California Public Utilities Commission
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PRESS RELEASE
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CPUC ACTS TO ADVANCE UNDERSTANDING OF HYDROGEN'S ROLE AS DECARBONIZATION STRATEGY

SAN FRANCISCO, Dec. 15, 2022 – The California Public Utilities Commission (CPUC) today adopted two decisions to assess the feasibility and safety implications of utilizing clean renewable hydrogen as a decarbonization strategy for the natural gas system and hard-to-electrify industries.

The CPUC allowed Southern California Gas Company to proceed with an initial phase of feasibility studies for the Angeles Link Project, which envisions a transmission pipeline dedicated for clean renewable hydrogen transport to serve hard to electrify uses in the Los Angeles Basin.

Clean renewable hydrogen holds promise as a potential solution to decarbonize California's energy future and bring economic opportunities and new jobs to the Los Angeles region. Clean renewable hydrogen will likely be needed to decarbonize hard-to-electrify industries such cement, chemicals, and shipping, as well as to potentially replace fossil gas fired generation, including power plants supplied by the Aliso Canyon Natural Gas Storage Facility. The feasibility studies approved today as part of the Angeles Link project will contribute more broadly to the understanding of hydrogen's role in decarbonizing the State's economy.

The CPUC directed SoCalGas to join the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES), California's public-private partnership formed to accelerate the deployment of clean, renewable hydrogen projects and to apply for federal funding for a localized clean energy hydrogen hub. SoCalGas is not requesting CPUC approval of the Angeles Link Project or the recovery of any costs at this point, although SoCalGas may do so in future phases of this proceeding.

In a separate decision today, the CPUC ordered Pacific Gas and Electric Company, Southwest Gas Corporation, SoCalGas, and San Diego Gas & Electric to continue filing biomethane-related reports and to develop pilot projects to evaluate standards for the safe injection of renewable hydrogen into California's pipeline system. The decision implements recommendations by an independent study commissioned by the CPUC and carried out by UC Riverside to design real-world hydrogen blending program to test the safety and operational impacts on the gas system, appliances, and local air quality. The pilots will be designed to ensure the long-term safety of the California pipeline system and specifically monitor for leakage, with input from expert and community-based stakeholders.

"These decisions will improve California's understanding of the role clean, renewable hydrogen can play in our long-term decarbonization strategies," said Commissioner Clifford Rechtschaffen.

The CPUC has taken numerous actions to facilitate the use of clean gaseous fuels, including biomethane. Assembly Bill 1900 (Gatto, 2012) established a procedure to ensure the safety of biomethane injected into California's pipeline system and required the CPUC to order investor-owned utilities to provide access to any producer wishing to interconnect to the pipeline system for the purpose of delivering biomethane to California customers. The CPUC subsequently determined that biomethane could be safely injected into the pipeline system and adopted injection standards relating to human health and pipeline integrity. The CPUC also established a $40 million incentive program to facilitate interconnection of biomethane production facilities to the pipeline system, and issued numerous decisions intended to facilitate the injection of biomethane. On February 24, 2022, the CPUC established a Renewable Gas Standard for the utilities to meet by the end of 2030, as well as a cost-effective means of procurement and adopted provisions to achieve additional co-benefits.

The Angeles Link Project proposal voted on is available at docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K891/499891989.PDF and documents related to the proceeding are available at apps.cpuc.ca.gov/p/A2202007.

The hydrogen blending proposal voted on is available at docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K892/499892531.PDF and documents related to the proceeding are available at apps.cpuc.ca.gov/p/R1302008.

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