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R2212011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Address Biomethane Procurement
Cost Allocation.

Rulemaking 22-12-011

**ADMINISTRATIVE LAW JUDGE'S SECOND RULING SEEKING
SUPPLEMENTAL COMMENT**

This ruling authorizes supplemental party comments on two distinct issues. Parties may file comments responding to either or both issues specified below. Comments addressing other issues are not permitted and will not be considered.

1. Issue 1: Updates Considering D.26-04-044

On Thursday, April 30, 2026, the Commission adopted D.26-04-044 in R.13-02-008 making changes to the Renewable Gas Standard (RGS) program. These changes are focused on streamlining the program and protecting ratepayers from excessive RGS above-market costs. The instant proceeding is considering how to allocate RGS above-market costs.

D.26-04-044 addresses specific issues, such as Renewable Thermal Certificate rules and biomethane interconnection costs, that have also been raised in this proceeding. Therefore, this ruling offers parties an opportunity to provide input regarding whether and how D.26-04-044 impacts considerations in the instant proceeding.

Comments that respond to Issue 1 shall address one question:

1. Does any finding, conclusion, or order in D.26-04-044 impact any previous input you have provided or positions you have taken in this proceeding?
 - a. If so, specify the specific finding, conclusion and/or order(s) and explain how it affects your position on issues in this proceeding.

2. Issue 2: Potential Pathway to Consider Exemptions from Costs for Energy-Intensive, Trade-Exposed Non-core Customers

My February 5, 2026 ruling seeking supplemental comment included questions about a possible future pathway for exempting certain non-core energy-intensive, trade-exposed (EITE) customers if these customers are allocated RGS above-market costs. Today's ruling seeks party input on a process by which such a pathway could be considered and implemented, and whether such a process would be necessary to prevent emissions leakage.

Comments responding to this issue shall address the following questions:

1. If RGS above-market costs were allocated to non-core customers, should the Commission direct or allow a process by which stakeholders can develop and propose exemptions for non-core customers designated as EITE?
 - a. If so, what criteria and/or process should the Commission use to designate such exemptions?
2. If RGS above-market costs were allocated to non-core customers, would an EITE exemption be necessary to avoid emissions leakage?

IT IS RULED that:

1. Parties may file and serve comments responding to the questions specified in Sections 1 and/or 2 of this ruling. Comments shall be no longer than 10 pages in length and shall be filed and served within 15 days of the issuance of this ruling. The document attachment containing comments shall be titled using the

following format: “[Party name or abbreviation] Second Supplemental Comments”.

2. Parties may file and serve reply comments no longer than 7 pages in length within 25 days of the issuance of this ruling. The document attachment containing reply comments shall be titled using the following format: “[Party name or abbreviation] Second Supplemental Reply Comments”.

Dated May 19, 2026, at San Francisco, California.

/s/ MARIA SOTERO

Maria Sotero
Administrative Law Judge