

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Southwest Gas Corporation
GAS (Corp ID 905)
Status of Advice Letter 1213G
As of June 15, 2022

Subject: Joint Utilities AL: Renewable Gas Procurement Plan Template pursuant to Decision 22-02-025.

Division Assigned: Energy

Date Filed: 05-20-2022

Date to Calendar: 05-27-2022

Authorizing Documents: D2203025

Disposition:	Accepted
Effective Date:	05-20-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Valerie Ontiveroz

702 876-7323

valerie.ontiveroz@swgas.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



SOUTHWEST GAS CORPORATION

May 20, 2022

Advice Letter No. 1213-G
(Southwest Gas Corporation ID U 905-G)

Advice Letter No. 5981-G
(Southern California Gas Company ID U 904-G)

Advice Letter No. 3088-G
(San Diego Gas and Electric Company ID U 902-G)

Advice Letter No. 4612-G
(Pacific Gas and Electric Company ID U 39-G)

Public Utilities Commission of the State of California

**Subject: Renewable Gas Procurement Plan Template pursuant to Decision
22-02-025**

Purpose

Southwest Gas Corporation (Southwest Gas), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) (collectively, the Joint Utilities), hereby submit this Advice Letter to provide the Renewable Gas Procurement Plan (RGPP) template in compliance with Ordering Paragraph (OP) 12 in Decision (D.) 22-02-025.

Background

On February 25, 2022, the California Public Utilities Commission (Commission or CPUC) issued D.22-02-025, implementing Senate Bill (SB) 1440 by setting biomethane (renewable natural gas (RNG) and/or bio-synthetic natural gas (bio-SNG)) procurement targets for the gas utilities' core customers to reduce short-lived climate pollutant emissions and adopting provisions to achieve additional co-benefits and timetables for each investor-owned utility providing gas service in California. This decision requires, among other items, the following as indicated in OP 12:

Within 60 days of the effective date of this decision, [SoCalGas, PG&E, SDG&E and Southwest Gas] shall host a workshop on the Renewable Gas Procurement Plan (RGPP). The workshop agenda shall be based on the discussion in Section 3.3.3.3 of this decision. Following the workshop, the



utilities shall produce a template RGPP to standardize filings for each utility's RGPP. The template RGPP shall be filed as a Tier 1 Advice Letter within 30 days of the workshop.

In accordance with OP 12, the Joint Utilities held the RGPP workshop on April 22, 2022. The RGPP workshop consisted of four panels addressing the various questions posed in Section 3.3.3.3 in D.22-02-025 to obtain input from stakeholders regarding the standard contents of each utility's RGPP, including:

- Project cost, priorities, and non-economic benefits,
- Procedure necessary to ensure additionality and verifiability,
- Criteria to verify project viability, high uptime, and accurate deliverability of promised volume of biomethane, and
- Cost control mechanisms, such as cost caps and rate increase limits.

The Joint Utilities collaborated to develop the RGPP template, taking into consideration stakeholder input.

RGPP Template

The RGPP template is intended to standardize future RGPP filings of the Joint Utilities in Rulemaking (R.) 13-02-008 or a successor proceeding no later than January 1, 2023,¹ and to evaluate feasibility and provide guidance on compliance mechanisms necessary to successfully meet the 2025 short-term biomethane procurement target of 17.6 billion cubic feet (Bcf) annually, produced from eight million tons of organic waste.² This template serves as an outline to these respective filings, where further details addressing elements described in D.22-02-025 as well as from input provided during the April 22, 2022 RGPP workshop, as applicable, will be provided in the forthcoming RGPP filings.³

The following describes the RGPP template provided as Attachment A.

Section I. Introduction

This section will provide a brief summary of D.22-02-025, including the purpose of RGPP. This section will also discuss applicable non-compete and confidentiality rules for the utilities.

¹ D.22-02-025, at 39, OP 31.

² *Id.* at 30-31, and OP 14.

³ *See id.*, at 36. Procurement decisions should take into consideration the ways in which modifications and/or expanded operations at a wastewater treatment plant, landfill, or other facility to increase biomethane production would contribute to or detract from economic, health, and non-energy benefits for local communities. Further, numerous elements are expected to be considered as part of the standard biomethane procurement methodology (SBPM) to help support procurement prioritization and/or planning purposes. To the extent applicable, they may be discussed in the RGPP.



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Section II. Procurement Targets

This section will summarize the utility's short-term and medium-term procurement targets and will discuss target level adjustments per D.22-02-025, including market feasibility, and mechanisms the utility may utilize to meet its procurement targets.

Section III. Procurement Methodology

This section will provide a general description of the utility's procurement methodology, including the SBPM, project priorities and evaluation, non-economic benefits, and contract approval processes. Each utility will also provide discussion of their respective Procurement Advisory Group (PAG).

Section IV. Risk Environment

This section will include a discussion of risk environment.

Section V. Cost Control Mechanisms

Each utility will discuss their general cost control mechanisms, such as project cost caps, program cost caps, etc.

