

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



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Application of SOUTHERN CALIFORNIA GAS
COMPANY (U 904 G) Proposing Woody Biomass
Pilot Project.

A.25-10-008
(Filed October 15, 2025)

REPLY BRIEF OF SOUTHERN CALIFORNIA GAS COMPANY

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SUMMARY OF RECOMMENDATIONS

SoCalGas respectfully reiterates the recommendations set forth in its Opening Brief and responds to the arguments raised by Sierra Club, the Public Advocates Office (Cal Advocates), Small Business Utility Advocates (SBUA), and the Bioenergy Association of California (BAC) in their respective Opening Briefs. SoCalGas's recommendations remain unchanged:

1. The Commission should approve SoCalGas's SB 1440 Woody Biomass Pilot Project in full.
2. The Commission should reject Sierra Club's and Cal Advocates' arguments for denial and find that the Project satisfies all applicable requirements of D.22-02-025, D.24-12-032, and CARB regulations.
3. The Commission should adopt the modifications recommended by SBUA regarding community engagement, emissions reporting, and future cost-effectiveness evaluation, consistent with SoCalGas's recommendations.
4. The Commission should find that the Project will generate the operational, emissions, and cost data the Commission directed utilities to develop, and that denying the Project would leave those questions unanswered.

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REPLY BRIEF OF SOUTHERN CALIFORNIA GAS COMPANY

Pursuant to Rule 13.12 of the California Public Utilities Commission’s (Commission or CPUC) Rules of Practice and Procedure and the Assigned Commissioner’s Scoping Memo and Ruling dated February 3, 2026 (Scoping Memo), Southern California Gas Company (SoCalGas) hereby submits its Reply Brief in response to the Opening Briefs filed by Sierra Club, the Public Advocates Office (Cal Advocates), Small Business Utility Advocates (SBUA), and the Bioenergy Association of California (BAC) on August 28, 2026.

I. INTRODUCTION

The Opening Briefs filed by Sierra Club and Cal Advocates urge the Commission to deny the Application. As demonstrated in SoCalGas’s Opening Brief and further addressed herein, neither party has sustained its burden of producing evidence sufficient to overcome SoCalGas’s affirmative evidentiary showing. Their arguments rest on misinterpretations of Commission decisions, application of standards that exceed what the Commission requires for pilot-scale projects, and analytical deficiencies that, when examined against the record, do not withstand scrutiny.

SBUA supports the proposed pilot project (the SB 1440 Project or Project) subject to specific modifications regarding community engagement, emissions reporting, and future cost-effectiveness evaluation. SoCalGas addresses those recommendations below and reaffirms its commitment to meaningful stakeholder engagement and public reporting.

BAC’s Opening Brief strongly supports approval, providing extensive evidence from state agencies and expert bodies confirming that the Project will reduce greenhouse gas (GHG) and short-lived climate pollutant (SLCP) emissions, advance environmental and social justice (ESJ) goals, and create jobs in disadvantaged communities. SoCalGas appreciates BAC’s evidentiary support and addresses certain points requiring clarification.

Therefore, the Commission would be justified in approving the Application.

II. BURDEN OF PROOF

As noted in its Opening Brief, SoCalGas, as an applicant, has the ultimate burden of proof in this proceeding, and the applicable evidentiary standard is a preponderance of the evidence.¹ Intervenors bear a separate and distinct burden of production of evidence. If an intervenor proposes a result different from that asserted by the utility, the intervenor must go forward with evidence explaining a contrary position.

Cal Advocates, however, misconstrues the burden of proof by claiming that “[w]here the Commission entertains a reasonable doubt as to the applicant’s position, the applicant has not met its burden of proof.”² To the contrary, only where the intervenors’ evidence, when weighed against the utility’s showing, causes the Commission to entertain reasonable doubt does the utility fail to meet its ultimate burden. Intervenors ultimately did not produce evidence sufficient to refute SoCalGas’s evidentiary, as discussed below. Accordingly, SoCalGas has met the burden of proving that the proposed project is reasonable and that it is entitled to the relief sought in this proceeding.

III. RESPONSE TO SIERRA CLUB’S OPENING BRIEF

Sierra Club’s Opening Brief argues that the Commission should deny the Application on several grounds: (1) there is no certainty that funds will be directed to a gasification project; (2) the facility will not be connected to the pipeline network; (3) SoCalGas has not demonstrated GHG reductions because its evidence is hearsay and its lifecycle model is flawed; (4) the Project will harm ESJ communities by introducing a new source of pollution; and (5) the emissions study and reporting plans are deficient. Each of these arguments is addressed below.

A. Sierra Club’s Threshold Funding and Project-Certainty Argument Is Without Merit

Sierra Club contends that the Application improperly prioritizes investment in SoCalGas’s own infrastructure and provides “no certainty” that funds will support a gasification facility.³ This argument fundamentally mischaracterizes the Project’s structure and ignores the contractual protections already in the record.

¹ D.13-11-005 at 8.

² Cal Advocates Opening Brief at 3.

³ Sierra Club Opening Brief at 10-12.

First, the SB 1440 Pilot Project is a comprehensive, integrated undertaking consisting of ten interconnected project lanes, as illustrated in Figure 1 of SoCalGas’s Corrected Revised Direct Testimony.⁴ The utility-owned infrastructure in Lanes 7, 8, and 9 is not an independent investment in SoCalGas’s existing assets; it is purpose-built interconnection infrastructure that has no function absent the upstream gasification facility. The decanting station, point of receipt, and pipeline extension exist solely to receive and inject Bio-SNG produced by the West Biofuels, LLC (WBF) facility into the utility pipeline system. Without the WBF facility, these components would not be built.

Second, the record contains robust contractual protections. WBF must execute a modified Renewable Gas Interconnection Agreement, a California Producer Operational Balancing Agreement, and an SB 1440 Gasification/Pyrolysis Pilot Project Funding Agreement (Funding Agreement) within 120 calendar days of a Commission decision approving the Application.⁵ These agreements establish binding obligations and timelines. SoCalGas will not incur significant costs until WBF has demonstrated project readiness as set forth in the Funding Agreement.⁶ Additionally, the WBF facility is to be operational and trucking biomethane to the interconnection facility within five years after WBF receives notification that the Commission has approved the Application.⁷

Third, D.22-02-025 provides an independent financial safeguard: any unspent Cap-and-Invest allowance proceeds must be returned to ratepayers by December 31, 2032.⁸ This deadline operates as a hard constraint on the Project timeline so that ratepayer funds are not held indefinitely. Should the Project ultimately not move forward, the funds revert to ratepayers—a protection that Sierra Club entirely ignores.

Sierra Club’s characterization of the Funding Agreement as providing “no certainty” disregards the standard structure of complex infrastructure projects. The SB 1383 Dairy

⁴ Corrected Revised Prepared Direct Testimony of James Lucas and Dr. Matthew Summers on behalf of SoCalGas – Selection of Pilot Project (April 9, 2026) (Ex. SCG-02R) at JLMS-7.

⁵ *Id.* at JLMS-19; Application at 7.

⁶ Ex. SCG-02R at JLMS-19-20; Prepared Rebuttal Testimony of James Lucas and Dr. Matthew Summers on behalf of SoCalGas (April 10, 2026) (Ex. SCG-03) at JLMS-23.

⁷ Ex. SCG-02R at JLMS-19-20.

⁸ D.22-02-025 at 20 (Ordering Paragraph (OP) 48).

Biomethane Pilot Projects were similarly structured with phased implementation milestones and contingency protections.⁹ The Commission did not require absolute certainty of project completion before approving those projects, and it should not impose that standard here.

B. The Proposed Interconnection Satisfies Commission Requirements for Pipeline Connections

Sierra Club contends that the Project “will not be connected to the gas pipeline network” because the Bio-SNG will be trucked approximately 60 miles from the WBF facility in Kerman to SoCalGas’s proposed interconnection point in Visalia.¹⁰ This argument conflates the requirement for a pipeline extension with a requirement for a direct physical pipeline from the production facility to the existing gas system—a requirement that appears nowhere in D.22-02-025 or D.24-12-032.

As established in SoCalGas’s Opening Brief, D.17-12-004 explicitly defines a “pipeline extension” as infrastructure that “delivers biomethane from the point of receipt to the utility’s existing gas pipeline system.”¹¹ Lane 9 of the SB 1440 Pilot Project performs precisely this function: it connects the point of receipt (Lane 8) to SoCalGas’s existing pipeline network (Lane 10).¹² The Commission’s definition is functional—it identifies what a pipeline extension does, not how biomethane arrives at the point of receipt.

Moreover, the nearest pipeline capable of accepting the proposed volume of RNG is approximately 18 miles from the WBF facility, making a direct pipeline connection economically unfeasible.¹³ Requiring such a connection as a prerequisite to approval would effectively preclude any biomass-to-biomethane pilot project in locations where the nearest suitable pipeline is not immediately adjacent to the production facility—an outcome that would defeat the purpose of the Commission’s directive to test these technologies.

Trucking of compressed natural gas is an established practice in the industry and is used for several dairy RNG projects in California. Both BAC and SBUA agree with SoCalGas’s

⁹ See D.17-12-004.

¹⁰ Sierra Club Opening Brief at 12.

¹¹ D.17-12-004, Appendix A at 1.

¹² Ex. SCG-02R at JLMS-7, 9-10.

¹³ Ex. SC-14 at 7 (SoCalGas's Response 1a to Cal Advocates Data Request 1: Questions 2-5, 8-11).

interpretation of the pipeline extension requirement.¹⁴ Sierra Club identifies no Commission decision, statute, or regulation mandating a direct physical pipeline from the production facility to the utility system.

