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August 29, 2022

Advice No. 6025
(U 904 G)

Public Utilities Commission of the State of California

Subject: Southern California Gas Company's Request to Make Modifications to the Adopted Voluntary Pilot Renewable Natural Gas Tariff Program Pursuant to Decision 20-12-022

Purpose

Pursuant to Ordering Paragraph (OP) 1(e) of Decision (D.) 20-12-022, Southern California Gas Company (SoCalGas) submits this Advice Letter (AL) to the California Public Utilities Commission (Commission or CPUC) to modify, not expand, certain aspects of program design for the voluntary Renewable Natural Gas Tariff program (RNG Tariff) adopted in D.20-12-022. The purpose of these changes is to: (1) remove the residential customer subscription option, enrollment website, and marketing or outreach, (2) make the RNG Tariff available to municipalities that wish to purchase RNG to comply with CalRecycle Senate Bill (SB) 1383 regulations, and core commercial and industrial (C&I) customers, (3) reduce the two-year subscription for non-residential customers to one-year, and (4) change the handling of future purchases to cover RNG shortages at a 12-month basis instead of annual.

Background

On February 28, 2019, SoCalGas and San Diego Gas & Electric Company (SDG&E, together the Utilities) filed Application (A.) 19-02-015 (Application). The Utilities requested authority to establish a voluntary RNG Tariff program for their residential as well as their small commercial and industrial customers to purchase renewable natural gas (RNG) as a portion of their regular natural gas services.

On April 13, 2020, the Utilities submitted for Commission approval a Settlement Agreement on their behalf along with the Public Advocates Office, Environmental

Defense Fund, Bioenergy Association of California, The Renewable Natural Gas Coalition, Agricultural Energy Consumers Association, and SFE Energy California.

On December 17, 2020, the Commission issued D.20-12-022, establishing a three-year voluntary pilot RNG Tariff program for the Utilities. The decision was largely based on the framework and elements of the Settlement Agreement, with some modifications. The Utilities were directed to submit an AL within six months from the issuance of D.20-12-022 (i.e., December 22, 2020), to advise the Commission whether they will implement the authorized program.

On June 14, 2021, the Utilities requested an extension of time to comply with OP 1(a) of D.20-12-022. As noted in the request, the Commission provided guidance[1] that the Utilities should consider long-term contracts for the voluntary RNG pilot program in conjunction with any RNG procurement authorized in SB 1440. As such, the Utilities requested an extension of time to comply with OP 1(a) to 15 days following the issuance of a final decision implementing SB 1440 in Rulemaking (R.) 13-02-008 to assess any potential impacts to the RNG Tariff offering. On June 21, 2021, Executive Director Peterson granted the Utilities' request.

On February 24, 2022, the Commission issued a final decision, D.22-02-025, in R.13-02-008—Implementing Senate Bill 1440 Biomethane Procurement Program (SB 1440 Program).

Proposed Modifications

The Utilities filed the RNG Tariff Application to expand renewable energy options available to customers and to begin decarbonizing the gas supply of those customers wishing to participate. While the program adopted in D.20-12-022 differs from the Utilities' original proposal, as well as the subsequent Settlement Agreement, SoCalGas believes there is considerable value in implementing the RNG Tariff to provide a decarbonization option to its customers.[2] However, since the issuance of D.20-12-022, several events have occurred that may impact the market and demand for the RNG Tariff and accordingly, SoCalGas has reassessed the design of the RNG Tariff program with the aim of maximizing both its potential for success and the amount of system decarbonization achieved while minimizing costs.

D.22-02-025 implemented SB 1440 and authorized a Renewable Gas Standard (RGS) that mandates gas utilities to procure RNG for core customers at annually increasing amounts, reaching a medium-term target equivalent to 12.2% of core customer gas demand by 2030, of which the Utilities' share would be approximately 40 billion cubic feet (Bcf).[3] SB 1440 Program procurement for the RGS will provide a

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[1] D.20-12-022 at 25-26, 46-47, and 50 (Findings of Fact 15).
[2] SDG&E submitted its AL 2987-G on March 14, 2022, to notify the Commission of its intent to not implement the RNG Tariff in its territory for the reasons noted therein.
[3] D.22-02-025 at 60.

significantly greater volume of RNG to core customers than the 0.06 – 0.3 Bcf originally estimated to be provided by the RNG Tariff pilot.[4]

Unlike the SB 1440 Program, the RNG Tariff pilot was authorized (barring review and decision by the Commission) to operate for only five (5) years.[5] This means that SoCalGas will not enter into contracts longer than five years for RNG Tariff supply and may possibly have to go back to the market for an even shorter-term contract if demand exceeds the original supply contract. Shorter contract periods limit potential cost savings possible from longer term contracts[6] because the price per therm for the RNG Tariff will likely be much higher than RNG contract prices for the SB 1440 Program as SoCalGas will be a price taker for RNG Tariff RNG supply. Conversely, the RNG contracts for the SB 1440 Program will be longer-term (up to 15 years in duration)[7] and with much greater volume, providing SoCalGas with greater negotiating power and possible cost savings by offering longer term contracts. Consequently, RNG supplied for SB 1440 Program targets will provide a broader and deeper decarbonization of the natural gas system for residential customers at a much lower cost point than the RNG Tariff.

Although D.22-02-025 allowed customers to also participate in the RNG Tariff (purchasing additional RNG above the SB 1440 targets),[8] it did not address the ability for SoCalGas to utilize any stranded RNG purchased for the RNG Tariff to be used to meet the SB 1440 targets as requested in joint utility comments. Without this procurement backstop, there is an increased risk that the utilities will be locked into contracts or have stranded RNG supplies if the Voluntary Tariff is not approved to continue after the third year.[9]

Additionally, in 2021 SoCalGas began to receive several inquiries from local governments desiring to purchase RNG that would comply with CalRecycle SB 1383 regulations for the procurement of recycled organic material starting in 2022.[10] The SB 1383 regulations require that beginning January 1, 2022, all cities and counties provide organic waste collection services to all residents and businesses and also recycle these organic materials at recycling facilities such as anaerobic digestion facilities that create biofuel and electricity or composting facilities that make soil amendments. City and county governments are also required to procure prescribed amounts of products from in-state recycled organic material depending on their

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[4] High estimate at year five, medium estimate was 0.15 Bcf, low estimate was 0.06 Bcf. A.19-02-015, Ch 10. Prepared Second Supplemental Direct Testimony of Grant Wooden and Reginald M. Austria, Appendix D.
[5] D.20-12-022 at 56, OP 1.(f), (three-year pilot period with a two year wind down).
[6] In D.20-12-022 at 24-25, the Commission recognized "that long-term contracts could be beneficial for the voluntary pilot program." Intervenors such as The Utility Reform Network and Coalition of California Utility Employees supported long-term contracts as well. *Id*. at 24.
[7] D.22-02-025 at 72, OP 56.
[8] *Id*. at 71, OP 51.
[9] D.20-12-022 Appendix A.IV.(b)2 at A-5.
[10] *See* 14 C.C.R. § 18993.1.

population. Allowed recycled products are the following: compost, mulch that meets SB 1383 regulations, renewable gas used as fuel for transportation, electricity, or heating applications and electricity generated from biomass conversion of municipal-solid-waste.[11]

Mandatory SB 1383 compliance may create demand by local governments for RNG purchased through the RNG Tariff for their core accounts. Local governments have expressed a genuine interest in purchasing RNG to meet their compliance mandates during conversations with SoCalGas because they expressed limited need or utilization of compost or mulch over the longer term. Local governments are ideal customers because they generally prepare budgets for annual spending in advance, which creates more demand certainty for the RNG Tariff and therefore greater revenue certainty.

