

**PUBLIC UTILITIES COMMISSION**

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SAN FRANCISCO, CA 94102-3298

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**Agenda ID #22971**  
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TO PARTIES OF RECORD IN APPLICATION 23-10-015:

This is the proposed decision of Commissioner John Reynolds. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's 11/07/2024 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

/s/ MICHELLE COOKE

Michelle Cooke

Chief Administrative Law Judge

MLC:smt

Attachment

Decision **PROPOSED DECISION OF COMMISSIONER JOHN REYNOLDS**  
**Mailed 10/3/2024)**

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Joint Application of Pacific Gas and Electric Company (U39G), Southern California Gas Company (U904G), San Diego Gas & Electric Company (U902G), and Southwest Gas Corporation (U905G) to Update Constituents of Concern in Standard Renewable Gas Interconnection Rule.

Application 23-10-015

**DECISION UPDATING CONSTITUENTS OF CONCERN IN  
STANDARD RENEWABLE GAS INTERCONNECTION  
RULE AND RELATED MATTERS**

**Summary**

This decision grants the Joint Application of Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation, with one exception and denies the request to change Decision 14-01-034<sup>1</sup> to permit utilities to file a Tier 2 Advice Letter instead of an application in response to future CARB and Office of Environmental Health Hazard Assessment updates.

This decision revises these utilities’ respective Standard Renewable Gas Interconnection (SRGI) Rules to implement the California Air Resources Board’s

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<sup>1</sup> Decision (D.)14-01-034 was modified by D.14-04-001.

(CARB) 2023 recommendations, adopts an interim Carbon Monoxide trigger level for bio-synthetic natural gas, modifies the Applicants' current SRGI Rules to address operational issues, and directs these utilities to implement this decision with a Tier 2 Advice Letter within 45 days.

This proceeding is closed.

## **1. Background**

The California Legislature enacted Assembly Bill (AB) 1900 (Gatto), Stats. 2012, ch. 602 to develop health standards for constituents of concern (COC) found in biogas. Under AB 1900, the Office of Environmental Health Hazard Assessment (OEHHA), in consultation with the California Air Resources Board (CARB), compiles a list of COCs. AB 1900 further requires the Commission to (1) adopt standards for COCs in biogas to protect human health and pipeline integrity and safety and (2) monitor, test, report, and keep associated records. AB 1900, codified as Health and Safety Code Section 25421(e), mandates that the Commission update its standards at least every five years to ensure the currentness of health protections.<sup>2</sup>

The Commission adopted the first biomethane safety standards in Decision (D.) 14-01-034. For the Commission to carry out its review and responsibilities under Health and Safety Code Section 25421(e), Ordering Paragraph (OP) 7 of D.14-01-034 requires Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation (Applicants) to file an application with the Commission every five years.<sup>3</sup> OP 33 of D.22-02-025 also orders the Applicants

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<sup>2</sup> Cal. Health & Safety Code § 25421(e).

<sup>3</sup> D.14-01-034 at 154.

to determine an appropriate Carbon Monoxide (CO) standard for biomethane in the application filed pursuant to D.14-01-034.<sup>4</sup>

In April 2023, CARB issued a supplemental report in collaboration with OEHHA, “Biogas Constituents of Concern and Health Protective Levels for Biomethane: Supplement Report to OEHHA AB 1900 Biogas Recommendations” (CARB 2023 Report).<sup>5</sup> The CARB 2023 Report identifies 15 COCs by biogas source (landfills, dairies, sewage treatment, food/green, and others) and associated risk management levels.<sup>6</sup> It also specifies COC testing requirements by biogas source.<sup>7</sup>

On October 20, 2023, the Applicants filed Application 23-10-015 requesting permission to incorporate CARB’s COCs recommendations into their Standard Renewable Gas Interconnection (SRGI) Rules, except for CARB’s recommendation regarding source testing when biogas feedstock has multiple sources.<sup>8</sup> The Applicants also asked that the Commission adopt an interim CO standard for bio-synthetic natural gas (bio-SNG).<sup>9</sup> Finally, the Applicants proposed several modifications to their respective SRGI Rules to address operational issues, requested authorization to streamline the update process

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<sup>4</sup> D.22-02-025 at 65-66, Ordering Paragraph (OP) 33.