C. There Are Emission Reductions Attributable to the Project

Sierra Club argues that SoCalGas “cannot claim any emissions reductions attributable to the WBF facility” because there is purportedly no certainty that funds will support the facility’s construction.¹⁵ This argument is derivative of Sierra Club’s threshold funding argument, which SoCalGas has rebutted above. As demonstrated, the contractual framework and regulatory safeguards in the record provide reasonable certainty that the Project will proceed. The emissions reductions analyzed in SoCalGas’s testimony are appropriately attributed to the integrated SB 1440 Pilot Project as a whole.

D. Sierra Club’s Hearsay Objections to NREL’s Memo Are Late, Waived, and Inapplicable

Sierra Club argues, for the first time in this proceeding, that the Commission cannot rely on the memorandum prepared by Dr. Eric C. Tan of the National Laboratory of the Rockies (NREL Memo)¹⁶ because it is allegedly hearsay evidence and does not satisfy the “residuum rule” requiring an administrative agency’s decision to be supported by sufficient evidence.¹⁷ Sierra Club relies heavily on *TURN v. CPUC*, 223 Cal.App.4th 945 (2014), to argue that uncorroborated hearsay cannot provide the sole basis for a finding of GHG reductions. Sierra Club’s hearsay argument, however, is legally and factually flawed for several reasons.

First, Sierra Club waived any objections to the NREL Memo because it never filed a motion to strike or otherwise seek its exclusion based on the hearsay rule. In *TURN*, Cal Advocates filed a motion to strike portions of PG&E’s prepared and rebuttal testimony based on the hearsay rule.¹⁸ Cal Advocates sought to strike a declaration from a CAISO executive and a petition filed by CAISO with the Federal Energy Regulatory Commission to support PG&E’s

¹⁴ Testimony of Julia A. Levin Regarding the Application of SoCalGas Proposing Woody Biomass Pilot Project on behalf BAC (March 13, 2026) (Ex. BAC-01) at 7-8; Rebuttal Testimony of Ted Howard on behalf of SBUA (April 10, 2026) (Ex. SBUA-01) at 4.

¹⁵ Sierra Club Opening Brief at 12.

¹⁶ Ex. SCG-02R, Attachment 1.

¹⁷ Sierra Club Opening Brief at 13-16.

¹⁸ *TURN v. CPUC*, 223 Cal.App.4th 945, 952-953 (2014).

application to acquire a new power plant.¹⁹ The ALJ granted the motion to strike and limited the use of such evidence at the evidentiary hearings.²⁰

Here, Sierra Club did not file a motion to strike the NREL Memo, a requirement under *TURN* and California's rules of evidence.²¹ While Sierra Club did file a motion to strike the entirety of SoCalGas's second corrected revised testimony and portions of its rebuttal testimony, it did not request to strike the NREL Memo.²² Sierra Club's motion to strike sought to exclude (1) SoCalGas's second corrected revised testimony because it included a table with revised carbon intensity (CI) scores, (2) references to the new CI figures in SoCalGas's rebuttal testimony, and (3) references in rebuttal testimony to methane leakage, the project's distance from population centers, and impacts of air toxics.²³ On May 21, 2026, the ALJ issued a ruling denying Sierra Club's motion, instead allowing it to file sur-rebuttal testimony (May 21 Ruling).²⁴

Sierra Club further waived its right to object to the evidence jointly presented by the parties. Pursuant to the May 21 Ruling, on July 31, 2026 the parties filed a Joint Motion to Admit Evidence into the Evidentiary Record (Joint Motion).²⁵ The Joint Motion states that "the parties respectfully request that the Exhibits identified without objections in Attachment A be entered into the evidentiary record of this proceeding."²⁶ Sierra Club did not identify in Attachment A an

¹⁹ *TURN*, 223 Cal.App.4th at 952-953.

²⁰ *Id.*

²¹ *TURN*, 223 Cal.App.4th at 961 ("Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but over timely objection *shall not be sufficient in itself to support a finding* unless it would be admissible over objection in civil actions") (underline added, italics in original); Cal. Evid. Code §353 (a finding cannot be reversed if a party fails to object to improper admission of evidence).

²² See Sierra Club's Motion to Strike SoCalGas's Second Corrected Revised Testimony and Portions of Rebuttal Testimony (April 22, 2026), *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M605/K193/605193225.PDF>.

²³ *Id.*

²⁴ See ALJ's Ruling Granting Sierra Club's Motion in Part to Allow Sur-Rebuttal Testimony, Granting Sierra Club Motion for Evidentiary Hearing, and Revising Procedure Schedule (May 21, 2026), *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M607/K067/607067973.PDF>.

²⁵ See Joint Motion to Admit Evidence into the Evidentiary Record (July 31, 2026) (Joint Motion), *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M613/K155/613155678.PDF>.

²⁶ Joint Motion at 2.

objection to the NREL Memo. On August 19, 2026, the ALJ issued her Ruling Granting Joint Motion to Admit Exhibits into Evidence and Granting Motion to Seal.²⁷ Sierra Club therefore did not preserve an objection to the admission of the NREL Memo.

Second, Sierra Club could have cross-examined Dr. Tan but declined to do so. While Sierra Club contends that “intervenors had no opportunity to cross-examine the truth of [Dr. Tan’s] representations,”²⁸ in its Motion for Evidentiary Hearings Sierra Club stated that if the motion were granted, “Sierra Club may seek to compel Dr. Eric Tan as a witness to fully develop the material issue of greenhouse gas emissions reductions.”²⁹ On May 29, 2026, the ALJ issued a ruling granting the motion and setting hearing dates for July 28, 29 and August 31, 2026.³⁰ Despite having a full opportunity to do so, Sierra Club did not seek to cross-examine Dr. Tan and instead agreed to waive its right to do so.³¹

Third, the NREL Memo is not based on hearsay. In *TURN*, the hearsay evidence consisted of a declaration and a petition attached to testimony—documents prepared by persons who had no involvement in the proceeding and whose statements were the sole basis for the Commission’s finding of need. Here, by contrast, Dr. Summers is a sponsored witness with direct knowledge of the WBF facility’s design and operations. Dr. Summers reviewed, confirmed, and adopted Dr. Tan’s analysis as his own testimony.³² Dr. Summers also validated the model’s accuracy³³ and WBF provided supporting documentation.³⁴ A cursory review of the SoCalGas Modeling Spreadsheet PDF confirms that much of the data used in NREL’s model came from

²⁷ See ALJ’s Ruling Granting Joint Motion to Admit Exhibits into Evidence and Granting Motion to Seal (August 19, 2026), *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M615/K005/615005895.PDF>.

²⁸ Sierra Club Opening Brief at 15.

²⁹ See Sierra Club Motion for Evidentiary Hearing (May 15, 2026), *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M612/K428/612428825.PDF>.

³⁰ See Email Ruling Setting Dates for Evidentiary Hearing and Directing Prehearing Filings (May 29, 2026), *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M608/K058/608058206.PDF>.

³¹ See Email Ruling Taking Evidentiary Hearing Off Calendar and Confirming Procedural Schedule (issued July 21, 2026), *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M611/K588/611588490.PDF>.

³² Ex. SCG-02R at JLMS-13-17.

³³ Ex. SC-12 at 12 (SoCalGas Response to Question 10-6a).

³⁴ *Id.*; Ex. SC-15C, Atch-A (SoCalGas Modeling Spreadsheet PDF).

WBF.³⁵ Unlike the declarants in *TURN*, Dr. Summers was available for cross-examination and participated in discovery, responding to approximately 297 data request questions, many of which focused on the NREL's CI calculation and methodology.³⁶ Therefore, the NREL Memo does not amount to hearsay evidence.

Fourth, Sierra Club's assertion that the lifecycle modeling constitutes hearsay from a non-testifying analyst³⁷ mischaracterizes the evidentiary record. The lifecycle model and CI calculations presented in the NREL Memo were not submitted as standalone out-of-court statements. Rather, these were independently reviewed, verified, and adopted in full by Dr. Matthew Summers, a testifying witness.³⁸ Dr. Summers is a licensed Professional Engineer (PE) in California and a former State Air Resources Engineer with over 25 years of professional experience evaluating biological systems, air emissions, and bioenergy technology.³⁹ In discovery, SoCalGas confirmed that Dr. Summers, in consultation with Dr. Eric Tan, independently validated the model's accuracy by tracing mass and energy throughputs across all ten project lanes against active formulas and validated emission factors from the 2024 R&D GREET model.⁴⁰ Furthermore, Dr. Summers personally formatted the workbook to isolate project-specific lanes to support complete auditability.⁴¹

Because a qualified, testifying expert witness independently verified, sponsored, and offered sworn testimony adopting the lifecycle model—and was available for cross-examination, which Sierra Club voluntarily waived—the analysis constitutes direct, competent expert opinion

³⁵ Ex. SC-15C, Atch-A (SoCalGas Modeling Spreadsheet PDF).

³⁶ See, e.g., Ex. SC-03 at 5-10 (SoCalGas Responses to Questions 1-5 and 1-6); Ex. SC-04 at 1-4, 7-9, 12, 32 (SoCalGas Responses to Questions 2-1a, 2-1b, 2-1c, 2-1d, 2-4, 2-5, 2-6, 2-9, and 2-16c); Ex. SC-06 at 1-4, 6 (SoCalGas Responses to Questions 4-1, 4-2, 4-3, and 4-5); Ex. SC-07 at 24-25 (SoCalGas Responses to Questions 5-8a, 5-8b); Ex. SC-08 at 3-4, 7-9, 35-37, 39, 41, 43 (SoCalGas Responses to Questions 6-3a, 6-3b, 6-13a, 6-13b, 6-13c, 14a, 15a, 16); Ex. SC-09 at 1, 4, 11-15, 18 (SoCalGas Responses to Questions 7-1a, 7-2b, 7-5, 7-6a, 7-6b, 7-6c, 7-6d, 7-7b); Ex. SC-10 at 6, 8, 26-28 (SoCalGas Responses to Questions 8-4a, 8-5, 8-14a, 8-14b, 8-14c); Ex. SC-12 at 9, 12, 13 (SoCalGas Responses to Questions 10-5, 10-6a, 10-6b); Ex. SC-13 at 1-4, 6-7, 9-10 (SoCalGas Responses to Questions 11-1a, 11-1b, 11-1c, 11-1d, 11-2a, 11-2b, 11-3a, 11-3b).