The original design of the RNG Tariff did not fully consider this potential market for RNG and the procurement demands placed on local governments by SB 1383. A program more tailored to customers with SB 1383 compliance obligations and/or hard-to-electrify non-residential customers would help decrease overall program administrative and marketing costs if the program is not authorized to proceed after the third year.

Experience with the Green Tariff/Shared Renewables (GTSR) Programs at electric utilities has shown the significant difficulty utilities have fully recovering energy, marketing, and administration costs in voluntary green energy programs. The majority of costs to implement and support the RNG Tariff are in the administration and marketing budgets. Looking at each individually, administration costs are driven by the number of potential customers, the resources expected to support them, and the amount of marketing or outreach performed. Marketing costs are driven by the number of potential customers, marketing frequency, the number of marketing channels and administrative overhead. In order to reduce the risk of stranded costs that may remain if the RNG Tariff is not approved to continue after the third year, SoCalGas is proposing the new program design, which would reduce administration costs and marketing costs.

In addition, to further reduce potential administration costs, SoCalGas proposes the RNG Tariff program focuses on higher volume RNG customers and lower-touch customers that are not expected to require support by the Customer Contact Centers or the program administrator. These would be primarily core C&I customers who have contact with Account Executives (AEs) and local governments who have contact with both AEs and Public Affairs Managers. To reduce marketing costs and the associated administration costs, the program will not have marketing materials or outreach materials. If SoCalGas sees adequate interest and support at the end of three years, SoCalGas may submit a Tier 3 AL to begin marketing to customers.

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[11] *Id*.

Additionally, enrollment in the RNG tariff would not be provided online at www.socalgas.com, which would eliminate IT maintenance costs for the enrollment system and will significantly reduce potential customer calls to the call center. Information on the RNG Tariff will be provided in a tariff statement online[12] with the other tariffs that SoCalGas provides. Enrollment will be via e-mail registration to an e-mail address listed on the tariff sheet. Confirmation of enrollment including the welcome e-mail and all other reporting to the customer will be as per the program design authorized in D.20-12-022.

In conclusion, SoCalGas proposes to redesign the RNG Tariff and target business customers (commercial, industrial and the local governments) looking to either comply with SB 1383 procurement mandates or meet their own environmental and sustainability goals. The proposed changes would allow for a significant reduction in administration and marketing costs, could potentially optimize the effectiveness of the RNG Tariff in reducing greenhouse gas emissions

SoCalGas therefore proposes the following modifications to the RNG Tariff:

1. Removal of the residential customer subscription option at this time;
2. Removal of the enrollment website at this time;
3. No marketing or outreach at this time;
4. Modification of the program reporting frequency from quarterly to semi-annually (every six months) to reduce the administration requirements of SoCalGas and the CPUC;[13]
5. Reduction of the two-year subscription for non-residential customers to a one-year subscription requirement to encourage greater customer participation; and
6. Change to the handling of RNG shortages with purchases in future months at a 12-month basis instead of annual.

Proposed changes are attached as redlines to the original decision, including new estimated budget amounts for Administration and Marketing.

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[12] *See* https://tariff.socalgas.com/regulatory/tariffs/tariffs-rates.shtml.

[13] A quarterly reporting cadence was originally proposed to provide more familiarity with RNG to the Commission and stakeholders, with the issuance of D.22-02-025 and establishment of RNG procurement goals, familiarity with RNG as an energy solution has increased and quarterly reporting should not be required.

Protests

Anyone may protest this AL to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be submitted electronically and must be received within 20 days after the date of this AL, which is September 18, 2022. Protests should be submitted to the attention of the Energy Division Tariff Unit at:

E-mail: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this AL should also be sent electronically to the attention of:

Attn: Gary Lenart
Regulatory Tariff Manager
E-mail: GLenart@socalgas.com
E-mail: Tariffs@socalgas.com

Effective Date

OP 1(e) of D.20-12-022 directs SoCalGas to submit this AL as Tier 3 pursuant to General Order (GO) 96-B and, as such, requires a Resolution to be issued by the Commission. SoCalGas respectfully requests that it be approved by the Commission at the earliest opportunity.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists in A.19-02-015 and R.13-02-008. Address change requests to the GO 96-B service list should be directed via e-mail to Tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at Process_Office@cpuc.ca.gov.

/s/ Joseph Mock
Joseph Mock
Director – Regulatory Affairs

Attachments

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

(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 proposed[1]:

Pending advice letters that revise the same tariff sheets:

[1]Discuss 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:	 Zip:
	Name: Title: Utility Name: Address: City: State: Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx: Email:	 Zip:

ATTACHMENT A

Advice No. 6025

Redlined Appendix A

Adopted Voluntary Pilot Renewable Natural Gas Tariff Program

Redlined Appendix A

Adopted Voluntary Pilot Renewable Natural Gas Tariff Program

I. General

A. Southern California Gas Company ("SoCalGas") and San Diego Gas & Electric Company ("SDG&E") (together referred to as the Utilities) are authorized to implement a voluntary pilot Renewable Natural Gas ("RNG") Tariff program (hereinafter referred to as the "RNG Tariff program"), pursuant to the terms of this document.

B. The Utilities may propose modifications to the program design or the reporting frequency other than subscription levels by submission of a Tier 3 Advice Letter (AL) for Commission approval. The Utilities may change the program's subscription levels without Commission approval. (*see* Section V(B), *infra*)

C. The goals of the voluntary RNG Tariff program are: (1) to accelerate the use of renewable, low carbon RNG and the development of RNG supplies in California and nationally, and (2) reduce greenhouse gas ("GHG") and Short-Lived Climate Pollutant ("SLCP") emissions in California.

II. Program Review

A. The RNG Tariff program will be reviewed three years after the date of the first customer bill for participation in the RNG Tariff program (program initiation date).

