BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company (U904G) Proposing Woody Biomass Pilot Project.	Application 25-10-008 (filed October 15, 2025)

OPENING BRIEF OF SMALL BUSINESS UTILITY ADVOCATES

Jennifer L. Weberski
Litigation Supervisor

Small Business Utility Advocates

548 Market Street, Suite 11200
San Francisco, CA 94104
Telephone: (703) 489-2924
Email: jennifer@utilityadvocates.org

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TABLE OF CONTENTS

TABLE OF AUTHORITIES

Commission Rules of Practice and Procedures **Page(s)**

Commission Decisions

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OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company (U904G) Proposing Woody Biomass Pilot Project.	Application 25-10-008 (filed October 15, 2025)

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I. INTRODUCTION/SUMMARY OF RECOMMENDATIONS

Pursuant to Rule 13.12 of the California Public Utilities Commission Rules of Practice and Procedure ("CPUC" or "Commission"), Small Business Utility Advocates ("SBUA") respectfully submits its Opening Brief regarding the adjudication of the *Application of Southern California Gas Company Proposing Woody Biomass Pilot Project* ("Application").

Summary of Recommendations

- The Commission should require Southern California Gas Company ("SCG") to submit its marketing, education and outreach ("ME&O") plan, with draft materials.
- The Commission should require SCG to make specific, enforceable commitments implementing its representation that "The project will offer opportunities to small and diverse businesses by collaborating with community and labor stakeholders, creating clean energy job opportunities, and encouraging participation from

disadvantaged communities." The Commission should therefore require specific commitments that give effect to this representation rather than leaving the promised small business and community benefits aspirational.

- If the pilot is deemed successful, and subsequently proposed as a program available for SCG customers, the Commission should require a full cost effectiveness calculation, including tangible and intangible benefits, to ensure that net benefits exceed net costs.
- The Commission should require quarterly reporting on emissions, such as carbon monoxide, carbon dioxide, and nitrogen oxide, to assist in quickly addressing any deficiencies to the benefit of the local community.

II. APPROVAL SHOULD ONLY OCCUR WITH MODIFICATIONS

While SCG contends that the record reflects broad support from intervenors, such as SBUA,[1] SBUA's support is expressly conditioned on specific modifications and commitments by SCG.[2] SBUA supports using the dairy biomethane pilot selection criteria as a framework for evaluating SCG's proposed pilot.[3]

D.17-12-004[4] determined and D.24-10-004[5] affirmed that a Selection Committee, comprised of the Commission, California Air Resources Board ("CARB"), and California

[1] SCG-03, p. JLMS-32.

[2] *See*, SBUA-01 and SBUA-02.

[3] SBUA-01, pp. 8-11.

[4] D.17-12-004, p. 20, Finding of Fact #3.

[5] D.24-10-004, p. 3.

Department of Food and Agriculture ("CDFA"), should control the terms of the solicitation and select the dairy pilots to move forward to contract with utilities.

Among the Selection Committee's criteria, SBUA particularly supports the criteria for Economic Viability, greenhouse gas ("GHG") Reduction, Cost Effectiveness, Community Impacts and Mitigation, and Localized Economic Benefits**.** The Selection Committee's goal was to select projects that inject biomethane into the natural gas pipeline system and are financially sustainable in the long-term so that State investments provide the expected environmental benefits to ratepayers and the State of California.[6]

As it pertains to SCG's initial Application, SBUA strongly recommends, if approved, the Commission should mandate commitments to the Company's statement that:

> The project will offer opportunities to small and diverse businesses by collaborating with community and labor stakeholders, creating clean energy job opportunities, and encouraging participation from disadvantaged communities.[7]

Within the Selection Committee's criteria, modifications and specific commitments can be required that will ensure compliance with the Company's initial statement.

