.
- b. The net GHG emissions will be calculated using the lifecycle analysis approach, which compares the verified CI scores calculated using the most current CA-GREET model by CARB and the CI score of traditional natural gas provided by CARB. The difference is then applied to the volumes of RNG distributed to RNG Tariff participants.
- c. No. The definition of “renewable” under RPS is intended for the generation of renewable electricity. The Settlement Agreement does not utilize RPS definitions.
- d. Cheung

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**QUESTION 5:**

Section III.B.2 of the PROPOSED SETTLEMENT AGREEMENT states that the Sempra Utilities will include in their Quarterly Reports to the Commission, the “GHG emission reductions achieved.”

- a. How will the Sempra Utilities calculate the “GHG emission reductions achieved” that it includes in its Quarterly Reports to the Commission?
- b. Will the Sempra Utilities include in the Quarterly Reports the Utilities’ claimed reductions in their Cap-and-Trade obligations incurred by the PROGRAM?
- c. How, if at all, will the method that the Sempra Utilities use to calculate the “GHG emission reductions achieved” in the Quarterly Reports differ from the method used to calculate “net GHG emissions reductions” reported in the Tier 3 Advice Letter as specified in Section II.B.1 of the PROPOSED SETTLEMENT AGREEMENT.
- d. Will Sempra Utilities’ Quarterly Reports to the Commission be publicly available? If so, will the public have an opportunity to comment on these reports?
- e. Please identify the witness responsible for this answer.

**RESPONSE 5:**

- a. See response 4b.
- b. No.
- c. It will not differ.
- d. No.
- e. Cheung

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**QUESTION 6:**

Appendix A to the PROPOSED SETTLEMENT AGREEMENT contains “Tables of Reporting” that state that the “Quarterly Commission Report” will contain “Carbon Intensity for the RNG Tariff,” and an accompanying entry in “Notes” to that item which states the word “Average.”

- a. How will the Sempra Utilities calculate the “carbon intensity for the RNG tariff” that will be disclosed in the Quarterly Reports to the Commission?
- b. What is intended by the term “average”?
- c. Will the Sempra Utilities also include “GHG emissions reductions” in the Quarterly Report, as stated III.B.2 of the PROPOSED SETTLEMENT AGREEMENT? If so, how will that figure be calculated?
- d. Please identify the witness responsible for this answer.

**RESPONSE 6:**

- a. Carbon intensity scores will be calculated using the most current CA-GREET model in use by CARB.
- b. The volumetrically weighted average carbon intensity of RNG in the SoCalGas RNG Tariff portfolio.
- c. The Utilities interpret “III.B.2” as a typo and that Sierra Club intended to identify Section VIII.B.2. Under this interpretation, the response is yes. See Response 4b for how emissions reductions will be calculated.
- d. Cheung



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**QUESTION 7:**

Section VIII.A.1 of the PROPOSED SETTLEMENT AGREEMENT states that the “Utilities will provide individual customers with an annual report on the customer’s participation in the RNG Tariff program, including...[a]nnual GHG emission reduction.”

- a. How will the Sempra Utilities calculate “GHG emission reduction” reported to customers in the Annual Report to customers?
- b. Will Sempra Utilities include in the Annual Report to customers the Sempra Utilities’ claimed reductions in their Cap-and-Trade obligations incurred by the PROGRAM?
- c. How, if at all, will the method for calculating the “GHG emission reduction” reported to customer differ from the “net GHG emissions reductions” reported in the Tier 3 Advice Letter as specified in Section of the II.B.1 PROPOSED SETTLEMENT AGREEMENT.
- d. Please identify the witness responsible for this answer.

**RESPONSE 7:**

- a. See response 4b.
- b. No.
- c. It will not differ.
- d. Cheung

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**QUESTION 8:**

Section III.A.4 of the PROPOSED SETTLEMENT AGREEMENT states that “Utilities will procure only RNG that has lower carbon intensity than the carbon intensity of traditional natural gas, using a lifecycle analysis such as the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (‘GREET’) model used by the Low Carbon Fuel Standard (‘LCFS’) program.” Section IV.B.1 of the PROPOSED SETTLEMENT AGREEMENT states that “Utilities will require RNG suppliers to provide lifecycle GHG emissions calculations in accordance with the GREET model used by the LCFS program and use this information in evaluating the carbon intensity of RNG supply choices.” Further, in the attached Sempra Utilities’ April 25, 2019 response to the Data Request of the Public Advocates Office (See Question 10 in Attachment B to this Data Request), Sempra Utilities stated that “lifecycle analysis of GHG emissions for RNG has only been applied to the transportation sector, as used in California’s LCFS program and the EPA’s RFS program. There is no such framework for non-transportation end-uses of RNG. SoCalGas and SDG&E do not have such a methodology either, but Green-e certification may provide such a methodology. We are currently working the Center for Resource Solutions on the Green-e certification.”

- a. Will the Sempra Utilities only use and require the GREET model to calculate carbon intensity of procured gas? If not, what other models will the Sempra Utilities use to calculate carbon intensity of procured gas?
- b. Will the methodology that Sempra Utilities use take into account that lifecycle emissions may vary depending on feedstock, production and refinement methods? If so, how?
- c. Have the Sempra Utilities determined which entity will verify the “carbon intensity” claims of its suppliers? If so, which entity will conduct such verification? If not, how will the Sempra Utilities verify the carbon intensity claims of suppliers?
- d. Please identify the witness responsible for this answer.

**RESPONSE 8:**

- a. Yes. See Section IV.B.1 of the Settlement Agreement. To clarify, the intent is to utilize the **CA**-GREET model.
- b. Yes. The CA-GREET model accounts for these variables.

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- c. No. An independent third-party verification entity will review and evaluate carbon intensity scores.
  - d. Cheung

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**QUESTION 9:**

To the knowledge of the Sempra Utilities, has the GREET model ever been used for determining the carbon intensity of non-transportation end uses?

- a. Please identify the witness responsible for this answer.

**RESPONSE 9:**

No, not to our knowledge.

- a. Cheung

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**QUESTION 10:**

Section I.C of the PROPOSED SETTLEMENT AGREEMENT states that “[t]he goals of the voluntary tariff are... to reduce GHG and Short-Lived Climate Pollutant (‘SLCP’) emissions in California.” Section II.B of the PROPOSED SETTLEMENT AGREEMENT states that “[t]he scope of the [three-year] review [provided in a Tier 3 advice letter] will be... [e]stimates of net...SLCP emissions reductions achieved under the program.”

- a. How will the Sempra Utilities calculate net SLCP reductions in California achieved under the PROGRAM?
- b. What methodology will the Sempra Utilities use to verify SLCP reductions in California?
- c. Will the Sempra Utilities report SLCP reductions on the PROGRAM’s webpage and in the Quarterly and Annual Reports?
- d. Please identify the witness responsible for this answer.

**RESPONSE 10:**

- a. The settlement agreement represents a compromise of the various litigation positions among the settling parties. While Applicants have not developed specific SLCP reporting calculations, pursuant to Section IV.D.2 of the Settlement Agreement, Applicants will consult with the PAG prior to the issuance of the first annual report.
- b. See Response 10.a. See also, Response 2.b for carbon intensity verification requirements.
- c. RNGT Program GHG emission reductions achieved will be reported on the Quarterly and Annual Reports.
- d. Peacock



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**QUESTION 12:**

Section III.A.2 of the PROPOSED SETTLEMENT AGREEMENT states that “[a]llowable organic waste sources of RNG shall not include crops grown solely for energy production (commonly referred to as ‘purpose-grown crops’).”

- a. How will the Sempra Utilities verify whether or not the suppliers from which it procures gas for the PROGRAM are not selling gas derived from purpose-grown crops?
- b. Please identify the witness responsible for this answer.

**RESPONSE 12:**

- a. The RNG supply contract will prohibit the RNG supplier from sourcing RNG from purpose-grown crops. Additionally, an independent third-party verification entity will be hired to review assumptions used to calculate the carbon intensity score, including the RNG feedstock.
- b. Cheung

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**QUESTION 13:**

Section IV.A.8 of the PROPOSED SETTLEMENT AGREEMENT states that “SoCalGas will procure at least 50% of RNG Tariff demand from in-state sources, of which at least half is from sources other than landfill gas.”

- a. Will the in-state portion of non-landfill biomethane contemplated for procurement under the PROGRAM adhere to requirements for biomethane under the RPS program per the RPS Eligibility Guidebook (available at <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard-0>)?
- b. Will the Sempra Utilities report the percentage of biomethane procured under the PROGRAM that meets requirements for biomethane under the RPS program per the RPS Eligibility Guidebook?
- c. Page 6 of the Application states that “more than 20 percent of California’s current residential natural gas use can be provided by biogas derived from our state’s existing organic waste alone.” Do the Sempra Utilities have an estimate of the percent of California’s current residential natural gas use that can be provided by biogas derived from our state’s existing organic waste this is within the 200% and the 250% cost caps in the PROPOSED SETTLEMENT AGREEMENT? If yes, please provide all supporting analysis.
- d. Please provide all data and analysis the Sempra Utilities are aware of that estimate procurement costs of the various sources of RNG in the RNG portfolio as defined in Section IV.A.8 of the PROPOSED SETTLEMENT AGREEMENT (e.g. in-state non-landfill, in-state landfill, out-of-state non-landfill, out-of-state landfill, etc).
- e. Please provide all data and analysis the Sempra Utilities has used to estimate potential GHG- and SLCP-reductions from various sources of RNG in the RNG portfolio as defined in Section IV.A.8. of the PROPOSED SETTLEMENT AGREEMENT (e.g. in-state non-landfill, in-state landfill, out-of-state non-landfill, out-of-state landfill, etc).
- f. Please identify the witness responsible for this answer.



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**RESPONSE 13:**

- a. The requirements under RPS are intended for the generation of renewable electricity and the RPS Eligibility Guidebook is not applicable to the RNG Tariff program. Further, the Settlement Agreement does not reference the RPS Eligibility Guidebook.
- b. No.
- c. No.
- d. See the attached file. The costs shown in the attachment were generated for discussion purposes based on index gas prices and prevailing LCFS/RIN pricing, and do not represent actual discussions with potential RNG Tariff suppliers.



Sierra Club 05 -  
Response 13d.pdf

- e. The Utilities did not perform such analysis.
- f. Cheung

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**QUESTION 14:**

Section VIII.A.3(a) of the PROPOSED SETTLEMENT AGREEMENT states that marking material “will not state that RNG production cleans water or resolves odor issues.”

- a. Will the marketing materials disclose that the waste streams that result in generation of methane can also result in air, odor and water quality impacts?
- b. Will the marketing materials refer to methane procured under the PROGRAM as sustainable?
- c. Will the marketing material disclose that subscription to the PROGRAM by residential and small business customers will reduce SoCalGas’ cap and trade compliance obligations?
- d. Will the marketing material disclose that subscription to the PROGRAM will not reduce any air pollution resulting from a subscriber’s combustion of gas in their home or business?
- e. Will the Sempra Utilities claim in marketing materials that gas procured under the PROGRAM is a “clean” resource?
- f. Please identify the witness responsible for this answer.

**RESPONSE 14:**

- a. Marketing materials have not been created at this time and will be submitted for review as a Tier 2 Advice Letter per section VII.A.1 of the PROPOSED SETTLEMENT AGREEMENT.
- b. Marketing materials have not been created at this time and will be submitted for review as a Tier 2 Advice Letter per section VII.A.1 of the PROPOSED SETTLEMENT AGREEMENT.
- c. Marketing materials have not been created at this time and will be submitted for review as a Tier 2 Advice Letter per section VII.A.1 of the PROPOSED SETTLEMENT AGREEMENT.

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- d. Materials will explain that RNG use still produces GHG emissions, and that lifecycle emissions may vary depending on feedstock, production and refinement methods as per section VII.A.3.(b) of the PROPOSED SETTLEMENT AGREEMENT
- e. Marketing material have not been created at this time and will be submitted for review as a Tier 2 Advice Letter as per section VII.A.1 of the PROPOSED SETTLEMENT AGREEMENT
- f. Grant Wooden

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**QUESTION 15:**

In the Sempra Utilities' March 4, 2020 Second Supplement Testimony (page 4), the Sempra Utilities describe the "letters of support" submitted in support of the PROGRAM. They also state that "SoCalGas has ongoing relationships with many of [the authors of the letters of support]."

- a. Please identify all entities that provided letters of support that are current or potential suppliers of gas for the PROGRAM (e.g. CalGren).
- b. Please identify all entities that provided letters of support that have or have had a contractual relationship with the Sempra Utilities within the past three years.
- c. Please identify all entities that provided letters of support that have received financial support from the Sempra Utilities in the past three years.
- d. Please identify all entities that provided letters of support that are eligible customers under the PROGRAM. For each entity, please indicate whether committed to subscribing to the PROGRAM if and when it becomes available.
- e. Please identify the witness responsible for this answer.

**RESPONSE 15:**

- a. Anaergia, Calgren
- b. SoCalGas objects to the request as vague and ambiguous. Subject to and notwithstanding the foregoing objection, SoCalGas responds as follows. After a reasonable and diligent search, SoCalGas has identified the following entities that it has or had a contractual relationship with. Excluded from the list are entities already included in sub-answer "c" below. The below may include entities where there was a contract for a refundable program, research, construction permits, and utility user taxes.

