BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALI

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Application of Southern California Gas Company (U 904 G), San Diego Gas & Electric Company (U 902 G), Pacific Gas and Electric Company (U 39 G), and Southwest Gas Corporation (U 905 G) regarding Hydrogen-Related Additions or Revisions to the Standard Renewable Gas Interconnection Tariff.

Application 20-11-004 (Filed December 4, 2020)

RESPONSE OF THE CALIFORNIA HYDROGEN BUSINESS COUNCIL ON THE JOINT APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), SAN DIEGO GAS & ELECTRIC COMPANY (U 902 G), PACIFIC GAS AND ELECTRIC COMPANY (U 39 G), AND SOUTHWEST GAS CORPORATION (U 905 G) REGARDING HYDROGEN-RELATED ADDITIONS OR REVISIONS TO THE STANDARD RENEWABLE GAS INTERCONNECTION TARIFF

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January 4, 2021

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I. Introduction

The California Hydrogen Business Council (CHBC)¹ appreciates the opportunity to respond to the *Joint Application of Southern California Gas Company (U 904 G), San Diego Gas and Electric Company (U 902 G), Pacific Gas & Electric Company (U 39 G), and Southwest Gas Corporation (U 905 G)* ("Application"), filed on December 4, 2020. The CHBC applauds the Utilities' effort with this Application to advance hydrogen into the gas carrier system by supporting demonstration projects. **We also respectfully recommend that**

A. the definition of hydrogen eligible for inclusion in any future utility procurement program be broadened to allow the greatest range of pathways, including a variety of electrolytic and biomass pathways, that align with California's clean energy and climate goals;

¹ The CHBC is comprised of over 100 companies and agencies involved in the business of hydrogen. Our mission is to advance the commercialization of hydrogen in the energy sector, including transportation, goods movement, and stationary power systems to reduce emissions and dependence on oil. The views expressed in these comments are those of the CHBC, and do not necessarily reflect the views of all of the individual CHBC member companies. CHBC Members are listed here: https://www.californiahydrogen.org/aboutus/chbc-members/

B. the program be accelerated by demonstrating hydrogen injection in the three types of pipeline outlined – plastic, steel, and mixed plastic and steel – concurrently on parallel tracks, rather than sequentially.

These recommendations are explained in further detail in the Comments section below.

II. Comments

A. Beyond defining renewable hydrogen, the Commission ought broaden its definition of hydrogen eligible for inclusion in any future utility procurement program to allow the greatest range of pathways, including a variety of electrolytic and biomass pathways, that align with California's clean energy and climate goals

In the Phase 4 Ruling issued on November 21, 2019, Commissioner Clifford Rechtschaffen mandated that this phase address standards for injection of renewable hydrogen into gas pipelines, and specifically ordered the Joint Utilities to submit an application within twelve months addressing, among other issues, a definition of renewable hydrogen for the purposes of the Standard Renewable Gas Injection (SRGI) Tariff. "Renewable hydrogen" as proposed in the Application is defined as hydrogen derived from electrolysis of water using RPS eligible renewable electricity, catalytic cracking or steam methane reforming of biomethane, or thermochemical conversion of biomass, including the organic portion of municipal solid waste (MSW). The CHBC supports all these pathways, but also believes that it is important to modify and expand eligibility standards to all hydrogen production pathways that further the state's climate and clean energy goals. Examples of pathways that should be eligible include pathways that use zero-carbon electricity sources that are not RPS eligible.

It may be that the terminology also needs to be updated from "renewable" hydrogen to an alternative, such as "green," to better align with state policy goals.

B. We respectfully request that the program be accelerated by demonstrating hydrogen injection in the three types of pipeline outlined – plastic, steel, and mixed plastic and steel – concurrently on parallel tracks, rather than sequentially.

There is no technical reason why hydrogen injection into the three different types of pipeline outlined in the Application (plastic, steel, and mixed plastic and steel) cannot be examined in parallel, rather than sequentially. Pursuing these pilots at the same time on parallel tracks would save time and accelerate realization of the many benefits that hydrogen on the gas grid can provide, such as renewable electricity integration and decarbonization of gas end uses. We strongly encourage the Commission to direct SoCalGas and SDG&E² to pursue such a concurrent, parallel track approach.

III. Conclusion

The CHBC thanks the Commission for its consideration of these comments and looks forward to further collaborating with the Commission and stakeholders to build understanding of how hydrogen can be safely injected into the common carrier system to enable California to more quickly, cost effectively, and reliably achieve its climate, clean energy and resilience goals.

Dated: January 4, 2021

Respectfully submitted,

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² Chapter 2 pertains to the demonstration projects in the Joint Utility Application and is sponsored only by SoCalGas and SDG&E.