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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Adopt Rules and Procedures Governing Commission-Regulated Natural Gas Pipelines and Facilities to Reduce Natural Gas Leakage Consistent with Senate Bill 1371.

Rulemaking 15-01-008
(Filed January 15, 2015)

ADMINISTRATIVE LAW JUDGE'S RULING ENTERING CALIFORNIA AIR RESOURCES BOARD AND CALIFORNIA PUBLIC UTILITIES COMMISSION JOINT STAFF REPORT ON ANALYSIS OF MAY 15, 2015 UTILITIES' REPORTS INTO THE RECORD AND SEEKING COMMENTS

Background

Rulemaking (R.) 15-01-008 was initiated by the California Public Utilities Commission (Commission) to carry out the intent of Senate Bill (SB) 1371 (Statutes 2014, Chapter 525).¹ SB 1371 requires the adoption of rules and procedures to minimize natural gas leakage from Commission-regulated natural gas pipelines consistent with Public Utilities Code Section 961 (d), § 192.703 (c) of Subpart M of Title 49 of the Code of Federal Regulation, the Commission's General Order 112-F, and the state's goal of reducing greenhouse gas (GHG) emissions. SB 1371 also requires the gas corporations to file an annual report about their natural gas leaks, and their leak management practices. SB 1371 directs the Commission, in consultation with the Air Resources Board (ARB), to achieve the goals of the Rulemaking.

¹ See R.15-01-008 "Order Instituting Rulemaking to Adopt Rules and Procedures Governing Commission-Regulated Natural Gas Pipelines and Facilities to Reduce Natural Gas Leakage consistent with Senate Bill 1371," issued January 22, 2015.

Consistent with SB 1371 and scoping memo requirements, the Commission's Safety and Enforcement Division (SED) initiated three data requests on January 9, 2015, February 24, 2015, and March 23, 2015, to provide guidance regarding the contents and format of the report. Subsequently, respondents named in this proceeding submitted reports on May 15, 2015 and May 18, 2015. Based on a review of responses to data requests, the Commission and ARB developed the attached "California Air Resources Board and California Public Utilities Commission Joint Staff Report-Analysis of the Utilities' May 15, 2015, Methane Leak and Emissions Reports Required by Senate Bill (SB) 1371 (Leno) and Rulemaking (R.)15-01-008," dated February 22, 2016.

Comments on the Joint Staff Report

Consistent with Senate Bill (SB) 1371 and scoping memo objectives, comments on the Joint Staff Report should respond to the following questions:

1. Does the Report clearly illustrate the trends of findings based on Air Resources Board (ARB)/California Public Utilities Commission (Commission) staff's analysis of the May 15, 2015, reports?
2. Do the findings or conclusions raise any issues that need to be addressed in this proceeding that are not already identified in the Scoping Memo?
3. Are there "Lessons Learned" from this reporting and analysis process that were not identified by staff?

Next Steps

For the May 15, 2016, Reports of 2015 Gas Leak and Emissions data, following are next steps consistent with scoping memo objectives:

- a. Consider a final comprehensive annual report template with standardized emission factors from ARB. (Parties' comments on a newly revised template were due/are due February 17, 2016 and February 24, 2016, respectively.)

- b. Implement annual reporting requirements that include more transparency on ungraded leaks. (A ruling with accompanying data request will publish any final changes to the annual report template by mid-March.)
- c. Refine the definition of system-wide leak rate. (ARB/Commission staff may conduct a workshop to discuss any further changes.)

ARB and Commission staff are also working with parties to refine best management practices on target emissions sources. (A ruling will be issued shortly to solicit comments on proposed mandatory and voluntary best management practices and related compliance plan.)

IT IS RULED that:

1. The “California Air Resources Board and California Public Utilities Commission Joint Staff Report - Analysis of the Utilities’ May 15, 2015 Methane Leak and Emission Reports Required by Senate Bill (SB) 1371 (Leno) and Order Instituting Rulemaking 15-01-008,” dated February 22, 2016, is accepted into the record of this proceeding as Attachment 1.
2. Comments of not more than 15 pages in response to this ruling may be filed and served no later than Friday, March 18, 2016.

Dated February 24, 2016, at San Francisco, California.

/s/ COLETTE E. KERSTEN

Colette E. Kersten
Administrative Law Judge