Athens Services  
Bloom Energy Corporation  
City of Huntington Beach  
Eastern Municipal Water District

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Economic Vitality Corporation  
Energy Vision LLC  
Greater Conejo Valley Chamber of Commerce  
Inland Valley Hope Partners  
Tejon Ranch Company  
University of California  
Western Riverside Council of Governments

c.

SoCalGas objects to the request as vague and ambiguous. Subject to and notwithstanding the foregoing objection, SoCalGas responds as follows. As shown on SoCalGas's G.O. 77-M Report, the following entities received contributions from SoCalGas:

Alhambra Chamber of Commerce  
American Indian Chamber of Commerce  
Antelope Valley Board of Trade  
Azusa Chamber of Commerce  
BizFed Los Angeles County  
Black Chamber of Commerce Orange County  
Bolsa Chica Conservancy  
Boys Republic  
California Latino Leadership Institute  
Center for Asian Americans United for Self Empowerment (CAUSE)  
Central City Association of Los Angeles  
Climate Resolve  
Congress of California Seniors  
Duarte Chamber of Commerce  
East San Gabriel Valley Coalition for Homeless  
Economic Vitality Corp  
Energy Independence Now  
Garden Grove Chamber of Commerce  
Global Green  
Greater Los Angeles African American Chamber of Commerce  
Greater Monterey Park Chamber of Commerce  
Harbor Association of Industry and Commerce  
Hawthorne Chamber of Commerce  
Inglewood Airport Area Chamber of Commerce  
Inland Empire Economic Partnership

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Kern County Taxpayers  
Kern Economic Development Corporation  
Latino Food Industry Association  
Los Angeles Area Chamber of Commerce  
Los Angeles Urban League  
Mexican American Opportunity Foundation  
Montebello Chamber of Commerce  
Monterey Park Chamber of Commerce  
Move LA  
North East Trees  
Orange County Business Council  
Orange County Hispanic Chamber of Commerce  
Pasadena Chamber of Commerce  
Pomona Chamber of Commerce  
Rosemead Chamber of Commerce  
San Gabriel Valley Economic Partnership  
Santa Barbara County Taxpayers Association  
Sequoia Riverlands Trust  
Simi Valley Chamber  
South Bay Association of Chambers of Commerce  
South El Monte Chamber of Commerce  
Temple City Chamber of Commerce  
Tulare County Economic Development Corporation  
Torrance Area Chamber of Commerce  
Ventura Land Trust  
Via Care  
Valley Industry and Commerce Association  
William C Velasquez Institute

- d. SoCalGas did not request commitments of participation in the RNGT Program. Based on information currently available, the organizations listed below are potentially eligible customers under the RNGT Program outlined in the Settlement Agreement.

American Jerky  
Anitsa/Valet Services  
Antelope Valley Board of Trade  
Ardagh Group (Terminal Island)  
Azusa Chamber of Commerce

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Boys Republic  
Braun Linen Services  
Brotherhood Crusade  
Calgren Renewable Fuels  
Chisan Orchids Nursery  
City of Huntington Beach  
East San Gabriel Valley Coalition for Homeless  
Eastern Municipal Water District  
Gourmet Fresh Pasta  
Greater West Covina Business Association  
Inland Valley Hope Partners  
Langham Hotel  
Maximum Nursery  
Mexican American Opportunity Foundation  
Newlight Technologies  
NRG Answers  
Pasadena Chamber of Commerce  
Self-Help Enterprises  
Sequoia Riverlands Trust  
Tejon Ranch Company  
Tulare County Economic Development Corporation  
University of California  
Valley Vista Services

e. Grant Wooden

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**QUESTION 16:**

In the Sempra Utilities' March 4, 2020 Second Supplement Testimony, the Sempra Utilities describe the customer surveys conducted.

- a. Please disclose all five survey questionnaires.
- b. Did all surveyed customers receive the materials in Attachment C to the Second Supplemental Testimony titled "RNG MATERIAL PROVIDED TO C&I CUSTOMERS"? If not, please explain why this information was not provided. What other materials, if any, did surveyed customers receive?
- c. Please identify the witness responsible for this answer.

**RESPONSE 16:**

- a. See attachment.



Sierra Club 05 -  
Response 16a.pdf

- b. Surveyed customers were responding to the questions in the survey. The "Material Provided to C&I Customers" was not part of the surveys and was provided to Account Executives for distribution to C&I customers after the RNG Tariff Program Application was submitted.
- c. Grant Wooden



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**QUESTION 17:**

Page 12, Line 21 of the Prepared Direct Testimony of Grant Wooden states that “SoCalGas estimate it will incur approximately \$785,000 in computer program costs prior to, and during the first year of program implementation ....”