Local Economic Benefits

Based on SCG responses to SBUA data requests, SCG has not engaged with the local business community. The Company has not conducted substantive meetings, written or oral

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[6] SB 1383 Dairy Biomethane Pilot Project, Selection Committee Score Card, https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_website/content/utilities_and_industries/energy/energy_programs/gas/natural_gas_market/finalselectioncomscorecardsum.pdf, pp. 3-4.

[7] SCG-02, p. 6.

communications with small businesses, diverse businesses, community and labor stakeholders.[8] No written materials have been developed for either collaborative outreach to small businesses, diverse businesses, community and labor stakeholders or encouraging participation by disadvantaged communities.[9] Further, SCG does not plan on pursuing any drafting of material or engagement with those communities until final approval of the Application.[10]

SBUA recommends that the Company be required to provide a comprehensive marketing, education and outreach ("ME&O") plan, including draft written material.

Cost Effectiveness

Should SCG seek to continue or expand the project beyond the pilot phase, SBUA recommends that the Commission require a complete cost-effectiveness analysis comparing the woody biomass project with conventional natural gas and accounting for all relevant tangible and intangible benefits and costs, including raw-material and infrastructure costs. SCG acknowledges that it has not performed a cost-effectiveness analysis because such an analysis is not required for the pilot project under D.22-02-025.[11]

In addition to SBUA's recommendation for full cost effectiveness calculation, including all benefits and costs, should the pilot be approved and subsequently proposed as a program, SBUA is also concerned that the program be affordable. SBUA recommends that zero and low-cost financing should be made available as well. Financial assistance for low-income customers,

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[8] SCG-12, p. 6.

[9] SCG-12, pp. 3-4.

[10] *Id*.

[11] *Id*. at. 2.

including Environmental and Social Justice ("ESJ") communities and Disadvantaged Communities ("DACs"), should also be offered. Small businesses have been particularly impacted by affordability issues and must be considered along with low income residential customers.

Quarterly Reporting

SBUA recommends that, if the project is approved, SCG be required to report quarterly on project emissions, including carbon monoxide, carbon dioxide, and nitrogen oxides, so that GHG and local air-quality performance can be evaluated and any deficiencies promptly addressed. Without firm emissions commitments and reporting requirements, the Application does not adequately advance ESJ Action Plan Goals 1, 2 and 7:

1. Consistently integrate equity and access considerations throughout CPUC proceedings and other efforts;

2. Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health;

7. Promote high road career paths and economic opportunity for residents of ESJ communities.

SBUA supports the Nine Goals of the ESJ Action Plan and is particularly supportive of policies that ensure that Goals 1, 2 and 7 are achieved. The ESJ Action Plan 2.0, Goal 2.4.1 expressly states the Commission should "Assess potential impacts to ESJ communities when considering and recommending strategies for biomethane procurement."[12] In addition, the

[12] ESJ Action Plan 2.0, April 7, 2022, p. 29.

Tentative Work Plan for Goal 1.1.1 directs the Commission "Consider a designated section on ESJ impacts in decisions, resolutions, and advice letters that impact customers, residents, or small businesses in ESJ communities."[13] However, this again raises concerns about SCG's commitment to the representation in its Application (on page 6) and its implications for Goal 7.

Thus far, no small businesses, diverse businesses, or community stakeholders have received contracts and/or employment offers with respect to the project.[14] The Commission should require firm commitments to the local small business community, as stated in the Company's initial Application seeking approval.

III. CONCLUSION

SBUA respectfully requests that the Commission approve the Application only subject to the commitments and recommendations described above.

Respectfully Submitted,

By: /s/ Jennifer Weberski
Jennifer L. Weberski
Litigation Supervisor

Small Business Utility Advocates

548 Market St., Suite 11200
San Francisco, CA 94104
T: (703) 489-2924
Email: jennifer@utilityadvocates.org

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[13] ESJ Action Plan 2.0, April 7, 2022, p. 35.

[14] SCG-12, p. 2.