B. The Utilities shall submit and serve a Tier 3 for Commission review of the program and approval for continuation of the pilot AL by the third-year anniversary from the program initiation date. The Utilities shall provide the details of, and results from, the program to date. The scope of the review shall be the following:

1. Estimates of net GHG and SLCP emissions reductions achieved under the program, and reductions in the Cap-and-Trade obligations incurred by the Utilities.
2. Annual in- and out-of-state RNG supplies procured to meet the RNG Tariff program demand and the status of the Utilities' compliance with the procurement requirement under Public Utilities (Pub. Util.) Code Section 651(b)(3)(B) (*see* Section IV(A)(8), *infra*). The Utilities shall provide whether this requirement is met and explain any unusual circumstances or challenges that were encountered.
3. Evaluation of new or additional production of RNG in-state and nationally, if any, resulting from procurement activities to date.

4. Procurement costs.
5. Number of participants in the program and their annual program demand.
6. Historic, current, and projected future customer subscription levels (as defined in Section V(B), *infra*).
7. Average premiums (as defined in Section V(G)(2), *infra*) experienced by program participants (i.e., the difference between their RNG charges and regular gas charges).
8. The results of a qualitative survey of customer satisfaction (funded by the RNG Tariff program).
9. A recommendation on strategies for procuring incremental supplies from new RNG projects in California.
10. The records of in-state dairy RNG suppliers' compliance with applicable air and water pollution control standards or requirements.
11. Confirmation that volumes of RNG procured to meet program demand were delivered by contracted facilities and the environmental attributes of the RNG were not sold, transferred, claimed, or used by the generating facility or other entity.

C. The Utilities shall demonstrate that the RNG Tariff program has resulted in reduced GHG emissions compared to a business-as-usual calculation, using the carbon accounting methodologies specified in Section IV.C, *infra*. Whether the RNG Tariff program results in reduced GHG emissions after three years, and the quantity and cost of these emissions, will be a primary consideration of the Commission, along with other elements in the scope of review, when evaluating whether the program is reasonable to continue.

D. The Utilities shall continue to administer the pilot program pending Commission's disposition of the Tier 3 AL. If continuation of the pilot program is not approved, the Utilities shall terminate the RNG Tariff program within two years from the Tier 3 AL disposition date to allow time to conclude participation, contract obligations, etc. Upon a Commission decision, the Utilities shall cease incurring marketing expenses for the program and minimize administrative costs. The program duration is from the program initiation date to the program termination date. The Utilities' reporting of dairy RNG suppliers' compliance with applicable air and water pollution control requirements shall continue until the termination date.

III. RNG Definition

A. RNG, also known as biomethane, is a biogas emitted from agricultural and waste products, and upgraded to a quality similar to fossil (traditional) natural gas.

B. RNG procured under the RNG Tariff program must meet the following criteria:
   1. The Utilities shall only procure biomethane for the RNG Tariff program as defined in Health & Safety Code § 25420 or pipeline compatible (or eligible) renewable gas derived from biomass conversion as defined in Public Resources Code § 40106.
   2. Allowable organic waste sources of RNG shall not include crops grown solely for energy production (commonly referred to as "purpose-grown crops").
   3. Utilities maintain certain flexibility in the location and types of RNG purchased for the RNG Tariff program, subject to the limitations provided by the other provisions in this document.
   4. Utilities shall procure only RNG that has lower carbon intensity than the carbon intensity of traditional natural gas, using a lifecycle analysis based on a modified Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation ("GREET") methodology for California used by the Low Carbon Fuel Standard ("LCFS") program.
   5. The Utilities shall only procure RNG supplies from in- and out-of-state sources that meet "Applicable Standards" consistent with the Cap-and-Trade Regulation under California Code of Regulation, Title 17 (17 CCR) Section 95852.2 and 95852.1, respectively. "Applicable Standards" for out-of-state RNG supplies is defined in 17 CCR Section 95852.1.1 as follows:

      > RNG eligible for the biomethane exemption requirements set in the Mandatory Reporting of Greenhouse Gas Emissions ("MRR") and Cap-and-Trade Regulation, including that the RNG must be either: (A) an increase in the biomass derived fuel production capacity, at a particular site, where an increase is considered any amount over the average production at that site over the last three years; or (B) recovery of the fuel at a site where the fuel was previously being vented or destroyed for at least three years or since commencement of fuel recovery operations, whichever is shorter, without producing useful energy transfer.

   6. If there are any changes to the Applicable Standards or any subsequent changes in the state regulation of RNG that apply to the RNG procured under this program, and, if deemed necessary after consultation with the Procurement Advisory Group (PAG), Utilities shall file a Tier2 AL proposing changes to the above Applicable Standards in accordance with the new state law and regulation.

IV. Procurement

A. General

1. SoCalGas's~~s~~ Gas Acquisition Department ("Gas Acquisition") shall be responsible for procuring RNG for the purposes of serving load for SoCalGas and SDG&E customers that voluntarily accept service under the RNG Tariff program.
2. Gas Acquisition shall have at its disposal all available Commission-approved tools used when contracting for traditional natural gas, including but not limited to storage, regulatory account over / under-collection adjustments, and selling excess RNG supplies.
3. RNG supplies procured for this program shall be managed using assets already allocated to bundled core customers, including but not limited to, storage inventory capacity, injection and withdrawal rights, interstate capacity, and backbone transportation service.
4. Gas Acquisition may contract with marketers who carry a portfolio of RNG supplies and/or directly with biogas producers and developers.
5. Any initial RNG supplies that are unused may be stored and available for later use. Shortages, if any, may be made-up with surplus supply or with purchases in future months, and may be cured, at a minimum, on a~~n~~ 12-month~~annual~~ basis, as demonstrated in Utilities' Annual Report required in Section VIII.A, infra. The Utilities' Annual Report shall include a notation of any months in which there was an RNG supply shortage.
6. Separate tracking and reporting tools and procedures may be utilized to account for matching customer participant load with purchased RNG and recording purchase prices and volumes.
7. RNG purchases shall not be included in the Gas Cost Incentive Mechanism ("GCIM") calculation.
8. At least 50 percent of the Utilities' RNG supplies for the program demand on an annual basis must be procured from in-state or out-of-state sources that are delivered to California and meet the eligibility criteria of Pub. Util. Code Section 651(b)(3)(B).
9. RNG purchased for the RNG Tariff program that remains unsubscribed may be used for other eligible RNG programs to the extent the commodity costs for the unsubscribed RNG are recovered from that eligible program.