- a. Please confirm the approximately \$785,000 in computer program costs is still a cost of PROGRAM implementation. If not, please provide a current estimate of computer program costs.
- b. Please confirm the approximately \$785,000 in computer program costs would not be incurred if the Commission declined to approve or extend the PROGRAM. If not, please explain you answer.

**RESPONSE 17:**

- a. Correct. In the event costs exceed this amount, they will be covered through existing capital budgets. For example, SoCalGas may require additional capital for computer programming to support the California Alternate Rates for Energy (CARE) subscription rates per section V.B.3 of the Settlement Agreement. Those costs have not been estimated.
- b. Correct. Funding for the computer system modifications to accommodate the new RNG Tariff program will be from existing capital budgets approved in SoCalGas’ GRC. If the computer program costs are not needed, that capital funding would be available for other IT or base capital items.

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**QUESTION 18:**

Page 13, Lines 11-13 of the Prepared Direct Testimony of Grant Wooden states that “it is not possible for SG&E [sic] to estimate the costs to implement the RNG Rate in the new billing system at this time, because it has not yet been built.”

- a. Do the Sempra Utilities have reason to believe the computer program costs for SDG&E would be meaningfully different than the estimate of computer programming costs for SoCalGas? If yes, please explain your answer.

**RESPONSE 18:**

- a. There is no way to know at this time. SDG&E cannot cost estimate its IT costs since the system SDG&E would use for billing these customers is not in place today and will be launched in early 2021.

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**QUESTION 19:**

Page 3 of the Application states that the PROGRAM will “encourage additional market growth so that more methane waste can be captured” and page 4 of the Application states that the PROGRAM will drive “demand for RNG and [create] market pressure that will increase supply and lower the overall cost.”

- a. Please provide all evidentiary support for this claim.

**RESPONSE 19:**

- a. It is a stated goal of the settling parties that the RNGT Program would “accelerate the use of renewable, low carbon RNG and the development of RNG supplies in California and nationally.”<sup>1</sup> SoCalGas believes that it is not unreasonable to assume that the proposed RNG Tariff will provide a market for RNG in non-transportation sectors. In conjunction with SB 1440, these two utility procurement programs could provide stability to the RNG market by creating market signals that would increase supply and lower overall costs.

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<sup>1</sup> Section I.C of the PROPOSED SETTLEMENT AGREEMENT

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**QUESTION 20:**

Page 2, Lines 8-9 of the Prepared Direct Testimony of Grant Wooden states that “The Utilities’ vision for the program is similar in concept to electric green tariff shared renewable (“GTSR”) programs (for example, SDG&E’s EcoChoice and EcoShare).”

- a. How many SDG&E customers are currently enrolled in EcoChoice?
- b. How many SDG&E customers are currently enrolled in EcoShare?
- c. What is the current approximate annual cost of SDG&E GSTR implementation to date, including, but not limited to, procurement, administrative and PROGRAM marketing costs?
- d. Are the Sempra Utilities generally familiar with program subscription rates for the GTSR program implemented by Southern California Edison (“SCE”)? If yes, is it the Sempra Utilities position that program participation in the PROGRAM will be more robust than SCE’s GTSR program? Please provide all analysis supporting this answer.

**RESPONSE 20:**

- a. 4,079. 3,206 residential and 873 commercial meters.
- b. No customers are currently enrolled in EcoShare.
- c. If the question is asking for the average annual cost for GTSR programs, the average costs for EcoChoice and EcoShare are shown below. Note, no energy was procured in program years 2015 – 2016.

	<b>Procurement (2017-2019)</b>	<b>Admin (2015-2019)</b>	<b>Marketing (2015-2019)</b>	<b>Approximate Annual Cost</b>
<b>EcoChoice</b>	\$6,148,300	\$68,700	\$56,400	<b>\$6,273,400</b>
<b>EcoShare</b>	\$0	\$40,000	\$600	<b>\$40,600</b>

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If the question is asking for the implementation costs to date, then the IT costs charged in 2015 – 2017 for program implementation should be included.

	<b>IT</b>
<b>EcoChoice</b>	\$1,253,400
<b>EcoShare</b>	\$553,800

- d. Yes. Program participation estimates are not based on any one utility, but instead take into consideration green-pricing programs across the nation. Analysis for those estimates may be found in the Supplemental Testimony pages 11 - 13.