



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules, and Related Enforcement Provisions.

R. 13-02-008
(February 13, 2013)

COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES

I. INTRODUCTION

Pursuant to the schedule set forth in the Order Instituting Rulemaking issued February 21, 2003, and to Rule 6.2¹ of the Commission's Rules of Practice and Procedure, and the Division of Ratepayer Advocates (DRA) hereby files these Comments on the above-captioned Rulemaking.

II. COMMENTS

DRA appreciates the opportunity to comment on this rulemaking regarding biomethane standards and pipeline open access rules, pursuant to new legislation adopted in 2012, AB 1900.² DRA generally agrees with the approach of the OIR and Preliminary Scoping Memo in response to the OIR. The Commission must determine the standards for how "biogas" – gas that is produced from the anaerobic decomposition of organic

¹ Rule 6.2 states: "Comments. Any person filing comments on an order instituting rulemaking shall state any objections to the preliminary scoping memo regarding the category, need for hearing, issues to be considered, or schedule. Any recommended changes to the proposed schedule shall be consistent with the proposed category, including a deadline for resolving the proceeding within 18 months or less (ratesetting or quasi-legislative proceeding). All comments which contain factual assertions shall be verified. Unverified factual assertions will be given only the weight of argument."

² Stats. 2012, Ch. 602.

material³ – can become “biomethane”⁴ – gas that meets standards for injection into a common carrier pipeline, taking into account pipeline safety and integrity. The Commission has shown an increased commitment to pipeline safety and integrity in the wake of the San Bruno accident. The goal of promoting biogas and biomethane must not undermine pipeline safety and integrity. The OIR refers to a separate Rulemaking, R.11-05-005, and a recent Second Amended Scoping Memo in that proceeding, to meet the legislation’s goal of promoting biogas.⁵ That Scoping Memo discusses the use of biogas for electric generation, which can be done on-site or through pipelines separate from those currently used by common carrier pipelines to transport natural gas.

DRA agrees that the proceeding should identify the costs that a pipeline corporation incurs to meet implement the air quality and pipeline safety and integrity requirements and standards that this proceeding determines, and any cost recovery mechanisms. Whether or not such “costs” should be borne by pipelines or the biogas producers themselves, with cost responsibility spread to ratepayers or society-as-a-whole, is part of that determination. The legislation requires non-discriminatory, open-access treatment for biogas that meets biomethane requirements, and such non-discrimination should also apply to treatment of natural gas currently injected into the pipeline system.

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³ Health and Safety Code § 25420(a).

⁴ Health and Safety Code § 25420(b).

⁵ OIR, p. 8 and fn. 4.

Respectfully submitted,

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