³⁷ Sierra Club Opening Brief at 13-14.

³⁸ Ex. SCG-02R at JLMS-14-17; Ex. SCG-03 at JLMS-10-15.

³⁹ Ex. SCG-02R at JLMS-21-22.

⁴⁰ Ex. SC-12 at 12 (SoCalGas Response to Question 10-6a).

⁴¹ Ex. SC-10 at 27 (SoCalGas Response to Question 8-14b).

evidence under California Evidence Code §801. It is not hearsay, and the residuum rule is fully satisfied.

Fifth, the record contains substantial corroborating evidence beyond the NREL Memo. BAC’s testimony independently confirms the Project’s GHG reduction potential based on studies by CARB, Lawrence Livermore National Laboratory, and CalEPA.⁴² The GREET model itself, from which the emission factors are derived, is a publicly available, peer-reviewed tool developed by Argonne National Laboratory and widely used in regulatory proceedings. SoCalGas also provided its facility-specific methane leakage estimate using EPA protocols.⁴³ This independent, corroborating evidence more than satisfies the “residuum rule” noted in *TURN*.

Sixth, Sierra Club’s argument, if accepted, would establish a novel and unworkable standard for CPUC proceedings. Lifecycle emissions analyses for energy projects routinely rely on modeling performed by specialized consultants whose work is then adopted by sponsoring witnesses. Requiring that every modeler appear as a witness would fundamentally alter Commission practice and is not supported by the decisions Sierra Club cites.

Accordingly, the Commission has a legally sufficient evidentiary basis to make findings regarding the Project’s GHG reduction potential. Sierra Club’s hearsay argument should be rejected.

E. The Lifecycle Analysis Is Appropriately Based on GREET Methodology and Validated Emission Factors

Sierra Club argues that the NREL Model “is not the GREET model” and that mid-proceeding revisions to the CI estimates demonstrate a lack of scientific rigor.⁴⁴ These arguments mischaracterize the analysis and its relationship to GREET.

SoCalGas has never claimed to have run the GREET model in its entirety. Rather, the SB 1440 Pilot Project’s lifecycle analysis was conducted using the 2024 R&D GREET model’s validated emission factors and mathematical calculations applied to project-specific parameters.⁴⁵ This approach—applying GREET emission factors to project-specific inputs—is

⁴² Ex. BAC-01 at 2-5.

⁴³ Ex. SCG-03 at JLMS-19.

⁴⁴ Sierra Club Opening Brief at 16-17, 22-24.

⁴⁵ Ex. SCG-03 at JLMS-13-14.

standard practice for pilot-phase evaluations and policy-related analyses.⁴⁶ The GREET methodology may be validly applied so long as the analysis relies on identical mathematical calculations and validated emission factors.⁴⁷ D.22-02-025 does not mandate the use of any specific lifecycle emissions model, and 17 CCR §95893 is results-oriented and does not prescribe a particular analytical methodology.

With respect to the mid-proceeding revisions, SoCalGas updated Table 3 after Sierra Club’s witness identified an inconsistency in the treatment of biogenic carbon dioxide (CO₂).⁴⁸ The revision corrected the model to promote consistent treatment of biogenic carbon across all pathways—the base case and the use case. Far from demonstrating a lack of rigor, the correction demonstrates responsiveness to the adversarial process and a commitment to analytical accuracy. The non-CCS scenario is approximately 49% lower than conventional natural gas, while the CCS scenario is estimated to be carbon negative.⁴⁹

F. Sierra Club’s Critique of Base Case Assumptions and Avoided Emissions Is Not Supported by the Record

Sierra Club challenges SoCalGas’s use of whole orchard recycling (WOR) emissions as a baseline, arguing that the 1,700 gCO₂e/kg figure is “inflated” and that WOR should be treated as a carbon sink due to soil sequestration.⁵⁰ Sierra Club further contends that SoCalGas improperly claims “avoided” emissions when emissions are merely shifted in time and space.⁵¹ These arguments fail for several reasons.

First, the 1,700 gCO₂e/kg WOR emissions figure is derived directly from Culumber et al. (2025), a peer-reviewed academic study that Sierra Club’s own witness acknowledges is a valid summary of findings.⁵² The figure reflects total biogenic CO₂ emissions from WOR assessed over a 100-year time horizon, consistent with standard lifecycle analysis practices.

⁴⁶ *Id.*

⁴⁷ *Id.* at JLMS-13.

⁴⁸ *Id.* at JLMS-12, n.44.

⁴⁹ Ex. SCG-02R at JLMS-15-17; Ex. SCG-03 at JLMS-11-12.

⁵⁰ Sierra Club Opening Brief at 19-22.

⁵¹ *Id.* at 24-27.

⁵² Ex. SC-01R at 8-9; Ex. SCG-03 at JLMS-15.

Second, Sierra Club’s claim that WOR should be treated as a carbon sink is unsupported by the evidentiary record. The Culumber et al. study extrapolates a 20-year carbon retention period based on a 4-year study.⁵³ Sierra Club admitted in discovery that the study “provides no estimate for the amount of carbon remaining in the soil after a 100-year horizon.”⁵⁴ It is thus reasonable, and consistent with observed decomposition dynamics, to conclude that if approximately 93% of the biogenic carbon returns to the atmosphere within 20 years, the entirety of that biogenic carbon would be released over a 100-year timeframe.⁵⁵

Third, carbon stored in orchard soil residues is highly vulnerable to land use change, redevelopment, or modified agricultural practices, any of which would likely re-release stored carbon, nullifying any perceived “sink” benefit.⁵⁶ Sierra Club’s witness acknowledged that she is unaware of any CARB-certified fuel pathway that awards carbon intensity credits for non-permanent soil incorporation of biomass without a legally binding 100-year monitoring and verification plan.⁵⁷

Fourth, Sierra Club’s Figure 1⁵⁸ materially misrepresents the baseline by depicting only the WOR pathway while omitting three additional biogenic CO2 emission sources: (1) dairy bedding, (2) air curtain incineration, and (3) biomass plants.⁵⁹ By omitting these sources, the figure understates total CO2e emissions by approximately 30% and PM10 emissions by approximately 97%. The evidentiary record—specifically, SoCalGas’s Table 1—demonstrates that the base case encompasses multiple disposal methods and their associated emissions, not merely WOR.

Fifth, even using Sierra Club’s own methodology reveals that the SB 1440 Pilot Project provides GHG reductions compared to natural gas. Using Sierra Club’s proposed methodology,

⁵³ Ex. SCG-03 at JLMS-15.

⁵⁴ Ex. SCG-08 at 7 (Sierra Club Response to Question 4b).

⁵⁵ Ex. SCG-03 at JLMS-15.

⁵⁶ *Id.* at JLMS-16.

⁵⁷ Ex. SCG-08 at 7 (Sierra Club Response to Question 4a).

⁵⁸ Prepared Sur-Rebuttal Testimony of Emily Grubert and Ranjit (Ron) Sahu on behalf of Sierra Club (Ex. SC-02) at 6; Sierra Club Opening Brief at 25-26.

⁵⁹ Ex. SCG-02R at JLMS-15, Table 1.

which treats biogenic CO₂ emissions as carbon neutral and assigns them a CI value of zero,⁶⁰ Tables 1 through 3 were recalculated below using basic arithmetic. For the baseline case (Table 1), all CO₂ emissions are treated as biogenic, resulting in a total CI of 0 gCO₂e/MJ. This assumption is highly conservative because it excludes non-biogenic emissions associated with feedstock processing and handling activities, such as diesel fuel consumed during wood chipping, transportation, and other operational activities. For the Bio-SNG case (Table 2), direct plant CO₂ emissions are treated as biogenic,⁶¹ resulting in a CI of 7.25 gCO₂e/MJ without CCS and -78.28 gCO₂e/MJ with CCS. Similarly, for the Bio-CNG case (Table 3), tailpipe CO₂ emissions are treated as biogenic,⁶² resulting in a CI of 8.4 gCO₂e/MJ without CCS and -77.2 gCO₂e/MJ with CCS.

Table 1
Baseline Carbon Intensity and Criteria Pollutant Emissions

Biomass type	%	Base case disposal method	Qty	CI	NO _x	PM ₁₀	VOC	CO	SO _x
			kg/hr	gCO ₂ e /MJ	mg/MJ				
Almond shells	20%	100% dairy bedding	608	16.5 0	0.87	0.06	0.09	0.64	0.01
Sticks	10%	50% air curtain inc.	152	6.8 0	3.95	18.01	0.98	16.26	1.14
		50% biomass plant	152	8.2 0	5.07	0.12	0.07	0.90	9.32
Orchard removal	70%	90% incorporation	1914	100.9 0	2.73	0.18	0.29	2.00	0.04
		10% biomass plant	213	11.5 0	7.08	0.17	0.10	1.25	13.00
Total	100%		3038	143.9 0	19.69	18.55	1.53	21.05	23.53

⁶⁰ Ex. SC-02 at 7 (lines 11-13).

⁶¹ Ex. SC-10 at 3 (SoCalGas Response to Question 8-2).

⁶² *Id.* at 4.

Table 2
Bio-SNG Use Case Carbon Intensity and Criteria Pollutant Analysis

Use Case (Bio-SNG)	CI	NO _x	PM ₁₀	VOC	CO	SO _x
	gCO ₂ e /MJ	mg/MJ				
Feedstock logistics	1.55	3.80	0.25	0.41	3.03	0.07
Bio-SNG plant electricity	4.01	3.91	0.46	0.63	2.14	1.42
Bio-SNG plant direct emissions	116.55 0	10.26	0.83	0.71	2.33	0.31
CCS						
Bio-SNG compression and transportation	1.69	1.65	0.19	0.29	4.20	0.53
Total, g/MJ Bio-SNG	123.81 7.25	19.62	1.73	2.04	11.7	2.33

Use Case (Bio-SNG w/ CCS)	CI	NO _x	PM ₁₀	VOC	CO	SO _x
	g CO ₂ e/ MJ	mg/MJ				
Feedstock logistics	1.55	3.80	0.25	0.41	3.03	0.07
Bio-SNG plant electricity	4.01	3.91	0.46	0.63	2.14	1.42
Bio-SNG plant direct emissions ⁶³	23.31 -93.24	10.26	0.83	0.71	2.33	0.31
CCS	7.71	5.24	0.62	0.84	2.86	1.90
Bio-SNG compression and transportation	1.69	1.65	0.19	0.29	4.20	0.53
Total, g/MJ Bio-SNG	38.27 -78.28	24.86	2.35	2.88	14.57	4.23

Table 3
WTW Carbon Intensity for Bio-CNG

	CI LS-Diesel	CI NA-CNG	CI Bio- CNG	CI Bio-CNG with CCS
	Units in gCO ₂ e /MJ			
Feedstock	7.31	11.3	1.6	1.6
Fuel production	7.57	2.7	122.3 5.7	36.5 -79.9
Vehicle operation	75.66	56.1	56.1	56.1
Biogenic CO ₂ (VO) ⁶⁴	0	0	0 -55	0 -55
Avoided emissions	0	0	-143.9 0	-143.9 0
WTW (gCO₂e /MJ)	90.54	70.12	36.1 8.4	-49.7 -77.2

⁶³ For the Bio-SNG with CCS scenario, captured CO₂ is credited as a reduction in emissions. As a result, the CI is calculated 23.31 – 116.55 (from Table 1 above) = -93.24 g CO₂e/ MJ.

⁶⁴ The -55 represents tailpipe emissions which are considered biogenic. The 5.7 comes from the non-biogenic emissions from fuel production, which is 4.01 + 1.69 from Table 2. The -79.9 from the benefit of CCS while adding the non-biogenic emissions from fuel production, which is -93.24 (Table 2) + 4.01 (Table 2) + 7.71 (Table 2) + 1.69 (Table 2) = -79.9.

These results demonstrate that applying Sierra Club’s proposed treatment of biogenic CO₂ further reduces the calculated well-to-wheel (WTW) carbon intensity of the SB 1440 Pilot Project. In other words, under Sierra Club’s methodology, the project achieves even greater GHG reductions than those presented in SoCalGas’s original analysis.

Therefore, SoCalGas’s base case assumptions are correct and the project would reduce GHG emissions even under Sierra Club’s methodology.

Sixth, Sierra Club’s “avoided emissions” argument conflates the treatment of biogenic CO₂ in a WTW analysis with the treatment of methane. Under California’s regulatory framework, biogenic CO₂ from biomass combustion is considered part of the natural carbon cycle—biomass absorbs CO₂ during growth, and combustion releases it. The critical climate benefit of the Project is that it diverts waste biomass from disposal methods with higher total lifecycle emissions to a controlled process that produces lower-carbon energy. The SB 1440 Pilot Project’s use-case reports demonstrate that the CI for both scenarios (36.1 gCO₂e/MJ without CCS and -49.7 gCO₂e/MJ with CCS) are substantially below the CI of conventional natural gas at 70.12 gCO₂e/MJ.⁶⁵

G. Sierra Club’s Methane Leakage Claims Are Speculative and Unsupported

Sierra Club contends that the Project assumes zero methane emissions, that operational data from European biogas plants demonstrates substantial leakage risks, and that SoCalGas’s leak detection technology is inadequate.⁶⁶ None of these claims withstands scrutiny.

As demonstrated in SoCalGas’s Opening Brief, the Danish biogas study (Scheutz & Fredenslund 2019) cited by Sierra Club is inapplicable to the SB 1440 Pilot Project for multiple reasons: the study was conducted exclusively in Denmark, reflecting European regulatory regimes; none of the 23 biogas plants used woody biomass; the facilities used anaerobic digestion, not gasification and thermochemical methanation that would be used in the Project; many were built in the 1980s and 1990s before modern emission controls; and seven used open digestate storage, which the study identifies as a significant methane-emission source.⁶⁷ Sierra

⁶⁵ Ex. SCG-02R at JLMS-15-17.

⁶⁶ Sierra Club Opening Brief at 17-19, 38-39.

⁶⁷ Ex. SCG-03 at JLMS-17-18.

Club’s witness admitted in discovery that she neither agrees nor disagrees that this study is appropriate for estimating the SB 1440 Pilot Project’s methane emissions.⁶⁸

In addition, Sierra Club’s attempt to manufacture lifecycle methane risks by pointing to downstream vehicle transport and emergency flaring is contradicted by discovery admissions and facility engineering specifications. Sierra Club’s reliance on international literature (*e.g.*, Pan et al., 2020) to allege methane releases from on-board natural gas vehicle fuel storage tanks lacks foundational support.⁶⁹ In discovery, Sierra Club explicitly admitted that it possesses no knowledge or data demonstrating whether the foreign vehicles and fueling protocols evaluated in the Pan et al. study complied with U.S. NFPA 52 safety standards.⁷⁰ Extrapolating unregulated international venting behaviors to California-permitted fleets utilizing NFPA 52-compliant CNG vehicles operating on RNG is purely speculative and lacks support from the record.

Similarly, Sierra Club’s speculation that process downtime will cause “considerable” flaring⁷¹ ignores sworn facility engineering specifications. As established in discovery, flare usage is limited to 10 minutes per event for initial startup or emergency shutdown—totaling less than 0.5% of operating hours (~120 brief events) during first-year commissioning and dropping to just 8 to 10 brief events annually post-commissioning.⁷² Furthermore, the flare is an enclosed thermal oxidizer engineered specifically to combust syngas products with >98–99% destruction efficiency,⁷³ confirming that flaring emissions are *de minimis*.

In contrast, SoCalGas provided a facility-specific, component-level analysis using EPA protocols demonstrating that controlled methane leakage would be approximately 1.84 kg/day, or 0.0685 gCO₂e/MJ—representing only approximately 0.06% of total direct facility emissions.⁷⁴ This *de minimis* level confirms that fugitive emissions are negligible and were reasonably excluded from the lifecycle modeling.

⁶⁸ Ex. SCG-08 at 23.

⁶⁹ Ex. SC-02 at 16-17, n.38.

⁷⁰ Ex. SCG-08 at 13 (Sierra Club Response to Questions 7a, 7b).

⁷¹ Ex. SC-01R at 25-26.

⁷² Ex. SC-07 at 31 (SoCalGas Response to Question 5-9f).

⁷³ Ex. SC-04 at 23 (SoCalGas Response to Question 2-14a); Ex. SC-07 at 29 (SoCalGas Response to Question 5-9d).

⁷⁴ Ex. SCG-03 at JLMS-19.

Critically, Sierra Club’s witnesses performed no project-specific methane leakage calculation for the SB 1440 Pilot Project. Both witnesses confirmed that they “did not conduct any methane leakage calculations for the proposed Project.”⁷⁵ Dr. Grubert admitted that she has never worked as a design or operations engineer on chemical plants and possesses “no direct experience” with Leak Detection and Repair (LDAR) protocols for chemical plant equipment.⁷⁶ She further acknowledged that none of the biogenic methane projects she previously evaluated “have successfully implemented thermochemical conversion of biomass to Bio-SNG.”⁷⁷

By contrast, WBF employs regular scheduled inspections using advanced methane detection technologies, including handheld detectors, optical gas imaging cameras, and continuous monitoring systems within confined areas and buildings.⁷⁸ Dr. Grubert agreed that LDAR is considered an industrial “best management practice” and is “appropriately used for projects such as the proposed Project.”⁷⁹ Because the proposed Bio-SNG facility will utilize enclosed, pressurized, refinery-grade piping and vessels, Sierra Club’s reliance on biological anaerobic digestion leakage rates from an inapplicable study must be rejected as scientifically irrelevant.

Sierra Club’s argument regarding downstream supply-chain methane leakage⁸⁰ similarly fails. The SB 1440 Pilot Project’s lifecycle boundary is well-to-pipeline for plant emissions and well-to-wheels for vehicle operation emissions.⁸¹ The downstream pipeline system is subject to existing CPUC and CARB regulations governing methane leak detection and repair, including SB 1371 requirements. Attributing system-wide pipeline leakage to this individual pilot project would be analytically inappropriate and inconsistent with how every other fuel source’s lifecycle is assessed.

⁷⁵ Ex. SCG-08 at 19.

⁷⁶ Ex. SCG-06 at 1-2.

⁷⁷ Ex. SCG-06 at 4.

⁷⁸ Ex. SC-16 at 7 (SoCalGas's Response to Cal Advocates Data Request 2).

⁷⁹ Ex. SCG-08 at 1-2.

⁸⁰ Sierra Club Opening Brief at 18-19.

⁸¹ Ex. SCG-02R at JLMS-15-17.

H. Sierra Club's Claims Regarding CCS Feasibility Are Contradicted by Industry Evidence

Sierra Club characterizes the Project's CCS component as "speculative" and "unsupported."⁸² However, this characterization ignores commercially demonstrated CCS performance data in the record.

Industry evidence from major CCS providers demonstrates that capture rates of approximately 90% are standard, with some technologies exceeding 95%.⁸³ Companies such as GE Vernova, SLB Capturi, Shell CANSOLV, Baker Hughes, and Carbon Clean have demonstrated these levels in real-world applications.⁸⁴ In comparison, the Project's 78-80% capture target is conservative, well within the range of proven performance. The capture target therefore reinforces the credibility of the Project's emissions reduction goals rather than, as Sierra Club suggests, reflecting speculative aspirations.