B. RNG Contract Terms

1. Utilities are authorized to enter long-term contracts that extend beyond the program duration of the RNG Tariff program. However, Utilities' shareholders shall be responsible for the unrecovered procurement costs if the RNG Tariff program is not authorized to be extended beyond the program duration (as defined in Section II (D), *supra*).

2. In the event that the Utilities have remaining long-term RNG contract obligations that extend beyond the program duration and the continuation of the RNG Tariff program is not authorized beyond that time, the Utilities' shareholders shall be responsible for the stranded costs of RNG procured under the long-term contracts. "Stranded procurement costs" are any excess costs incurred for gas procured (beyond the pilot program duration) because it is RNG, rather than regular fossil-based natural gas, and also include any costs of excess RNG during the pilot duration that exceeds amounts needed for participants. These costs are the Utilities' shareholders' responsibility unless a subsequent Commission decision expressly authorizes cost recovery from customers.
3. A contract for procurement of RNG from a dairy supplier in California shall require the following:
   a) The seller of RNG from a dairy shall provide the Utility (buyer) with an annual report indicating whether the dairy was in compliance with all applicable air and water pollution control standards or requirements for the preceding 12 months, with the report due no later than 30 days after the end of the 12th month;
   b) Seller shall describe any incident of noncompliance with an applicable air or water pollution control requirement, including the dates and cause of the incident; and
   c) Seller must explain the circumstances of any noncompliance, the steps taken by the seller to rectify the noncompliance, and if the noncompliance is ongoing, the expected resolution. The contract shall accelerate the seller's reporting requirements, as necessary, to cover less than a year, so compliance information during the third year of the pilot program is available to include in the Utilities' advice letter filing that seeks approval for the continuation of the RNG Tariff program.

C. Carbon Content of Sourced RNG
   1. Utilities shall require RNG suppliers to provide lifecycle GHG emissions calculations in accordance with a modified GREET model used by the LCFS program that includes a carbon intensity baseline based on, but not limited to, energy inputs required for upgrading biogas to be safely injected into the common carrier pipelines, and use this information in evaluating the carbon intensity of RNG supply choices.
      a) Utilities shall work with stakeholders, including the Commission's Energy Division staff, the California Air Resources Board ("CARB"), and interested parties in A.19-02-015, to develop a modified GREET model to calculate RNG carbon intensity.

b) Utilities shall file a Tier 3 Advice Letter establishing the methodology to be applied in verifying the carbon intensity of RNG supplies prior to the start of the program. The filing shall include the modified GREET model for the Commission's review and approval.

2. Utilities shall develop a bid evaluation methodology for RNG supplies including, among other things, lifecycle GHG emissions using a $/ton CO_2e ranking.
3. Utilities shall retain an independent third-party verification company to verify that the RNG carbon intensity information provided by the RNG suppliers is consistent with the modified GREET methodology for the LCFS program.
4. Utilities shall include a summary of the independent third-party verifier's findings in their ~~Quarterly~~ semi-annual Commission Report (*see* Section VIII.B, *infra*).

D. Verification and Additionality Requirements

1. Utilities shall follow the requirements of MRR and the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms ("Cap-and-Trade Regulation").
2. The compliance of purchased RNG supplies with MRR and Cap-and-Trade Regulation shall be verified by a third-party independent verification body, accredited by CARB, as required to receive the biomethane exemption under the Cap-and-Trade Regulation.
3. While eligible for a grandfathered exemption pursuant to 17 CCR § 95852.1.1, Utilities shall not procure any supplies or attributes from out-of-state RNG sources contracted before January 1, 2012 to serve RNG Tariff program customers. Even though this requirement in 17 CCR § 95852.1.1 does not apply to in-state RNG supplies, the Utilities shall follow the same requirement.
4. Utilities shall neither generate nor sell Renewable Energy Credits ("RECs") for purposes of the RNG Tariff program.
5. If a core customer directly complies with the Cap-and-Trade program as a covered entity or opt-in covered entity, that customer may participate in the RNG Tariff program but will be prohibited within the RNG Tariff program from claiming a reduced emissions obligation under the Cap-and-Trade program to prevent double counting. This prohibition will be included in the RNG Tariff program sheet.
6. In order to prevent double counting, Utilities shall procure all environmental attributes associated with RNG supplies and require sellers to demonstrate that the RNG has not been used to comply with environmental or procurement requirements in any other state. An independent third-party verifier shall verify that the RNG was delivered by contracted facilities and the environmental attributes of

the RNG were not sold, transferred, claimed, or used by the generating facility or other entity.

7. If any subsequent RNG certification or verification process is adopted by the Commission in a broader Rulemaking proceeding(s), Utilities shall submit a Tier 2 AL proposing modifications to the certification and verification process specified in this section in accordance with the subsequent Commission decisions. The AL shall describe if and how procurement will comply with the newly adopted process going forward.
8. Utilities are required to submit annually, an independent third-party verification report to Energy Division, in a Tier 2 Advice Letter, demonstrating that RNG supplies for the RNG Tariff program are in compliance with the MRR, Cap-and-Trade Regulation, at least 50 percent of the RNG procured meets the requirement of Pub. Util. Code Section 651(b)(3)(B), and there was no double counting of environmental attributes associated with RNG supplies (*See* Sections III(B)(5), IV(A)(8), and IV(C)(6), *supra*).

E. Procurement Advisory Group

1. The Utilities shall discuss RNG procurement issues related to the RNG Tariff program with a Procurement Advisory Group ("PAG"), which, consistent with the Utilities' biweekly procurement meetings, shall consist of the Energy Division of the Commission, the Public Advocates Office of the Commission, The Utility Reform Network, and any other interested non-market participant, subject to an appropriate non-disclosure agreement.
2. The PAG shall be consulted (1) prior to release of each solicitation for RNG supplies for the RNG Tariff program, (2) prior to selection of an RNG supplier for the RNG Tariff program, (3) prior to submission of the first annual report, and (4) as otherwise required by the terms of the RNG Tariff program.
3. The Utilities shall report in their ~~Quarterly~~ semi-annual Report (*see* Section VIII.B, *infra*) whether there are any PAG recommendations that the Utilities has not implemented. The Utilities shall list these recommendation(s) and explain why they were or have not implemented.

V. RNG Tariff (Schedule No. G-RNG)

A. Eligibility

1. ~~Residential and~~ Non-residential Procurement Customers are eligible, as defined in Tariff Rule No. 1, on core rates, with the exception of customers receiving transportation-fuel service under Schedule No. G-NGV. Non-residential customers may elect either a flat

Monthly Purchase Amount, or a Purchase Percentage, as defined in terms of the RNG Tariff program. ~~Residential customers are only eligible for the Monthly Purchase Amount.~~

~~2. CARE customers are eligible to participate in the RNG Tariff program but will not receive the CARE discount on monthly RNG charges.~~

B. Subscription Levels

1. Monthly Purchase Amount: For all ~~residential customers and for~~ nonresidential customers who elect the flat amount option, the Monthly Purchase Amount is a pre-defined dollar amount that the customer selects for the amount of RNG to purchase (e.g., $10, $25, $50 per month).

~~2. The RNG Tariff program will initially offer three purchase amounts for all residential customers (i.e., $10, $25, $50). Should customer research or feedback identify demand for additional subscription levels or different subscription amounts, the Utilities shall be able to modify the subscription levels without Commission approval. However, customers' monthly purchase amounts cannot be automatically switched to a higher level without their prior consent.~~

~~3. CARE customers can participate at a purchase amount 20 percent below the lowest Non-CARE residential level (i.e., $8). The 20 percent reduction: (a) represents a 20 percent reduced pre-defined dollar amount and a commensurate 20 percent reduction in purchased RNG and (b) is a percentage consistent with the CARE discount currently applicable to gas rates. Should CARE customers want to opt-in at higher purchase amounts, they can opt-in at the Non-CARE residential levels beyond the first tier (i.e., $25 or $50).~~

~~4.~~2. RNG Purchase Percentage: For non-residential customers who elect this option, the RNG Purchase Percentage is a pre-defined percentage of usage per month that the non-residential customer selects to be renewable (i.e., 25 percent, 50 percent, 75 percent, or 100 percent).

~~5.~~3. The RNG Tariff program will initially offer ~~4~~ four percentages for non-residential customers (i.e., 25 percent, 50 percent, 75 percent, or 100 percent). Should customer research or feedback identify demand for additional percentage levels, the Utilities shall be able to modify the subscription percentages without Commission approval. However, customers' percentage purchase amounts cannot be automatically switched to a higher level without their prior consent.

C. Commitment Periods

~~1. A minimum commitment of one year for residential CARE and non-CARE customers will be required when enrolling in the RNG Tariff program. The commitment period will begin on the first billing date following enrollment, unless enrollment is less than 15 days prior to that billing date, then service will begin on the next billing date.~~

~~2.~~1. A minimum commitment of ~~two~~ one year~~s~~ for non-residential customers will be required when beginning enrolling in the RNG Tariff program. The commitment period will begin on the first billing date following enrollment, unless enrollment is less than 15 days prior to that billing date, then service will begin on the next billing date.

D. Enrollment and Disenrollment

1. A completed enrollment form must be received by the Utility and the eligible customer must accept the terms and conditions of enrollment. Enrolled customers will have 60 days from their enrollment date during which the customer may notify the Utility that they wish to cancel enrollment or decrease their RNG monthly purchase amount or purchase percentage. Enrolled customers may increase their RNG purchase amount or purchase percentage at any time.
2. A customer's enrollment is fully transferrable to a customer's new premises, provided that (1) the customer is still eligible, (2) the new location is within the Utilities' service territory, and (3) service will be in the customer's name. The customer must notify the Utility which account the existing enrollment should be transferred to.
3. Customers may disenroll from the RNG Tariff program if they close the enrolled account, or they request a payment arrangement or extension and request relief from the program.
4. Customers subject to service disconnection due to failure to pay for natural gas service will be disenrolled from the RNG Tariff program.
5. Utilities shall notify customers 60 and 45 days prior to the end of their commitment period about their options for disenrollment, re-enrollment, and how to change their RNG Monthly Purchase Amount or Purchase Percentage.

~~6. Residential customers, upon completion of the one-year commitment period, may re-enroll for another year, request to disenroll in the program, request to change their RNG Monthly Purchase Amount, or allow their commitment to continue on a month-to-month basis. If a residential customer wishes to change their RNG Monthly Purchase amount, then they must re-enroll for another one-year commitment.~~

~~7.~~6. ~~Residential customers must request to disenroll at least 30 days prior to the end of their commitment period. If they do not request to disenroll at least 30 days prior to the end of their commitment period, they will remain in the RNG Tariff program on a month-to-month basis until they request to disenroll. When a customer requests to disenroll, re-enrolls, or changes their RNG Monthly Purchase Amount, changes will become effective after one complete billing cycle.~~

~~8. Residential CARE customers that fail to qualify for CARE at any point during their commitment period, will remain on the reduced CARE rate (if selected; *see* Section V(B)(3), *supra*) until such time as they re-~~

~~enroll, disenroll or are disenrolled for failure to pay for natural gas service.~~

~~9.~~7. Non-residential customers, upon completion of their ~~two~~one-year commitment period, may re-enroll for another ~~two~~ years, request to disenroll from the program or request to change their RNG Monthly Purchase Amount or Purchase Percentage. If a non-residential customer wishes to change their RNG Monthly Purchase Amount or Purchase Percentage, they must re-enroll for another ~~two~~one-year commitment.

~~10.~~8. Non-residential customers must request to disenroll at least 30 days prior to the end of their commitment period. If a non-residential customer does not request to disenroll at least 30 days prior to the end of their commitment period, they will remain on a month-to-month basis until they request to disenroll~~in the RNG Tariff program for 90-day commitment periods and must request to disenroll at least 30 days prior to the end of a 90-day commitment period. Requests for disenrollment after the 30-day window will become effective after 3 complete billing cycles.~~ If a non-residential customer re-enrolls or decreases their RNG Monthly Purchase Amount or Purchase Percentage, changes will become effective after one complete billing cycle.

~~11.~~9. The RNG Tariff program does not modify any aspect of the existing rules and processes for customer participation in the Utilities' Core Aggregation Transportation ("CAT") program.

E. Bill Calculation

1. Monthly Purchase Amount: To calculate the customer's monthly bill, the Utilities shall first calculate the RNG usage therms quantity by dividing the customer's Monthly Purchase Amount by the current RNG rate. This RNG usage quantity will be rounded down to the next whole therm. The new RNG usage quantity will be subtracted from the total monthly usage quantity and the remaining usage quantity will be considered the usage quantity served by traditional natural gas. Monthly charges will be calculated by multiplying the RNG usage therms by the current RNG Rate. The traditional natural gas charges will then be calculated by using the customer's current traditional natural gas therm commodity procurement rate. The customer will incur transportation and other charges for all the natural gas quantity consumed (RNG plus traditional natural gas), as done currently per the customer's traditional natural gas tariff rate. There will be no change to the method used to calculate baseline usage and accordingly, a higher transportation rate will be used for the monthly usage quantities that exceed the baseline allowance. Utility user taxes will be applied as appropriate.

2. RNG Purchase Percentage: To calculate the customer's monthly bill, the Utilities will first calculate the RNG usage therms amount by multiplying the total therm usage for the customer by their RNG Purchase Percentage. The remaining usage will be considered the usage quantity served by traditional natural gas. Monthly charges will be calculated by multiplying the RNG usage therms by the current RNG Rate. The traditional natural gas charges will then be calculated by using the customer's current traditional natural gas therm commodity procurement rate.