<sup>5</sup> The 2023 Report is available at <https://ww2.arb.ca.gov/sites/default/files/2023-05/AB-1900-Supplement-Report.pdf>. The 2023 Report supplements OEHHA’s 2020 Report, “AB 1900 Biogas Recommendations.” (OEHHA’s 2020 report is available at <https://oehha.ca.gov/media/downloads/air/report-document-background/biomethane010320.pdf>.)

<sup>6</sup> CARB 2023 Report at 5, 6.

<sup>7</sup> *Id.* at 9.

<sup>8</sup> Application at 2.

<sup>9</sup> *Id.* at 2-3.

established in D.14-01-034, and requested authorization to implement changes to their SRGI Rules through a Tier 2 Advice Letter.<sup>10</sup>

The Public Advocates Office at the Commission (Cal Advocates) filed a timely protest to the Application on November 27, 2023. Cal Advocates stated that it “generally agrees that this Application is needed” and does not object to the Commission’s consideration of the Applicants’ requests.<sup>11</sup> However, Cal Advocates requested the Commission also consider whether the proposed modifications to the SRGI Rules are consistent with the Safety and Enforcement Division’s (SED) direction to gas utilities regarding monitoring of BTEX content in the wider natural gas system.<sup>12</sup> The Applicants filed a timely joint reply to the protest on December 4, 2023. SED did not file a protest to the application or a reply to Cal Advocates’ protest. Ultimately, the assigned Commissioner determined that this proceeding was not the proper venue to consider Cal Advocates’ request.<sup>13</sup>

## **2. Admitting Testimony and Closing Proceeding Record**

The Applicants supported their requests with prepared joint direct testimony and Attachment A to the testimony. This testimony is dated October 20, 2023, and was served but not filed. As such, the Applicants’ prepared joint direct testimony and Attachment A to the testimony collectively is marked and identified as Exhibit UTIL-1 and received into the evidentiary record of this proceeding. The record is now closed.

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<sup>10</sup> *Id.* at 3-4, 5, 10-11.

<sup>11</sup> Cal Advocates Protest at 1.

<sup>12</sup> *Id.* at 2. BTEX refers to benzene, toluene, ethylbenzene, and total xylenes.

<sup>13</sup> Scoping Memo at 5.

## 2.1. Submission Date

This matter is submitted as of today, upon receipt of Exhibit UTIL-1 into the evidentiary record of this proceeding.

## 3. Issues Before the Commission

The issues before the Commission are:

1. Whether the Commission should authorize the Applicants' proposed modifications to their SRGI Rules necessary to implement CARB's April 2023 Supplemental Report recommendations;
2. Whether the Commission should adopt the Applicants' proposed interim CO trigger level for bio-SNG;
3. Whether the Commission should authorize Applicants' other proposed modifications to address operational issues identified in their current SRGI Rules;
4. Whether the Commission should authorize the Applicants' proposal to streamline future regulatory updates to their SRGI Rules in response to subsequent COC updates issued by OEHHA and/or CARB; and
5. Whether the Commission should authorize the Applicants' proposal to file a Tier 2 Advice Letter to implement modifications to their respective SRGI Rules 45 days after issuance of a final decision.

## 4. Discussion

### 4.1. CARB's 2023 Recommendations

The CARB 2023 Report identifies 15 health-protective COCs by biogas source and associated risk management levels.<sup>14</sup> The CARB 2023 Report also specifies COC testing requirements by biogas source.<sup>15</sup> The Applicants propose incorporating the recommendations from the CARB 2023 Report into their SRGI

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<sup>14</sup> CARB 2023 Report at 5,6.

<sup>15</sup> *Id.* at 5.

Rules, except for CARB's recommendation regarding source testing when biogas feedstock has multiple sources.<sup>16</sup> Instead, the Applicants propose testing all the applicable COCs for each feedstock gas source.<sup>17</sup>

We consider the Applicants' proposals under the standards described in Health and Safety Code Section 25421 and D.14-01-034. Under Section 25421, the Commission must consider the protection of human health and pipeline integrity and safety.<sup>18</sup> D.14-01-034 requires that the Commission give "due deference" to CARB's health determinations.<sup>19</sup> However, the Commission has "more flexibility about what evidence should be considered" regarding pipeline integrity and safety.<sup>20</sup>

Here, the Applicants agree to all but one of CARB's recommendations. Considering the recommendations the Applicants agree to, we defer to CARB's determinations that the recommendations benefit human health. Moreover, we find no evidence that adopting the recommendations will negatively impact pipeline integrity and safety. Therefore, we authorize the Applicants' SRGI Rules to reflect CARB's 2023 Report recommendations, except for CARB's recommendation on testing from multiple feedstock sources.