Sierra Club also argues that there is no plan for CO₂ offtake or storage.⁸⁵ As SoCalGas's testimony explains, implementation of the CCS component will depend on securing an offtake partner for the captured CO₂.⁸⁶ The purpose of the pilot is to test and evaluate these technologies under real-world conditions, including the commercial viability of CO₂ offtake. Requiring a finalized offtake agreement before pilot approval would defeat the purpose of a pilot project, which is to generate the operational data and commercial experience necessary to inform future deployment.

Notably, the Project presents two use-case scenarios: one without CCS (CI of 36.1 gCO₂e/MJ) and one with CCS (CI of -49.7 gCO₂e/MJ). Even without CCS, the Project achieves a CI approximately 49% lower than conventional natural gas.⁸⁷ Accordingly, the Project demonstrates GHG reductions independent of the CCS component.

⁸² Sierra Club Opening Brief at 27-29.

⁸³ Ex. SCG-03 at JLMS-19.

⁸⁴ *Id.*

⁸⁵ Sierra Club Opening Brief at 28.

⁸⁶ Ex. SCG-02R at JLMS-13.

⁸⁷ Ex. SCG-03 at JLMS-11-12.

I. Sierra Club’s Claim That the Project Will Increase GHGs Is Unsupported

Sierra Club asserts that the Proposed Project will “almost certainly increase GHGs.”⁸⁸ This sweeping claim rests entirely on Sierra Club’s disputed biogenic carbon assumptions and its speculative methane leakage assertions—both of which SoCalGas has rebutted above. Sierra Club does not present an alternative lifecycle analysis demonstrating that the Project will increase GHGs. It offers no independent model, no facility-specific calculations, and no quantified assessment of net emissions. Instead, it offers theoretical objections to SoCalGas’s methodology without producing a competing analysis.

The record evidence demonstrates that the Project’s CI of 36.1 gCO₂e/MJ without CCS is substantially below the CI of conventional natural gas (70.12 gCO₂e/MJ).⁸⁹ BAC’s testimony, citing studies by CARB, CalEPA, and Lawrence Livermore National Laboratory, independently corroborates that converting waste biomass to energy reduces GHG and SLCP emissions.⁹⁰ Sierra Club’s claim of GHG increases is contradicted by the evidentiary record and should be rejected.

J. The Project Advances ESJ Goals and Sierra Club’s Localized Pollution Claims Are Unfounded

Sierra Club devotes a substantial portion of its Opening Brief to the argument that the Project would emit harmful pollutants in ESJ communities.⁹¹ This argument suffers from several fundamental deficiencies.

First, Sierra Club’s analysis considers only emissions from the facility itself, ignoring the substantial emissions that are avoided by diverting biomass from existing disposal practices—including air curtain burning, biomass plant, and diesel-intensive handling operations—that currently affect communities in the San Joaquin Valley.⁹² When compared on a net basis, the Project is expected to reduce total criteria pollutant emissions in the region. Sierra Club’s objection that baseline agricultural burning and diesel chipping locations vary across the Central California Almond Growers Association (CCAGA) service area ignores regional air basin

⁸⁸ Sierra Club Opening Brief at 29.

⁸⁹ Ex. SCG-02R at JLMS-15-17.

⁹⁰ Ex. BAC-01 at 2-5.

⁹¹ Sierra Club Opening Brief at 29-38.

⁹² Ex. SCG-03 at JLMS-14, 25, 29.

dynamics. Diverting 80 bone dry tons per day of agricultural residue across CCAGA's service area to the Kerman facility is expected to eliminate this volume from burning and processing that would otherwise occur across the San Joaquin Valley Air Basin. This would deliver net regional reductions in criteria pollutants (PM10, CO, SOx) that directly improve air quality in surrounding ESJ communities.⁹³

Second, the WBF facility is located approximately 7-to-8 miles from the populated areas of Kerman.⁹⁴ As demonstrated by the Gaussian plume model—the standard methodology for regulatory and screening assessments—atmospheric dispersion at this distance significantly reduces pollutant concentrations. At 7 miles, concentrations would be 0.00008 to 0.0008 times the property-line concentration, rendering impacts at Kerman effectively indistinguishable from regional background levels.⁹⁵ Sierra Club's witness Dr. Sahu admitted in discovery that his testimony "did not assume any distances" when providing findings on local health impacts,⁹⁶ a fundamental methodological flaw that undermines his conclusions. Furthermore, as BAC testified, CARB's community health guidance establishes buffer distances ranging from 300 feet (gas stations) to 1,000 feet (major distribution centers) to keep sensitive populations out of harm's way.⁹⁷ The facility's 7-to-8-mile (~37,000 feet) separation from Kerman exceeds CARB's maximum recommended buffer by more than 35 times, guaranteeing exponential atmospheric dilution.⁹⁸

Third, Sierra Club points to increases in VOCs and NOx (with CCS) between the base case and the use case as shown in SoCalGas's Tables 1 and 2.⁹⁹ However, when the complete lifecycle is considered—including the substantial reductions in PM10, CO, and SOx—the net criteria pollutant impact is a significant overall reduction.¹⁰⁰ Moreover, the baseline emissions from air curtain burning and biomass plants include substantial PM10 (18.55 mg/MJ in the base

⁹³ See Ex. BAC-01 at 4–5; Ex. SCG-02R at JLMS-14-15.

⁹⁴ Ex. SCG-03 at JLMS-29.

⁹⁵ Ex. SC-10 at 18.

⁹⁶ Ex. SCG-07 at 1 (Sierra Club's Response to Question 1a).

⁹⁷ Ex. BAC-02 at 4.

⁹⁸ Ex. SCG-03 at JLMS-29–30.

⁹⁹ Sierra Club Opening Brief at 32-33.

¹⁰⁰ Ex. SCG-02R at JLMS-15-17.

case versus the use case 1.73 mg/MJ and 2.35 mg/MJ w/CCS, resulting in reductions of 91% and 87% respectively), CO (21.05 mg/MJ in the base case versus the use case 11.7 mg/MJ and 14.57 mg/MJ w/CCS, resulting in reductions of 44% and 31%, respectively), and SO_x (23.53 mg/MJ in the base case versus the use case 2.33 mg/MJ and 4.23 mg/MJ w/CCS, resulting in reductions of 90% and 82% respectively). The selective presentation of VOC and NO_x without the full pollutant profile is misleading.

Also, the increase in NO_x emissions under the CCUS scenario is driven by electricity consumption associated with operating the CCUS equipment. Sierra Club fails to acknowledge that the electric grid emission factor used in the WBF project analysis is based on emissions from the Western Electricity Coordinating Council (WECC) region. Because the electric grid serving Fresno and Tulare Counties contains a significantly greater share of renewable generation than the WECC regional average, the use case analysis takes a conservative approach by using assumptions that likely overestimate the GHG and criteria pollutant emissions associated with electricity supplied from the grid.¹⁰¹

Fourth, Sierra Club criticizes SoCalGas for not analyzing nearby sensitive receptors or residences.¹⁰² However, the identification of sensitive receptors and the conduct of a health risk assessment are components of the air district permitting process, not prerequisites to Commission approval of a pilot project application. The SJVAPCD's Risk Management Policy requires that "[a]ll projects resulting in increases in hourly, daily, or annual potential to emit hazardous air pollutants . . . shall undergo public health risk evaluation as a part of the permit review process."¹⁰³ This process will occur after Commission approval and before construction permits are issued.

In sum, Sierra Club's ESJ arguments selectively present facility-level emissions while ignoring displaced baseline emissions, disregarding the 7-to-8-mile geographic buffer between the facility and populated areas, omitting the substantial reductions in PM₁₀, CO, and SO_x, and demanding pre-approval assessments that Commission decisions and air district rules assign to the post-approval permitting process. The evidentiary record demonstrates that the Project would

¹⁰¹ Ex. SC-04 at 30-32 (SoCalGas Responses to Question 16 a-c).

¹⁰² Sierra Club Opening Brief at 36.

¹⁰³ Ex. SCG-14 at 3 (San Joaquin Valley Unified Air Pollution Control District).

achieve a net reduction in regional criteria pollutant emissions, that its impacts on Kerman would be indistinguishable from background levels at the documented distance, and that the SJVAPCD's mandatory health risk evaluation will provide an independent safeguard before construction may proceed. Sierra Club's objections on this issue do not overcome SoCalGas's evidentiary showing and do not provide a basis for denying the Application.

K. No Legal or Regulatory Requirement Mandates Pre-Approval Health or Accidental Risk Assessments Before Application Is Approved

Sierra Club argues that SoCalGas should have conducted both a health risk assessment (HRA) and an accidental risk assessment before seeking Commission approval.¹⁰⁴ As demonstrated in SoCalGas's Opening Brief, neither assessment is required at this stage.

Sierra Club admitted in discovery that it is not aware of any CPUC decision or SJVAPCD rule requiring a finalized HRA "to be completed prior to a funding application approval for a pilot-scale project, rather than as a condition of subsequent construction and operating permits."¹⁰⁵ Sierra Club also admitted that it could not identify any "specific regulatory threshold" that the Project exceeds that would trigger a mandatory formal Risk Management Plan (RMP) or accidental risk assessment.¹⁰⁶ Sierra Club further conceded it could not identify "any previous biomethane or bioenergy pilot project approved by the CPUC or permitted by a California Air District where a formal accidental risk assessment, beyond standard industrial safety compliance, was required as a condition for the initial approval of the project application."¹⁰⁷

These admissions are dispositive. The regulatory framework assigns health risk evaluation to the SJVAPCD permitting process, not to the Commission's assessment of a pilot project application. If the SJVAPCD determines that the Project presents unreasonable health risks, it will deny permits.¹⁰⁸ The Commission's role at this stage is to evaluate whether the Project meets the Commission's own criteria for approval—not to substitute for the air district's permitting judgment.