Section VI. General Contract Requirements

This section will discuss various Staff recommendations outlined in Section 3.3.3 of D.22-02-025, including verifiability, feedstock agreement, deliverability, quality, and operational requirements (i.e., carbon monoxide limit, hydrogen sulfide limit, prohibition of diesel vehicles, etc.), and addressing performance standards.

Section VII. Annual Reporting

Each utility will discuss prior year activity, including actual renewable gas procurement levels, ratepayer bill impacts and incremental capital and/or operations expenses in comparison to RGPP approved levels.

This Advice Letter will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

Effective Date

The Joint Utilities believe this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (Effective Pending Energy Division Disposition) pursuant to General Order (GO) 96-B. The Joint Utilities respectfully request that this Advice Letter be made effective May 20, 2022, which is the date this Advice Letter was submitted.



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Protest

Anyone may protest this Advice Letter to the Commission's Energy Division. The protest must state the grounds upon which it is based with specificity and must be sent no later than 20 days after the date of this Advice Letter submission. Protests are to be submitted electronically to the Commission's Energy Division at:

Email: edtariffunit@cpuc.ca.gov

The protest shall also be electronically sent to the Joint Utilities at the addresses shown below on the same date it is electronically delivered to the Commission:

For Southwest Gas: ATTN: Valerie J. Ontiveroz
 Regulatory Manager/California
 Email: valerie.ontiveroz@swgas.com
 Email: regserve@swgas.com

For SoCalGas: ATTN: Gary Lenart
 Regulatory Tariff Manager
 Email: GLenart@socalgas.com
 Email: Tariffs@socalgas.com

For SDG&E: ATTN: Greg Anderson
 Regulatory Tariff Manager
 Email: GAnderson@sdge.com
 Email: SDGETariffs@sdge.com

For PG&E: ATTN: Sidney Bob Dietz II
 Director, Regulatory Relations
 Email: PGETariffs@pge.com

Notice

Pursuant to Energy Industry Rule 3.1(2), the Joint Utilities are exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since this Advice Letter is submitted in compliance with OP 12 and it will not increase any rate or charge, cause the withdrawal of service, or conflict with any schedule or rule.

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Service

In accordance with GO 96-B, General Rule 7.2, this Advice Letter is being served to the utilities and interested parties shown on the attached distribution list and the Commission's official service list in R.13-02-008.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 
Valerie J. Ontiveroz

Attachment

Distribution List

Advice Letter No. 1213-G

In conformance with GO 96-B, General Rule 4.3

The following individuals or entities have been served by electronic mail:

Matt Baker, Director
Public Advocates Office
Matt.Baker@cpuc.ca.gov

Pacific Gas & Electric Company
PGETariffs@pge.com

Southern California Gas Company
GLenart@socalgas.com
Tariffs@socalgas.com

San Diego Gas & Electric Company
SDG&ETariffs@SempraUtilities.com

Robert M. Pocta
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Nathaniel Skinner
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nathaniel.skinner@cpuc.ca.gov

ATTACHMENT A

Advice Letter No. 1213 et al.
Joint Utilities
Renewable Gas Procurement Plan
Template

- I. Introduction
 - a. Background
 - i. D.22-02-025 Final Decision
 - 1. General Background
 - 2. Purpose of Renewable Gas Procurement Plan (RGPP)
 - b. Environmental and Social Justice
 - i. Environmental and Social Justice principles/commitments
 - c. Disclaimer Section
 - i. Applicable non-compete and confidentiality rules
- II. Procurement Targets
 - a. Biomethane procurement targets¹
 - i. Short-term
 - ii. Mid-term
 - b. Discussion of target level adjustments per D.22-02-025
 - c. Other mechanisms to help IOUs meet the targets
 - d. Market feasibility/analysis
- III. Procurement Methodology
 - a. General description on procurement methodology
 - b. Per the D.22-02-025, Project Priorities/Evaluation:
 - i. SBPM Cost Effectiveness (*See Appendix A*)
 - ii. Non-Economic Benefits
 - iii. Criteria used in the RGPP to verify project viability, high uptime, and accurate deliverability of promised volume of biomethane
 - iv. Procedure needed to ensure additionality and verifiability
 - c. Contract Approval Process
 - i. Reference Ordering Paragraph (OP) 13 of D.22-02-025 (i.e., the three-tier Advice Letter approval process)
 - d. Procurement Advisory Groups
- IV. Risk Environment
 - a. Discussion of risk environment
- V. Cost Control Mechanisms
 - a. General description of cost control mechanisms (i.e., project cost caps, program cost caps, etc.)

¹ Per each individual IOU's targets (i.e., % and volumes)

ATTACHMENT A

Advice Letter No. 1213 et al.
Joint Utilities
Renewable Gas Procurement Plan
Template

- VI. General Contract Requirements
 - a. General contract requirements per D.22-02-025
 - b. Standardized elements of contracts

- VII. Annual Reporting
 - a. Per Page 40 of D.22-02-025, this includes actual procurement levels, ratepayer bill impacts, and incremental capital infrastructure and/or operations and maintenance costs for the prior year compared to the estimated levels that were approved in the IOUs' respective RGPPs

APPENDIX A: Standard Biomethane Procurement Methodology

[Insert SBPM Filing from OP 2 of D.22-02-025]



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
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Email: