

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



**FILED**

05/26/26

04:59 PM

A2209006

A.22-09-006  
(Filed September 8, 2022)

Application of Southern California Gas Company (U904G), San Diego Gas & Electric Company (U902), Pacific Gas and Electric Company (U39G) and Southwest Gas Corporation (U905G) to Establish Hydrogen Blending Demonstration Projects.

**SMALL BUSINESS UTILITY ADVOCATES' REPLY BRIEF**

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May 26, 2026

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**I. INTRODUCTION**

In accordance with Rule 13.12 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure and the Administrative Law Judge's Email Ruling Directives and Guidance for Final Briefing, issued March 9, 2026, Small Business Utility Advocates (SBUA) submits this reply brief concerning the joint application of Pacific Gas & Electric (PG&E), Southern California Gas Company (SoCal Gas), San Diego Gas & Electric Company (SDG&E), and Southwest Gas Corporation (SW Gas) (collectively, utilities or IOUs) to establish hydrogen blending demonstration projects (the Application).

**II. REPLY**

SBUA reflects that Cal Advocates and all intervenors oppose all the pilot projects, and SBUA agrees with many of the points raised. In fact, there is considerable overlap in positions. Yet, it appears that SBUA is only the intervenor to provide recommendations on how to conduct a pilot project in the event that the Commission determines that a pilot should be approved. The Orange Cove project is the only project with potential for

providing useful information on the impact to actual mix of pipe that exists in real-world networks and residential and commercial appliances. SBUA submitted detailed testimony and in lieu of cross examination data requests that communicated to the utilities SBUA's concerns and objections regarding the lack of demonstrated need for pilots using all new pipe (all pilots other than Orange Cove), inappropriateness of pilots to run a gas turbine (SDG&E) or operate as a test bed (PG&E), lack of specific, actionable information to be gained from a pilot in a colder climate or higher elevation (SW Gas), unreliable cost scoping, lack of consideration of how to install hydrogen blending equipment to avoid stranded assets and failure of the utilities to bother contacting researchers abroad to assist in designing their pilots or gaining data without costly pilots.<sup>1</sup> Yet, the utility briefs failed to address these considerations.

SBUA specifically objected that SoCal Gas had not undertaken necessary outreach and planning with customers and lacked any mechanism for assuring that customers would provide the necessary feedback. In its brief, SoCal Gas notes, citing to SBUA's testimony, that intervenors claim that it does not have a plan for stakeholder engagement.<sup>2</sup> Yet, it does not disprove this position. Instead, it implicitly admits that it lacks a plan by stating that it will "work collaboratively with local and regional stakeholders" and engage in various

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<sup>1</sup> SBUA-01 at 6, 8, 9; SBUA-03 at 13, 58, 178, 182, ; see SoCal Gas Opening Brief at 32.

<sup>2</sup> SoCal Gas Opening Brief at 47.

forms of outreach.<sup>3</sup> SoCal Gas also does not explain how Orange Cove was engaged in the planning process, and in particular whether any outreach to small businesses occurred. In the event that the Commission does approve the Orange Cove project, it is necessary that the Commission direct SoCal Gas to implement the recommendations in SBUA's opening brief.

Finally, the utilities do not justify imposing costs solely on their customers for projects that are explicitly intended to benefit all customers. As requested by SBUA, if a pilot is approved, the cost should be imposed using a flat volumetric rate on all customers, including transportation customers, because “all customers in California, large and small, will share in the benefits of the Demonstration Project.”<sup>4</sup> The cost should be allocated across the utilities in the same proportion as the costs of preparing the pilot application.<sup>5</sup>

### III. CONCLUSION

Respectfully submitted,



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<sup>3</sup> Id. at 48.

<sup>4</sup> SWG-02 at 4.

<sup>5</sup> D.19-05-020, OP No. 9