¹⁰⁴ Sierra Club Opening Brief at 37-38.

¹⁰⁵ Ex. SCG-08 at 15.

¹⁰⁶ *Id.* at 16.

¹⁰⁷ *Id.* at 18.

¹⁰⁸ Ex. SCG-14 at 3-5.

L. SoCalGas's Emissions Reporting Framework Is Appropriate for This Stage of the Project

Sierra Club argues that SoCalGas's leak detection technology is inadequate and that it does not propose a monitoring system for health-harming pollutants.¹⁰⁹ These arguments are premature and misunderstand the sequential nature of project development.

SoCalGas has committed to thorough emissions documentation and reporting, and it will work with the Commission and relevant agencies to develop an appropriate reporting template consistent with D.21-09-020 and Commission General Order 66-D.¹¹⁰ The specific monitoring equipment and protocols will be finalized during the permitting and engineering design phase, when the facility's final configuration is known. SoCalGas and WBF support public reporting of emissions performance.¹¹¹ Both BAC and SBUA endorse making emissions information publicly available.¹¹²

Sierra Club's criticism that SoCalGas's proposed leak detection is calibrated only for safety-level concentrations¹¹³ overlooks that WBF employs advanced detection technologies including optical gas imaging cameras and continuous monitoring systems,¹¹⁴ and that the purpose of the pilot is precisely to study and evaluate emissions performance under operational conditions. Requiring finalization of all monitoring protocols before the Project is approved and designed would be circular—it would demand answers to the very questions the pilot is intended to address.

IV. RESPONSE TO CAL ADVOCATES' OPENING BRIEF

Cal Advocates recommends denial of the Application on the grounds that (1) D.17-12-004 is inapplicable; (2) the Project is not a pilot project; (3) the Project fails to satisfy several requirements of D.22-02-025 and D.24-12-032; (4) the Project does not comply with CARB

¹⁰⁹ Sierra Club Opening Brief at 38-39.

¹¹⁰ Ex. SCG-03 at JLMS-22-24.

¹¹¹ *Id.*

¹¹² Ex. BAC-01 at 10-11; Ex. SBUA-01 at 7.

¹¹³ Sierra Club Opening Brief at 38.

¹¹⁴ Ex. SC-16 at 7.

regulations; and (5) Project costs should not be added to rate base.¹¹⁵ SoCalGas addresses each argument in turn.

A. D.17-12-004 Provides Instructive Precedent for the SB 1440 Pilot Project

Cal Advocates argues that the SB 1383 Decision (D.17-12-004) is “inapplicable” to the SB 1440 Pilot Project for four reasons: the decision limited its scope to dairy pilots, the decisions have distinct requirements, the projects have different legislative origins, and the funding mechanisms differ.¹¹⁶

Cal Advocates’ argument conflates the scope of the SB 1383 proceeding with the question of whether prior Commission precedent may inform the Commission’s analysis in a subsequent proceeding. SoCalGas has never argued that the SB 1383 Decision’s specific requirements govern the SB 1440 Pilot Project. Rather, SoCalGas has consistently maintained that D.17-12-004 is instructive and informative—it provides a framework demonstrating how the Commission has previously evaluated and approved biomethane pilot projects under comparable circumstances.¹¹⁷ In fact, in noting that the scope of the SB 1383 proceeding was limited to dairy biomethane pilots,¹¹⁸ the Commission did not rule that the adopted framework would not be appropriate for other pilot projects.

The parallels are significant. Both the SB 1383 and SB 1440 pilot projects are designed to evaluate emerging biomethane pathways, generate data to inform future policy decisions, operate within established regulatory safeguards, and advance California’s GHG reduction goals.¹¹⁹ D.17-12-004 adopted specific findings that pilot projects deliver benefits through environmental improvements, ratepayer risk management, and the generation of operational experience and cost data.¹²⁰ These principles have general application to biomethane pilots.

¹¹⁵ Cal Advocates Opening Brief at iv.

¹¹⁶ *Id.* at 3-6.

¹¹⁷ Ex. SCG-03 at JLMS-22-24.

¹¹⁸ D.17-12-004 at 21 (Conclusion of Law (COL) 1) (“The scope of this proceeding is limited to dairy biomethane pilots and should not be expanded to other forms of biogas pilots”).

¹¹⁹ Ex. SCG-03 at JLMS-22-24.

¹²⁰ D.17-12-004 at 10-11, Appendix A at 3.

Cal Advocates' observation that the SB 1440 decision, *i.e.*, D.22-02-025, makes no mention of D.17-12-004¹²¹ does not support the conclusion that the SB 1383 framework is irrelevant. The Commission routinely considers prior decisions as informative precedent without expressly incorporating them into subsequent decisions. Both BAC and SBUA agree that D.17-12-004 provides relevant guidance.¹²²

B. The Project Is a Pilot Project with a Defined Temporal Scope

Cal Advocates argues that the Project is not a “pilot project” because it has no set end date and does not satisfy reporting requirements.¹²³ Both contentions are incorrect.

With respect to the end date, the Project operates under two binding temporal constraints. First, the WBF facility is to be operational within five years of receiving notification that the Commission approved the Application.¹²⁴ Second, D.22-02-025 requires that any unspent Cap-and-Invest allowance proceeds be returned to ratepayers by December 31, 2032.¹²⁵ These requirements provide meaningful temporal constraints on Project development and funding, and the Commission may establish an operating or reporting period as a condition of approval. As noted by Cal Advocates, the Commission in D.20-12-022 described the RNG Tariff program as an “ongoing” program without a defined duration and adopted a three-year duration;¹²⁶ the SB 1440 Pilot Project, by contrast, has two express deadlines that bound its duration. Ultimately, the Commission can set a different duration period, as in D.20-12-022.

With respect to reporting, SoCalGas has committed to emissions documentation and reporting and has proposed to work with the Commission to develop a reporting template.¹²⁷ Cal Advocates characterizes this as merely “a commitment” rather than a plan.¹²⁸ However, the specific parameters of emissions reporting will necessarily depend on the final facility design, the air district permitting conditions, and coordination with the Commission. The SB 1383 Dairy

¹²¹ Cal Advocates Opening Brief at 4.

¹²² Ex. BAC-01 at 11-12; Ex. SBUA-01 at 8.

¹²³ Cal Advocates Opening Brief at 6-7.

¹²⁴ Ex. SCG-02R at JLMS-20.

¹²⁵ D.22-02-025, OP 48 at 70.

¹²⁶ Cal Advocates Opening Brief at 6.

¹²⁷ Ex. SCG-02R at JLMS-20; Ex. SCG-03 at JLMS-22-24.

¹²⁸ Cal Advocates Opening Brief at 6-7.

Pilot Projects similarly developed their reporting parameters through a coordinated process after Commission approval, pursuant to Data Reporting Parameters established in D.17-12-004, Attachment B to Appendix B. The SB 1440 decision (D.22-02-025) did not specify data reporting parameters, and it is therefore appropriate for SoCalGas to develop those parameters in consultation with the Commission following approval.

C. Cal Advocates' Pipeline Extension and Gas Rule 45 Arguments Are Unavailing

Cal Advocates contends that SoCalGas fails to include “pipeline extensions to the pilot facilities” because the proposed pipeline extension (Lane 9) connects only two pieces of utility-owned infrastructure rather than extending from the WBF facility to the SoCalGas system.¹²⁹ Cal Advocates further invokes SoCalGas Rule No. 45’s definitions of “Interconnection Point” and “Interconnector's Facilities” to argue that trucking does not constitute an interconnection.¹³⁰

SoCalGas addressed Cal Advocates’ pipeline extension argument in its Opening Brief.¹³¹ To reiterate: D.17-12-004 defines a “pipeline extension” as infrastructure that “delivers biomethane from the point of receipt to the utility’s existing gas pipeline system.”¹³² Lane 9 performs precisely this function.¹³³

Cal Advocates’ invocation of SoCalGas Rule No. 45 is inapposite. Rule 45 governs the standard interconnection agreement for renewable gas producers that connect directly to utility pipelines. It does not establish the requirements for SB 1440 pilot projects, which are governed by D.22-02-025 and D.24-12-032. The Commission did not incorporate Rule 45 definitions into either decision’s requirements for woody biomass pilot projects. Cal Advocates’ attempt to import Gas Rule 45 terminology to redefine the scope of D.22-02-025 is without support.

Moreover, Cal Advocates’ argument, if accepted, would effectively require that the WBF facility be located immediately adjacent to an existing SoCalGas pipeline—a constraint that would severely limit potential project sites and that the Commission did not impose. The nearest pipeline capable of accepting the proposed volume of RNG is approximately 18 miles from the

¹²⁹ *Id.* at 7-9.

¹³⁰ *Id.* at 8-9.

¹³¹ SoCalGas Opening Brief at 13-14.

¹³² D.17-12-004, Appendix A at 1.

¹³³ Ex. SCG-02R at JLMS-7, 9-10.

WBF facility.¹³⁴ The use of CNG trucks to transport Bio-SNG from production facilities to injection points is an established industry practice that enables pilot projects in locations where direct pipeline connection would be prohibitively expensive.

D. SoCalGas Has Provided an Appropriate Level of CCS Implementation Detail for a Pilot Project Application

Cal Advocates argues that SoCalGas fails to “demonstrate that the carbon dioxide removal (CDR) technologies described in its Application will be implemented” because WBF has not secured a CO₂ offtake partner.¹³⁵ This argument imposes a standard that exceeds what D.24-12-032 requires.

