



California Public Utilities Commission
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PRESS RELEASE

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CPUC SETS BIOMETHANE TARGETS FOR UTILITIES

SAN FRANCISCO, February 24, 2022 - The California Public Utilities Commission (CPUC), in ongoing efforts to support clean energy, today set biomethane procurement targets for utilities to reduce short-lived climate pollutant (SLCP) emissions.

The decision establishes a biomethane procurement program that is carefully crafted to help achieve the state's SLCP goals, which call for a 40 percent reduction in methane and other SLCPs by 2030.

Renewable gas procurement will reduce otherwise uncontrolled methane and black carbon emissions in our waste, landfill, agricultural and forest management sectors. These sectors are responsible for more than 75 percent of the state's methane emissions, according to California Air Resources Board 2019 data. Reducing SLCPs, which are a far more potent greenhouse gas than carbon dioxide, is one of the most effective ways to slow the pace of climate change.

Senate Bill 1440 (Hueso, 2018) authorizes the CPUC to adopt biomethane procurement targets or goals for the gas utilities it regulates, and Senate Bill 1383 (Lara, 2014) requires California to reduce emissions of methane by 40 percent below 2013 levels by 2030. The biomethane will displace some of the fossil fuel natural gas that utilities supply to their customers.

The decision establishes short-term and medium-term procurement goals, including:

- The short-term 2025 biomethane procurement target is 17.6 billion cubic feet of biomethane, which corresponds to 8 million tons of organic waste diverted annually from landfills. Each utility will be responsible for procuring a percentage of the total in accordance with its proportionate share of natural gas deliveries.

- The medium-term 2030 target for biomethane procurement is 72.8 billion cubic feet per year. This higher amount will help the state achieve its goal to reduce methane emissions 40 percent by 2030. It reflects approximately 12 percent of current residential and small business (known as “core gas customers”) gas usage in 2020.
- Because biomethane from dairies is currently incentivized in other state programs, under the decision it may be procured to satisfy only the medium-term target, after the utility has procured sufficient biomethane from organic waste diverted from landfills to divert its share of 8 million tons of organic waste. For the medium-term goal, there is a ceiling on dairy biomethane of 4 percent of total biomethane procurement. Measures are required to avoid adverse environmental impacts to air and water quality from any dairies that provide biomethane.

“Tackling methane and other short-lived climate pollutants is critical given our climate crisis,” said Commissioner Clifford Rechtschaffen, who is assigned to the proceeding. “This decision will reduce emissions from some of the state’s leading methane sources.”

“It is formidable to decarbonize because carbon has been the input and output of so much of our economy for so long,” said President Alice Busching Reynolds. “This reality comes into even more focus as we move beyond the easier first steps into the more complex ones. This decision considers a variety of different interests and viewpoints and strikes a good balance to advance the critical goal of decarbonization.”

“Through this decision, we ensure timely action on short-lived climate pollutants in a cost-effective manner,” said Commissioner Darcie L. Houck.

The proposal voted on is available at

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M453/K954/453954308.PDF>.

Documents related to the proceeding are available at

https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R1302008.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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