F. Bill Presentment
   1. The Utilities shall show transportation charges, gas commodity charges, and (if applicable), RNG Tariff program charges separately on the customer's bill, as described in Section V(E), "Bill Calculation," above.

G. Rates
   1. The RNG rate charged to customers for the RNG Tariff program will be charged on a per therm basis and will consist of: (1) RNG Commodity Charge and (2) Program Charge.
   2. The RNG Commodity Charge will be comprised of the Schedule G-CP "Core Procurement Service" tariff rate less the following Schedule G-CP rate components: (1) adjustment for over or under-collection imbalance in the Core Purchase Gas Account, (2) adjustment for the GCIM reward/penalty pursuant to D.02-06-023, (3) authorized franchise fees and uncollectible expenses ("FF&Us"), and (4) authorized core brokerage fee. In addition to the net rate after considering items 1-4 described above, the following rate components will also be included to arrive at the total RNG commodity charge: (5) a premium for RNG purchases defined as the difference in the estimated monthly weighted average cost of RNG purchases (including the cost of any renewable attributes or credits that are bundled with the RNG purchases) and the estimated monthly weighted average cost of traditional natural gas purchases, (6) Renewable Natural Gas Tariff Balancing Account RNG Commodity Charge sub-account over/under-collection adjustment, (7) less the estimated value of an amount reflecting the reduction in Utilities' cap-and-trade obligation from bringing biomethane into the Utilities' system, (8) authorized FF&Us; and (9) authorized core brokerage fee.
   3. Program Charge: The Program Charge will be comprised of (1) an amortization of administration and marketing costs associated with program oversight, program marketing collateral creation and customer outreach, and (2) an RNGTBA Program Charge sub-account over/under-collection adjustment.

4. The administration and marketing costs components of the Program Charge shall not exceed 30 percent of the RNG rate charge to customers for the RNG Tariff program. Any unrecovered administration and marketing costs shall be recorded in the RNG RNGTBA Program Charge subaccount.
5. The monthly RNG Rate will be calculated during the last week of the month and filed via a Tier 1 advice letter by the last business day of the month to be effective on the first calendar day of the following month.

H. Program Costs and Cost Recovery

1. Start-up costs will include the ~~development and distribution of marketing material,~~ modification of each Utility's Customer Information Systems ("CIS") and modifications to the gas acquisition information system shared by both Utilities. On-going costs ~~annually~~ will include the continued ~~development and distribution of marketing material, and~~ annual administrative costs to manage the RNG Tariff program.
   a) Utilities will incur approximately $50,000 in costs to modify the shared gas acquisition information system in order to accurately purchase, track and report on RNG acquisition as a separate portfolio for the RNG Tariff program.
   b) The SoCalGas RNG Tariff program will incur approximately $74,000 in labor charges during the first year of the program to manage the oversight of system designs and testing for the computer system upgrades, ~~manage marketing collateral creation (including content for webpages, email, and social media),~~ oversee the creation of new accounts and accounting cost tracking procedures, ~~training for Customer Service Representatives ("CSRs"),~~ and design and create regulatory reporting.
   c) After the second year, SoCalGas labor charges are estimated to decline to approximately $47,000 annually, with a 3 percent average annual cost increase for the designated labor and non-labor expenses.
   d) The SDG&E RNG Tariff program, once it starts, will incur approximately $74,000 in labor charges during the first year of the program to manage the oversight of business process designs for such things as call center scripts and enrollments, oversee the creation of new accounts and accounting cost tracking procedures, training for CSRs, and design and create regulatory reporting.
   e) After the second year, the SDG&E Program Administration labor charges are estimated to decline to approximately $47,000, while experiencing 3 percent average annual cost increase for the designated labor and non-labor expenses.

~~f) SoCalGas estimates the RNG Tariff program will incur approximately $90,000 in program marketing costs during the first year of the program and approximately $60,000 annually thereafter.~~

~~g)~~f) SDG&E estimates the RNG Tariff program will incur approximately $40,000 in program marketing costs annually.

~~h) SoCalGas and SDG&E estimate they will each incur annual Green-e or equivalent program certification fees of $25,000 annually, and $3,000 in travel and miscellaneous expenses per year for the first three years.~~

2. Administrative ~~and marketing~~ costs for the program would be recovered from RNG Tariff program participants via the RNG Tariff program charge for each Utility. To minimize costs, no education or outreach will be performed. Should the Utilities wish to modify the program to ~~incorporate~~begin utilizing marketing and outreach materials, they will submit a tier 3 Advice letter (see Section I(B), *infra*).
3. Funding for the computer system modifications required for SoCalGas'~~s~~ CIS, websites, and the shared gas acquisition information system to accommodate the new RNG Tariff program (IT costs) shall be from its existing capital budgets approved in SoCalGas'~~s~~ Test Year 2019 General Rate Case ("GRC") Decision (D.)19-09-051. SDG&E shall recover its IT costs from its 2022-2023 Attrition Year capital funds authorized in the Commission's pending decision on SDG&E's Petition for Modification (D.19-09-051) in Application 17-10-007 et al.
4. Any unamortized IT asset balances associated with the RNG Tariff program shall not be included in the incremental rate base in the Utilities' next GRC, and the costs shall continue to be absorbed by any unused capital funding in their next GRC cycles.
5. If the RNG Tariff program continuation is not authorized and the program is terminated, Utilities shall not request recovery of any unrecovered wind down costs not recovered from program participants (i.e., the recorded balance in the RNGTBA as described in Section VI, infra) in their subsequent GRCs or other ratemaking proceedings. Such costs shall be recovered from the Utilities' shareholders.

VI. Regulatory Accounting

A. Establishment of the Renewable Natural Gas Tariff Balancing Accounts (RNGTBA)

1. The Utilities shall establish separate two-way RNGTBAs as interest-bearing balancing accounts recorded on the Utilities' respective financial statements.
2. RNGTBAs

        a) For SoCalGas, the RNGTBA consists of two subaccounts: The Commodity Charge Subaccount and the Program Charge Subaccount. The purpose of the Commodity Charge Subaccount is to record the RNG commodity costs the Utilities’ opt-in core customers will pay for RNG purchases to serve customers’ voluntary subscription level as well as to record the corresponding revenues from the RNG Commodity Charge. The purpose of the Program Charge Subaccount is to record the difference between RNGT administrative and marketing program costs and revenues from SoCalGas’~~s~~ RNG Program Charge.
        b) The SDG&E RNGTBA shall only record the difference between RNGT administrative and marketing program costs and the revenues from SDG&E’s RNG Program Charge. The difference between SDG&E’s Commodity costs and revenues shall be recorded in SoCalGas’ RNGTBA Commodity Charge Subaccount.
    3. The Utilities shall include a request for authorization to establish new, two-way RNGTBAs in a Tier 1 AL.