According to the CARB 2023 Report, when utilities use smaller amounts of multiple sources to increase methane production from the majority source type, utilities may test according to the majority source's requirements.<sup>21</sup> The

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<sup>16</sup> Exhibit UTIL-1 at 4-13.

<sup>17</sup> *Id.* at 10.

<sup>18</sup> Health and Safety Code § 25421(e).

<sup>19</sup> D.14-01-034 at 76.

<sup>20</sup> *Id.* at 77.

<sup>21</sup> CARB 2023 Report at 10.

Applicants disagree with this recommendation because it could undercount COCs from primary and secondary feedstock sources, which change over time.<sup>22</sup> Instead, the Applicants propose testing each feedstock gas source for all applicable COCs.<sup>23</sup> We recognize that this testing method is more stringent, and we find that it will better protect human health and pipeline integrity and safety than CARB's recommendation. Accordingly, the Applicants shall update their SRGI Rules to reflect that when a feedstock has multiple sources, utilities shall test each feedstock gas source for all applicable COCs.

#### **4.2. Carbon Monoxide Trigger Level**

In D.22-02-025, the Commission considered and rejected a proposal by the Energy Division and utilities to adopt a CO trigger level of 0.03 percent for biomethane. Instead, the Commission ordered utilities to present an appropriate CO standard for biomethane in this application.<sup>24</sup> As required, the Applicants request to modify their SRGI Rules to incorporate an interim CO trigger level for bio-SNG of 0.03 percent.<sup>25</sup>

To support their request, the Applicants reviewed publicly available reports and literature.<sup>26</sup> They referenced one study that found that average CO levels in biomethane are below 0.0245 percent.<sup>27</sup> They also noted that European Standard EN16723-1 for natural gas and biomethane recommends a 0.1 percent

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<sup>22</sup> Exhibit UTIL-1 at 10.

<sup>23</sup> *Ibid.*

<sup>24</sup> D.22-02-025 at OP 33.

<sup>25</sup> Application 2-3.

<sup>26</sup> Exhibit UTIL-1 at 18.

<sup>27</sup> *Id.* at 19.



CO shut-off limit.<sup>28</sup> According to the Applicants, a trigger level of 0.03 percent is reasonable because it is higher than the average CO levels in biomethane and below the European Standard shut-off limit.<sup>29</sup> No party contested the Applicants' proposal.

As such, we find that the Applicants' proposed CO trigger level of 0.03 percent is reasonable, and we authorize the Applicants to modify their SRGI Rules.<sup>30</sup>

### **4.3. Modifications to Address Operational Issues**

We grant the Applicants' eight proposed modifications to their SRGI Rules to address operational issues.<sup>31</sup> As described below, the Applicants provide good cause for these modifications, and accepting the modifications would not change a prior Commission decision.

The Applicants' first and second requests relate to their proposal to add Table 3 to their SRGI Rules.<sup>32</sup> Table 3 would formalize the test methods for Integrity Protect Constituents, such as ammonia, CO, hydrogen, mercury, siloxanes, and biologicals.<sup>33</sup> In D.14-01-034, the Commission recognized these COCs based on their risk to pipeline integrity and system operations and adopted the test methods recommended by utilities.<sup>34</sup> Additionally, in

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<sup>28</sup> *Id.* at 19.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*

<sup>31</sup> *Id.* at 14-18.

<sup>32</sup> The Applicants request to add Table 3 and modify Sections K.5.a and to reference the newly added Table 3. (Exhibit UTIL-1 at 14-16.)

<sup>33</sup> Exhibit UTIL-1 at 14-15.

<sup>34</sup> D.14-01-034 at Conclusion of Law 11.