D.24-12-032 requires that the pilot project “propose methods for using carbon dioxide in carbon capture and storage or use projects rather than venting it to the atmosphere” and “provide a detailed plan for how these methods will be implemented.”¹³⁶ SoCalGas satisfied this requirement by proposing CDR technologies in the Project and describing the CO₂ separation technologies being considered.¹³⁷ D.24-12-032 does not require a CO₂ offtake agreement. Therefore, SoCalGas complied with this requirement by proposing methods for using CO₂ and how it would be implemented.

Moreover, the Project presents two use-case scenarios: one with CCS and one without. Even without CCS, the Project achieves a CI of 36.1 gCO₂e/MJ—approximately 49% lower than conventional natural gas.¹³⁸ The CCS component is an additional enhancement, not a prerequisite to the Project’s GHG reduction demonstration.

E. The Project Complies with Applicable CARB Regulations

1. The Project Complies with 17 CCR §95893(d)(3) Because It Confers Primary Ratepayer Benefits

Cal Advocates contends that SoCalGas has not demonstrated that the Project will primarily benefit ratepayers because (a) no entity has committed to procuring the biomethane,

¹³⁴ Ex. SC-14 at 7.

¹³⁵ Cal Advocates Opening Brief at 9-10.

¹³⁶ D.24-12-032 at 10 (OP 2(b)).

¹³⁷ Ex. SCG-02R at JLMS-10, 12-13.

¹³⁸ Ex. SCG-03 at JLMS-11-12.

(b) SoCalGas does not claim the Project will primarily benefit ratepayers, and (c) the Commission's finding in D.25-05-003 denying PG&E's pilot project is controlling.¹³⁹

These arguments misapprehend the nature of ratepayer benefits from a pilot project and ignore that D.24-01-060 intentionally removed any utility procurement mandate for SB 1440 pilot projects.¹⁴⁰ By doing so, the Commission essentially clarified that ratepayer benefits are not solely dependent on a biomethane procurement contract. The Project will generate operational and cost data regarding conversion of woody biomass to Bio-SNG, methanation, carbon management, and pipeline interconnection—data that benefit present and future retail gas customers by providing system-wide learning that can help lower long-term gas procurement and interconnection costs.¹⁴¹

Total Project costs are capped at \$19.704 million and funded through Cap-and-Invest proceeds, subject to the requirement that unspent proceeds be returned to ratepayers.¹⁴² SoCalGas is not seeking to place any project costs in ratebase and will not earn a rate of return.¹⁴³ These protections distinguish the SB 1440 Pilot Project from a commercial venture and strictly limit ratepayer exposure.

Cal Advocates' reliance on D.25-05-003¹⁴⁴ is inapposite and does not compel a different result. Cal Advocates specifically requested the Commission to include as a scoped issue whether the Project is consistent with D.25-05-003.¹⁴⁵ In the Scoping Memo and Ruling, however, the Commission declined to include D.25-05-003 as an issue.¹⁴⁶ Therefore, whether the Project is consistent with D.25-05-003 is irrelevant.

Even assuming, *arguendo*, if such decision is relevant, the Commission's denial of PG&E's woody biomass pilot project application was also based on the specific facts and

¹³⁹ Cal Advocates Opening Brief at 14-16.

¹⁴⁰ D.24-01-060 at 1-3.

¹⁴¹ Ex. SCG-03 at JLMS-9-10.

¹⁴² *Id.* at JLMS-10.

¹⁴³ *Id.* at JLMS-21.

¹⁴⁴ Cal Advocates Opening Brief at 14, 16, 22.

¹⁴⁵ See SoCalGas's Revised Proposed List of Scoping Issues (January 7, 2026) at 2, *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M593/K231/593231343.PDF>.

¹⁴⁶ See Assigned Commissioner's Scoping Memo and Ruling (February 3, 2026) at 2-3, *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M596/K902/596902616.PDF>.

evidentiary record of that proceeding. Each application must be evaluated on its own record and merit. SoCalGas has presented a more comprehensive evidentiary showing, including project-specific lifecycle analyses, facility-specific methane leakage estimates, and detailed descriptions of project readiness safeguards.

2. The Project Complies with 17 CCR §95893(d)(5) Because It Demonstrates Expected GHG Reductions

Cal Advocates argues that SoCalGas has failed to demonstrate GHG reductions because (a) there is no confirmed end use for the biomethane, and (b) the CI analysis contains flaws identified by Sierra Club’s experts.¹⁴⁷ SoCalGas has addressed Sierra Club’s CI criticisms in Section III above.

With respect to end use, 17 CCR §95893(e)(4)(B) requires that GHG reductions be “based on comparing the expected GHG emissions with and without the use of the proceeds.” Cal Advocates reads this to require a confirmed end user. However, the regulation expressly permits the use of “estimated” reductions and “expected” emissions.¹⁴⁸ SoCalGas has provided estimated CI scores demonstrating that Bio-SNG from the Project has a substantially lower carbon intensity than conventional natural gas for any end use.¹⁴⁹ The Commission has previously recognized that biomethane injected into the pipeline system displaces traditional natural gas on a unit-for-unit basis, reducing GHG emissions.¹⁵⁰

3. The Project Complies with 17 CCR §95893(e)(4)(B) Because It Will Include Annual Reporting

Cal Advocates argues that SoCalGas will be unable to conduct the GHG comparison required under 17 CCR §95893(e)(4)(B) without a confirmed end use.¹⁵¹ This argument conflates the ex ante demonstration of expected GHG reductions at the application stage with the ex post reporting that occurs during project operation. The purpose of the annual report is to document actual emissions performance after the Project is operational. SoCalGas has committed to

¹⁴⁷ Cal Advocates Opening Brief at 16-22.

¹⁴⁸ Cal. Code Regs., Title 17, §95893(d)(5), (e)(4)(B).

¹⁴⁹ Ex. SCG-02R at JLMS-15-17.

¹⁵⁰ D.20-12-031 at 13.

¹⁵¹ Cal Advocates Opening Brief at 22.

comprehensive reporting and will develop the required reporting framework in coordination with the Commission.¹⁵²

F. SoCalGas Has Met the Coordination and Consultation Requirements

Cal Advocates argues that SoCalGas did not coordinate siting with the Department of Conservation (DOC) because WBF was the sole respondent to the solicitation.¹⁵³ While SoCalGas has acknowledged that its engagement with DOC was limited to providing information given that WBF was the only qualified respondent,¹⁵⁴ SoCalGas nonetheless discussed with DOC whether the Project could be strategically placed to qualify under SB 155.¹⁵⁵ SoCalGas also consulted with the CPUC's Energy Division, the City of Visalia, and the SJVAPCD regarding project structure, regulatory requirements, and potential siting.¹⁵⁶ The D.22-02-025 requirement to coordinate "strategic placement" must be interpreted in context: when only one qualified developer responded to the solicitation, the siting options are necessarily constrained. SoCalGas's consultations were reasonable and appropriate under the circumstances.

G. Project Costs Will Not Be Added to Rate Base

Cal Advocates and SoCalGas agree that the Project costs should not be added to rate base.¹⁵⁷ SoCalGas has repeatedly confirmed that it is not proposing to use the \$19.704 million in Cap-and-Invest allowance proceeds to ratebase pipeline infrastructure costs, is not seeking to place any project costs in ratebase, and will not earn a rate of return on the Project.¹⁵⁸ WBF is responsible for ongoing maintenance and operations costs associated with its developer-owned infrastructure.¹⁵⁹ There is no dispute on this issue.

¹⁵² Ex. SCG-03 at JLMS-22-24.

¹⁵³ Cal Advocates Opening Brief at 12.

¹⁵⁴ Prepared Testimony of Bridget Horan and Ryan Condensa on behalf of Cal Advocates (Ex. PAO-01), Attachment 1 at 13.

¹⁵⁵ Ex. SCG-02R at JLMS-9.

¹⁵⁶ *Id.* at JLMS-9; Ex. SCG-03 at JLMS-27.

¹⁵⁷ Cal Advocates Opening Brief at 22-23; SoCalGas Opening Brief at 24.

¹⁵⁸ Ex. SCG-03 at JLMS-20-21.

¹⁵⁹ *Id.* at JLMS-21.

H. SoCalGas Supports Public Reporting Subject to Appropriate Confidentiality Protections

Cal Advocates recommends that methane leakage and emissions reporting be made publicly available.¹⁶⁰ SoCalGas and WBF agree and support public reporting of methane emissions performance.¹⁶¹ SoCalGas will work with the Commission and relevant agencies to develop a reporting template consistent with D.21-09-020 and Commission General Order 66-D.¹⁶² To the extent any information in the reports warrants confidential treatment, SoCalGas will work with the Commission so that redactions are limited to what is strictly necessary and that confidential copies are available to the Commission and Cal Advocates.

V. RESPONSE TO SBUA'S OPENING BRIEF

SBUA supports approval of the Application subject to specific modifications and commitments.¹⁶³ SoCalGas appreciates SBUA's conditional support and addresses each of SBUA's recommendations below.

A. SoCalGas Supports SBUA's Recommendation for a Comprehensive ME&O Plan

SBUA recommends that the Commission require SoCalGas to submit a marketing, education, and outreach (ME&O) plan with draft materials.¹⁶⁴ SoCalGas and WBF remain committed to robust and meaningful stakeholder engagement and will initiate broader outreach following Commission approval.¹⁶⁵ Conducting significant engagement activities prior to approval, where the Project's scope or design may change based on the Commission's determination, would be premature and could create confusion.¹⁶⁶

However, SoCalGas does not oppose a requirement to submit an ME&O plan within a specified period following Commission approval. WBF has already held preliminary discussions with CCAGA and its grower members, the Western Tree Nut Association, and the Almond Board

¹⁶⁰ Cal Advocates Opening Brief at 23.

¹⁶¹ Ex. SCG-03 at JLMS-22.

¹⁶² *Id.* at JLMS-23-24.

¹⁶³ SBUA Opening Brief at 1.

¹⁶⁴ *Id.* at 3.