B. Disposition of the RNGTBA Balances
    1. The Commodity Charge Subaccount balance of SoCalGas’~~s~~ RNGTBA shall be incorporated in rates as necessary in connection with the Utilities’ monthly Tier 1 AL filing to establish the RNG Commodity Charge.
    2. The RNG Program Charge shall be established separately for each Utility based on a forecast of the Utility’s applicable RNGT costs, corresponding customer participation, and accounting for an amortization of such costs.
    3. The RNG Program Charge may be updated on an annual basis to amortize any under or over collection balance in the Program Charge Subaccount of the RNGTBA for SoCalGas, and in the RNGTBA for SDG&E.
    4. The updated RNG Program Charge shall be reflected in the Utilities’ Tier 1 advice letters establishing the January RNG Rate.

VII. Marketing

A. Education and Outreach Content and Review
    1. Education and outreach materials shall be submitted for review and approval in a Tier 2 AL.
    2. The Utilities shall integrate the promotion and enrollment in Energy Efficiency (“EE”) and Demand Response (“DR”) programs in all outreach and education.
    3. Education and outreach materials are yet to be developed, but shall include the following information:

a) Materials shall not state that RNG production cleans water or resolves odor issues.
b) Materials shall explain that RNG use still produces GHG emissions, and that lifecycle emissions may vary depending on feedstock, production, and refinement methods.
c) Materials shall make no comparisons to, or assertions about, the cost, impacts, or desirability of building electrification and shall not include any statements that promote RNG over building electrification.
d) Materials shall not include any statements about the costs, impacts, or desirability of building electrification
e) The Utilities shall not portray RNG procurement as a solution to local environmental impacts of dairies or other biomethane sources. Materials must include this statement: "Capturing biogas from dairies to produce renewable natural gas reduces greenhouse gas emissions, but does not mitigate all water, air, and odor pollution from dairies that impacts local communities."
f) Materials shall also disclose RNG impact on indoor air quality and must include this statement: "Using renewable natural gas in appliances indoors does not reduce air pollutants in buildings, as compared with using traditional fossil-based natural gas."
g) Materials shall include this statement: "Purchasing renewable natural gas (RNG) for the voluntary pilot RNG Tariff program reduces the Utilities' greenhouse gas reduction obligations under the California Air Resources Board's Cap-and-Trade Regulation. The resulting cost savings will be credited to the RNG Tariff program customers."

B. Program Information on the Web~~pages~~

1. The tariff sheet available online ~~program webpage~~ shall show the current RNG rate on a per therm basis and explain how customers can compare their current annual energy costs to their estimated energy costs under the RNG Tariff program.
2. The ~~program webpages~~tariff sheet shall contain complete information about the program, the terms and conditions of the program, and a listing of charges included in the RNG Tariff program rate.
3. The ~~program webpages~~tariff sheet shall display the sources of RNG purchased for the RNG Tariff program including:
   a) The name and location (city and state) of each source of the RNG procured for the RNG Tariff program along with the percentage contribution to the overall supply portfolio.

b) Feedstock type and percentage.
c) Carbon intensity by feedstock.
d) Overall carbon intensity for the RNG Tariff program.
e) Carbon intensity of traditional natural gas.
f) The information in a) to e) shall be updated every six months after program implementation; however, it will not be available until procurement contracts for RNG have been finalized.
g) During program implementation the information shall be updated monthly or as needed when procurement contracts are finalized.

C. Target Markets
1. Residential education and outreach will include targeted marketing to residential or commercial buildings that have undergone recent EE or Energy Savings Assistance Program upgrades.
2. Customers participating in the RNG Tariff program shall be directed to the relevant energy efficiency audit and program offerings to promote enrollment in EE and DR programs.

D. Core Transport Agents
1. The RNG Tariff program does not prevent any Core Transport Agent ("CTA") from marketing similar or competing products to new or existing customers.
2. The Utilities shall not use information gained from their CAT program to market the RNG Tariff program to CTA customers whose contracts are nearing the end of their term

VIII. **Reporting**

A. Annual Customer Reports
1. Utilities shall provide individual customers with an annual report on the customer's participation in the RNG Tariff program, including:
a) Amount of traditional natural gas purchased.
b) Amount of RNG purchased.
c) Each individual supplier's name, location, feedstock source, and the RNG contract prices ($/therm) unless granted confidentiality designation by the Commission.
d) Annual GHG emissions reductions from procured RNG for the program demand, expressed in metric tons of carbon dioxide equivalent ($MTCO_2e$).
e) Overall carbon intensity for the RNG Tariff program.
f) Carbon intensity for traditional natural gas.
g) Feedstock type percentage.
h) Source state by percentage for RNG Tariff program.
i) Other RNG news and updates.
2. This notification shall take the form of an email and the information shall be provided on Utilities' websites.

B. ~~Quarterly~~ Semi-aAnnual Commission Reports

1. Utilities shall submit reports on the RNG Tariff program to Energy Division and serve it to the service list of A.19-02-015 every six months. One report shall be provided on May 1st of each year to coincide with biomethane annual reporting defined in D.22-02-025,[1] the second on November 1. The report will ~~within 45 days of the close of each quarter containing quarter-to-date, year~~contain year-to-date, and program-to-date information.
2. The content of the ~~quarterly~~ semi-annual Ceommission Rreports may change as directed by Energy Division, but initially shall include:
   a) Overall description of RNG Tariff program activity since the previous report.
   b) Program participation, new customers enrolled, and customers disenrolled by customer type (residential or non-residential).
   c) Number of customers (residential or non-residential) by each maximum RNG Purchase amount, or in the case of some nonresidential customers, by RNG purchase percentage.
   d) Summary of all PAG meetings held each quarter, the date on which meetings were held, the participant stakeholders of each meeting, individual topics discussed, and any votes held on action items.
   e) PAG recommendation(s) that the Utilities did not implement, including a list of the recommendation(s) and an explanation of why the Utilities do not adopt the PAG's recommendation(s).
   f) Quantity of and revenues from RNG sold by customer type.
   g) Expenses incurred for Marketing and Administration.
   h) GHG emissions reductions achieved, expressed in $MTCO_2e$.
   i) Summary of the independent third-party verification of the RNG carbon intensity information provided by RNG suppliers.
   j) Detailed information on RNG contracts including:
      i. List of RNG suppliers contracting with Gas Acquisition.
      ii. RNG supplier's primary location and years of operation.
      iii. RNG supplier's volume of RNG purchased by Gas Acquisition for the year, its cost per therm, and its carbon intensity score.
      iv. A notation of months when there was a shortfall in volume of RNG supply to meet demand.