D.22-02-025, the Commission deferred consideration of CO to this proceeding. As such, allowing the Applicants to add Table 3 to the SRGI Rules is reasonable to formalize the test methods and will not change a previous Commission decision.<sup>35</sup>

The Applicants' third request proposes removing Section K.5.e.ii.a)(ii) regarding Reduced Siloxane Testing when initial results show siloxane below the Lower Action Level but above the Trigger Level.<sup>36</sup> As the Applicants point out, the SRGI Rules only allow Reduced Siloxane Testing when siloxanes are not present in the gas stream.<sup>37</sup> Thus, the Applicants' requested modification is reasonable and will not change a prior Commission decision.

The Applicants' fourth, fifth, and sixth requests propose adding "a minimum of five business days" to Section K.5.b.i., a definition of "commercially free" biologicals as >0.2 microns to Section K.5.e.ii.b)(ii), and a shut-in procedure for Integrity Protective Constituents in a new Section K.5.f.iv.f).<sup>38</sup> These changes ensure that a qualified utility representative observes sample collections with adequate time, clarifies the testing procedure for biologicals beneath D.14-01-034's trigger level, and aligns the procedures for health and integrity constituents.<sup>39</sup> Therefore, we authorize these changes because they add clarity, consistency, and oversight.

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<sup>35</sup> The Applicants also request to modify Section K.5.a and Section C to reference the newly added Table 3. (Exhibit UTIL-1 at 15-16.)

<sup>36</sup> Exhibit UTIL-1 at 16.

<sup>37</sup> *Id.* at 16, AtchA1-34 to 36.

<sup>38</sup> *Id.* at 16-17.

<sup>39</sup> *Ibid.*; see also D.14-01-034 at 87.

The Applicants' seventh request to modify Section K.5.h.ii to clarify the meaning of startup testing as the initial round of pre-injection testing is granted, because it is consistent with D.14-01-034, which also terms the first form of monitoring and testing as "pre-injection startup testing."<sup>40</sup>

Finally, the Applicants' eighth request proposes modifying Sections K.5.h.v and K.5.h.vi to require interconnectors and utilities to share a result requiring a shut-in within 24 hours of receiving the result.<sup>41</sup> The Applicants explain that currently, the interconnector can have the test data for two weeks before providing it to the utility, which would delay the shut-in.<sup>42</sup> The change allows the utility to take necessary precautions and provides greater parity on sharing obligations between utilities and interconnectors. We authorize the modification for good cause shown, and because the Applicants' proposal would not change a prior Commission decision.

#### **4.4. Streamlining Regulatory Updates to the SRGI Rule**

The Applicants request a change to OP 7 of D.14-01-034, which requires gas utilities to file an application with the Commission under Health and Safety Code Section 25421(e).<sup>43</sup> Specifically, the Applicants request that we allow them to propose interim updates to their SRGI Rules via a Tier 2 Advice Letter process.<sup>44</sup> For more substantive updates, the Applicants concur that an application is appropriate.<sup>45</sup>

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<sup>40</sup> D.14-01-034, Finding of Fact 43.

<sup>41</sup> Exhibit UTIL-1 at 17-18.

<sup>42</sup> *Id.* at 17.

<sup>43</sup> D.14-01-034 at 154.

<sup>44</sup> Application at 3-4.

<sup>45</sup> *Ibid.*

The Applicants must follow the procedure in Rule 16.4 of the Commission's Rules of Practice and Procedure to request a change to an issued decision.<sup>46</sup> That way, all parties to Rulemaking (R.) 13-02-008 may review and respond to the request. We will not consider the Applicants' request without this due process. As such, we deny this request without prejudice and direct the Applicants to follow the procedure in Rule 16.4 if they wish to pursue this change.

#### **4.5. Implementing Modifications to SRGI Rules With Tier 2 Advice Letter**

The Applicants propose to file a Tier 2 Advice Letter to implement the modifications to their respective SRGI Rules 45 days after issuance of this decision. This proposal is reasonable and necessary to implement this decision's ordering paragraphs. Moreover, this proposal does not change a previous Commission decision. Therefore, it is granted.

#### **5. Summary of Public Comment**

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. On November 8, 2023, Tanvi Shah commented regarding access to comment on a webinar and requested more clean energy.

#### **6. Conclusion**

This decision grants the Applicants' requests to revise their respective SRGI Rules to implement the CARB 2023 Report recommendations, adopt an

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<sup>46</sup> Rule 16.4(a).

interim CO trigger level for bio-SNG, modify their SRGI Rules to address operational issues, and implement this decision with a Tier 2 Advice Letter within 45 days. However, this decision denies the Applicants' request to change D.14-01-034 to permit utilities to file a Tier 2 Advice Letter instead of an application in response to future CARB and OEHHA updates.