¹⁶⁵ Ex. SCG-03 at JLMS-27.

¹⁶⁶ *Id.* at JLMS-27-28.

of California regarding the Project and potential feedstock partnerships.¹⁶⁷ SoCalGas is prepared to develop a comprehensive plan that addresses outreach to small and diverse businesses, community and labor stakeholders, and disadvantaged communities, consistent with SBUA's recommendation.

B. SoCalGas Supports Encouraging Participation from Local, Small, and Diverse Businesses

SBUA recommends that the Commission require specific, enforceable commitments giving effect to SoCalGas's representation that "[t]he 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."¹⁶⁸

SoCalGas supports compliance with the Commission's General Order (G.O.) 156, which governs the development of programs to help increase participation of diverse business enterprises.¹⁶⁹ The Project is expected to create over 120 jobs, including permanent, construction, supplier, and induced positions, and will promote local hiring, small business participation, and workforce development.¹⁷⁰ SoCalGas is prepared to work with WBF, SBUA and the Commission to encourage participation from local, small, and diverse businesses in this Project.

C. SoCalGas Supports Cost-Effectiveness Evaluation for Any Future Program Expansion

SBUA recommends that if the pilot is deemed successful and subsequently proposed as a program, the Commission should require a full cost-effectiveness analysis, including tangible and intangible benefits.¹⁷¹ SBUA also recommends that zero- and low-cost financing be made available if the Project transitions to a program.¹⁷²

SoCalGas does not oppose a requirement for cost-effectiveness evaluation in connection with any future program expansion. SoCalGas has acknowledged that it has not performed a

¹⁶⁷ *Id.* at JLMS-27.

¹⁶⁸ SBUA Opening Brief at 2, citing Ex. SCG-02R at 6.

¹⁶⁹ General Order (GO) 156, *available at*:
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M466/K761/466761945.pdf>.

¹⁷⁰ Ex. SCG-03 at JLMS-27.

¹⁷¹ SBUA Opening Brief at 4.

¹⁷² *Id.* at 4-5.

cost-effectiveness analysis for the current pilot phase because such analysis is not required under D.22-02-025 for pilot projects.¹⁷³ The purpose of the pilot is precisely to generate the operational and cost data necessary to conduct a meaningful cost-effectiveness analysis in the future.

SoCalGas agrees that any future program proposal should be supported by a comprehensive analysis of costs and benefits.

With respect to financing conditions for a future program, SoCalGas notes that the current pilot project is funded entirely through Cap-and-Invest proceeds and does not require incremental funding through customer rates. Any future program design would be addressed in a separate proceeding where such issues would be appropriately considered.

D. SoCalGas Supports Quarterly Emissions Reporting

SBUA recommends that SoCalGas be required to report quarterly on project emissions, including carbon monoxide, carbon dioxide, and nitrogen oxides.¹⁷⁴ SoCalGas supports this recommendation and is committed to transparent, regular reporting of the Project's emissions performance.¹⁷⁵ Quarterly reporting will enable the Commission, stakeholders, and the public to evaluate the Project's environmental performance on an ongoing basis and to identify and address any deficiencies promptly.

SoCalGas agrees with SBUA's observation that firm emissions commitments and reporting requirements are important to advancing ESJ Action Plan Goals 1, 2, and 7.¹⁷⁶ SoCalGas will work with the Commission and relevant agencies to develop a quarterly reporting template that covers GHG emissions, criteria air pollutants, and methane leakage performance. To the extent any reported information warrants confidential treatment, SoCalGas will limit confidentiality claims to what is strictly necessary so that public versions provide meaningful transparency.

VI. RESPONSE TO BAC'S OPENING BRIEF

BAC's Opening Brief strongly supports approval of the SB 1440 Pilot Project and provides extensive evidentiary support from state agencies and expert bodies confirming the

¹⁷³ Ex. SCG-12 at 2.

¹⁷⁴ SBUA Opening Brief at 5.

¹⁷⁵ Ex. SCG-03 at JLMS-22.

¹⁷⁶ SBUA Opening Brief at 5-6.

Project's environmental, economic, and public health benefits.¹⁷⁷ SoCalGas appreciates BAC's detailed and well-supported advocacy and offers the following brief response.

A. BAC's Evidence Independently Corroborates the Project's Emissions Reduction Benefits

BAC cites numerous studies by CARB, CalEPA, Lawrence Livermore National Laboratory, and the Clean Air Task Force demonstrating that converting waste biomass to energy significantly reduces GHG and SLCP emissions.¹⁷⁸ BAC specifically notes that converting agricultural waste to bioenergy can cut both black carbon and methane emissions by 98% compared to pile burning or wildfires.¹⁷⁹ This evidence is consistent with and corroborative of SoCalGas's lifecycle analysis, which demonstrates that the Project's CI is substantially below that of conventional natural gas.

BAC further notes that CARB and Lawrence Livermore National Laboratory have both concluded that bioenergy with carbon capture and sequestration (BECCS) provides the single largest potential for carbon-negative emissions in California, with BECCS capable of providing two-thirds of all the carbon-negative emissions needed for carbon neutrality.¹⁸⁰ The SB 1440 Pilot Project, if approved, would provide important real-world data on the feasibility and performance of this critical pathway.

B. BAC's Evidence Reinforces the Project's ESJ and Economic Benefits

BAC provides detailed evidence from CARB, the Clean Air Task Force, and the Rand Corporation demonstrating that organic waste-to-energy projects generate significant numbers of high-skill, high-paying, and permanent jobs.¹⁸¹ BAC also notes that the Project furthers the Governor's California Jobs First initiative and is consistent with at least six regional plans that call for increased bioenergy.¹⁸² This evidence reinforces SoCalGas's showing that the Project advances ESJ Goals 2 and 7 and provides meaningful economic benefits to disadvantaged communities in the San Joaquin Valley.

¹⁷⁷ BAC Opening Brief at 1-11.

¹⁷⁸ *Id.* at 2-5.

¹⁷⁹ *Id.* at 3.

¹⁸⁰ *Id.* at 4-5.

¹⁸¹ *Id.* at 7-8.

¹⁸² *Id.* at 7-8.

C. BAC's Observations Regarding Sierra Club's Testimony Are Well-Supported

BAC observes that Sierra Club's testimony "ignores the state's expert agencies' findings that waste biomass conversion provides significant emissions reduction benefits" and that Sierra Club's "statements about biomethane have been inconsistent and contradictory over the past few years."¹⁸³ While SoCalGas does not adopt every characterization in BAC's Opening Brief, SoCalGas notes that BAC's observations are supported by the record.

Specifically, Sierra Club filed comments in the underlying rulemaking proceeding categorically opposing woody biomass pilot projects before the Commission even began considering specific proposals.¹⁸⁴ The record demonstrates that Sierra Club's opposition in this proceeding is consistent with its longstanding position expressed at the outset of the Commission's consideration of woody biomass pilot projects, rather than being driven by the specific facts of the SB 1440 Pilot Project.

BAC also notes that Sierra Club's testimony does not address the findings of CARB, CalEPA, or other expert state agencies regarding the benefits of converting waste biomass to energy.¹⁸⁵ Sierra Club's failure to engage with this substantial body of institutional analysis is noteworthy and further supports the conclusion that the weight of the evidence favors approval.

VII. CONCLUSION

For the foregoing reasons, and as demonstrated in SoCalGas's Opening Brief and this Reply Brief, the preponderance of the evidence supports approval of the SB 1440 Pilot Project.

The arguments raised by Sierra Club and Cal Advocates do not overcome SoCalGas's affirmative evidentiary showing. Sierra Club's claims rest on an inapplicable European biogas study, a disputed interpretation of biogenic carbon accounting, an argument for zero methane leakage calculation while itself performing none, and demands for pre-approval assessments that no Commission decision or air district regulation requires. Cal Advocates' arguments rely on a strained reading of the pipeline extension requirement, an improper equation of pilot-project uncertainty with regulatory noncompliance, and an unsupported assertion that ratepayer benefits

¹⁸³ *Id.* at 8-11.

¹⁸⁴ R.13-02-008, Sierra Club Comments on Ruling Directing Parties to File Comments on Phase 4A Staff Proposal and Related Questions (June 30, 2021) at 34-35, *available at*: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M389/K956/389956488.PDF>.

¹⁸⁵ BAC Opening Brief at 8-9.

require a procurement contract. Neither party has presented evidence demonstrating that the SB 1440 Pilot Project will fail to reduce emissions, that the Project's lifecycle methodology is unreasonable, or that the Project does not satisfy the Commission's eligibility criteria.

SBUA's conditional support, coupled with its constructive recommendations regarding community engagement, quarterly reporting, and future cost-effectiveness evaluation, confirms that the Project, with appropriate modifications, merits approval.

BAC's Opening Brief provides independent and substantial evidentiary support for the Project's environmental, economic, and public health benefits, citing studies by CARB, CalEPA, Lawrence Livermore National Laboratory, the Clean Air Task Force, and multiple air quality districts. This evidence corroborates SoCalGas's showing and reinforces the conclusion that the Project advances California's climate, air quality, and environmental justice objectives.

The Commission directed SoCalGas and PG&E to propose woody biomass pilot projects because questions remain regarding operational performance, emissions characteristics, costs, and scalability of these technologies. The SB 1440 Pilot Project is designed to answer those questions through real-world operation and data collection. The Project is funded through Cap-and-Invest proceeds, subject to the approved cost cap, does not involve ratebase investment, and includes contractual protections so that ratepayer funds are directed to a viable project or returned to ratepayers.

Denying the SB 1440 Pilot Project would leave the Commission's questions unanswered and prevent it from obtaining the operational, emissions, and cost information it determined was necessary. Accordingly, SoCalGas respectfully requests that the Commission approve the SB 1440 Pilot Project as proposed, with the modifications recommended by SBUA that SoCalGas has endorsed herein.

Respectfully submitted,

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