C. Dairy Compliance Reports

1. The Utilities shall report to the Commission whether in-state dairies under RNG contracts for this pilot program have complied with all applicable air and/or water pollution control standards or

[1] OP 31, p.63

requirements, describing any incident of noncompliance, the cause, and when and how it was or will be resolved.

2. The Utilities shall submit and serve Tier 1 ALs at the same time SoCalGas submits its last Quarterly Commission Report each year to provide that information. The Tier 1 ALs shall include the compliance reports received from dairy RNG generating facilities.
3. The Utilities' obligation to report on in-state dairy RNG suppliers' compliance with air and water pollution control requirements shall continue until the pilot program termination.

D. Third-Party Verification Reports
   1. The Utilities shall report to the Commission on compliance and verification of all RNG sources, performed by an independent third-party verifier accredited by CARB.
   2. The Utilities shall submit the report in Tier 2 ALs within 45 days of each one-year anniversary from the program initiation date during the pilot program duration. The ALs must confirm whether the Utilities are in compliance with the following RNG procurement requirements:
      a) A minimum of 50 percent of RNG delivered meets the eligibility criteria as set forth in Public Utilities Code Section 651(b)(3)(B).
      b) RNG supplies purchased meet the CARB's Mandatory Reporting Requirement and Cap-and-Trade Regulation requirements.
      c) There is no double counting. The RNG was delivered by contracted facilities and the environmental attributes of the RNG were not sold, transferred, claimed, or used by the generating facility or other entity.

E. Tables of Reports

   The following tables highlight the above reporting requirements and ALs. In the event of a conflict between the requirements in the tables~~,~~ and those in the body of this document, the terms in the body of this document shall govern.

Table 1: Program ~~Webpages~~Tariff Sheet

Data/information	Update Frequency	Notes
Program information	As needed~~n/a~~	~~*See* Section VII, *supra*~~ Complete information about the program, the terms and conditions of the program, and a listing of charges included in the RNG Tariff program rate
The current RNG rate on a per therm basis	Monthly or as needed	
Explanation how customers can compare their current annual energy costs to their estimated energy costs under the RNG Tariff program	n/a	
Carbon intensity of traditional NG	Annually	Available day 1
Carbon intensity for the RNG Tariff program	Available once an RNG source is contracted, then every 6 months	
Feedstock type percentage	Available once an RNG source is contracted, then every 6 months	Pie chart of supply by feedstock
Carbon intensity for feedstock	Annually	Available day 1.
Source state percentage	Available once an RNG source is contracted, then every 6 months	Pie chart of supply by state
The name and location (city and state) of each source of the RNG procured for the RNG Tariff program along with the percentage contribution to the overall supply portfolio	Available once an RNG source is contracted, then every 6 months	

Table 2: Enrollment Acknowledgement

Data/information	Update Frequency	Notes
Start date for RNG Tariff program	After enrollment	Send as soon as practicable
Commitment end date		
Cooling-off period end date		
RNG subscription		Either monthly amount or percentage
Current monthly RNG rate		
Carbon intensity for the RNG Tariff program		If known, average
Feedstock percentage for RNG Tariff program		If known, pie chart of supply by feedstock
Source state percentage for RNG Tariff program		If known, pie chart of supply by feedstock
Other RNG news and updates		Marketing to EE programs and other

Table 3: Annual Customer Report – for customer, for previous year

Data/information	Notes
Amount of traditional NG purchased	Dollars and volume
Amount of RNG purchased	Dollars and volume
Cost of RNG purchased, including each individual supplier's name, location, feedstock source, and RNG contract prices	Average for customer and actual contract prices
Annual GHG emission reduction	Metric tons of carbon dioxide equivalent
Carbon intensity for the RNG Tariff program	Average
Feedstock percentage for RNG Tariff program	Pie chart of supply by feedstock
Source state percentage for RNG Tariff program	Pie chart of supply by state
Other RNG news and updates	Text

Table 4: ~~Quarterly~~ Semi-annual **Commission Report – Provided every six months. One report shall be provided on May 1st of each year to coincide with biomethane annual reporting, the second on November 1.~~submitted within 45 days of the end of each quarteryear~~, under confidentiality designation, if appropriate**

Data/information	Notes
Overall description of program activity since last report	Text
New customers enrolled	By customer type
Customers dis-enrolled	By customer type
Number of customers by purchase subscription	Table by amount, by customer type
Quantity of RNG sold	By customer type
Revenue of RNG sold	By customer type
Overhead expenses	Marketing and Administration
Carbon intensity for the RNG Tariff program	Average
GHG emissions reductions	$MTCO_2e$
Summary of all PAG meetings held each quarter, and dates on which meetings were held	
Participant stakeholders of each meeting, individual topics discussed, and any votes held on action items	
PAG recommendation(s) that the Utilities did not implement, including a list of the recommendation(s) and an explanation of why the Utilities do not adopt PAG's recommendations	
RNG SOURCES	
Name	
City/State	Or nearest town
Years in Operation	
Feedstock of source	
Carbon intensity for the source	
Volume purchased	
Cost per Therm	

Table 5: List of Advice Letters

OP1	Tier	Subject	Utility	Frequency	Due Date
(a)	1	i) The Utilities' Decision on Pilot Program Implementation ii) Establishment of Two-Way RNG Tariff Balancing Accounts	SoCalGas SDG&E	One-Time	Within six months from the issuance of the decision on A.19-02-015.
(b)	3	i) Modified GREET Methodology	The Utilities Jointly	One-Time	Within 12 months from the Utilities' submission of the Tier 1 ALs in OP1(a) above.
	2	ii) Voluntary Pilot RNG Tariff Program Implementation	SoCalGas SDG&E		
	2	iii) Marketing Materials	SoCalGas SDG&E or the Utilities Jointly		
(c)	1	Dairy RNG Suppliers' Compliance with Air and Water Pollution Control Standards or Requirements	The Utilities Jointly	Annual	Same time as SoCalGas' last Quarterly Commission Report each year.
(d)	2	Third-Party Verification Regarding Utilities' Compliance with RNG Procurement Requirements	SoCalGas SDG&E		Within 45 days of each one-year anniversary from the program initiation date during the program duration.
(e)	3	Program Modifications	SoCalGas SDG&E	[at the Utilities' Discretion]	na
(f)	3	Program Review and Approval for Continuation	SoCalGas SDG&E	One-Time	Third-Year Anniversary from the Program Initiation Date

[Note: OP1 refers to Ordering Paragraph 1 of the decision on A.19-02-015]

(End of Appendix A)