#### **7. Procedural Matters**

This decision affirms all rulings made by the Administrative Law Judge (ALJ) and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

#### **8. Comments on Proposed Decision**

The proposed decision of ALJ Robyn Purchia in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on \_\_\_\_\_, and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

#### **9. Assignment of Proceeding**

John Reynolds is the assigned Commissioner and Robyn Purchia is the assigned Administrative Law Judge in this proceeding.

#### **Findings of Fact**

1. AB 1900 requires the Commission to (1) adopt standards for COCs in biogas to protect human health and pipeline integrity and safety and (2) monitor, test, report, and keep associated records.
2. AB 1900 mandates that CARB, OEHHA, and the Commission update their standards at least every five years to ensure the currentness of health protections.
3. Under Health and Safety Code Section 25421, the Commission must consider the protection of human health and pipeline integrity and safety.
4. The Commission adopted biomethane safety standards in D.14-01-034.

5. OP 7 of D.14-01-034 requires the Applicants to file an application every five years for the Commission to carry out its review and update responsibilities under Health and Safety Code Section 25421(e).

6. OP 33 of D.22-02-025 orders the Applicants to determine an appropriate CO standard for biomethane in the application submitted under D.14-01-034.

7. CARB's 2023 Report identifies 15 COCs by biogas source and associated risk management levels, as well as COCs testing requirements by biogas source.

8. Under D.14-01-034, the Commission must give "due deference" to CARB's health determinations but may determine whether CARB's recommendations impact pipeline integrity and safety.

9. Updating the Applicants' SRGI Rules to reflect CARB's 2023 Report recommendations except for CARB's recommendation on testing from multiple feedstock sources will protect human health and pipeline integrity and safety.

10. Updating the Applicants' SRGI Rules to reflect the Applicants' proposal to test all applicable COCs for each feedstock source specified by the interconnector will protect human health and pipeline integrity and safety.

11. A CO trigger level of 0.03 percent is above the average CO level found in biomethane and below the European Standard shut-off limit.

12. With one exception as noted in this decision, the Applicants provided good cause to modify their SRGI Rules to address certain operational issues, and these modifications do not require a change to a prior Commission decision.

13. Rule 16.4 governs the process for requesting a change to an issued decision.

### **Conclusions of Law**

1. The Application should be granted, with one exception, such that the Commission denies the request to change D.14-01-034 to permit utilities to file a

Tier 2 Advice Letter instead of an application in response to future CARB and OEHHA updates.

2. The Applicants should update their SRGI Rules to reflect the recommendations in the CARB 2023 Report, except for the recommendation on testing from multiple feedstock sources.

3. The Applicants should update the SRGI Rules to test all applicable COCs for each feedstock gas source specified by the interconnector when a feedstock has multiple sources.

4. The Applicants should update their SRGI Rules to include a CO trigger level of 0.03 percent.

5. The Applicants should modify their SRGI Rules to address certain operational issues.

6. The Commission should not consider changing a decision issued in a different proceeding via an application.

7. The Applicants should follow the process in Rule 16.4 if they wish to pursue a change to an issued decision.

8. The Applicants should implement the modifications to their SRGI Rules by filing a Tier 2 Advice Letter with the Commission within 45 days of issuance of this decision.

9. All ALJ and assigned Commissioner rulings in this proceeding should be affirmed.

10. All motions not ruled on to date should be denied.

11. This proceeding should be closed.

**O R D E R**

**IT IS ORDERED** that:

1. The Joint Application of Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation is granted, with one exception such that the Commission denies the request to change Decision 14-01-034 to permit utilities to file a Tier 2 Advice Letter instead of an application in response to future CARB and Office of Environmental Health Hazard Assessment updates.

2. Within 45 days of the issuance of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation shall file a Tier 2 Advice Letter to implement the modifications to their respective Standard Renewable Gas Interconnection Rules as shown in Attachment A.

3. All ALJ and assigned Commissioner rulings in this proceeding should be affirmed.

4. All motions not ruled on to date should be denied.

5. Application 23-10-015 is closed.

This order is effective today.

Dated \_\_\_\_\_, at Bakersfield, California.