

2022 PG&E NGLA COMPLIANCE PLAN EVALUATION  
SAFETY POLICY DIVISION

Background:

This plan review is a continuation of the work stemming from Senate Bill 1371 (Leno, 2014). To implement this bill, the Commission initiated Rulemaking ([R. 15-01-008](#)) to adopt rules and procedures for commission-regulated pipeline facilities to minimize natural gas leaks to reduce hazards and to advance greenhouse gas reduction goals.

The Phase I Decision for the Gas Abatement OIR ([D. 17-06-015](#)), issued in June 2015, established:

1. Annual reporting for tracking methane emissions;
2. 26 mandatory best practices for minimizing methane emissions pertaining to policies and procedures, recordkeeping, training, experienced trained personnel, leak detection, leak repair, and leak prevention;
3. Biennial compliance plan incorporated into the utilities' annual Gas Safety Plans, beginning in March 2018; and
4. Cost recovery process to facilitate Commission review and approval of incremental expenditures to implement best practices and Pilot Programs and Research & Development.

By May 15, 2015, gas companies filed reports on leaks, leak management practices, and "best estimates" of gas losses. In March 2018, gas companies filed their first mandatory compliance plans to incorporate the 26 Best Practices for methane leak detection, quantification, and elimination, as ordered in D.17-06-015.

In August 2019, the Commission's Phase II Decision ([D. 19-08-020](#)) adopted a restriction on rate recovery beginning in 2025, for methane emissions greater than 20% below the 2015 baseline levels for PG&E and SoCalGas to ensure that expenditures authorized to implement their Compliance Plans achieve their intended methane emissions reductions. CPUC continues to work with the California Air Resources Board (CARB) to refine the annual report templates to meet changing informational needs and to revise emission factors to improve the utilities' reporting of emissions.

In 2021, the CPUC and CARB released the seventh annual Joint Staff Report, which can be found here: [Analysis of the Gas Companies' June 15, 2021, Natural Gas Leak and Emission Reports.](#)

PG&E 2022 Compliance Plan

As we have done in 2018 and 2020, Commission staff have carefully reviewed PG&E's Plan. We have evaluated their quantification methodologies as well as their leak abatement strategies.

For the 2022 Compliance Plan, PG&E proposes to improve upon the previously approved 2018 and 2020 Plans with the following incremental practices:

1. Blowdowns: Expand use of blowdown reduction methods into smaller scale projects; use mobile compressor technology to capture blowdown gas from in-line inspection (ILI) and other

maintenance projects. SPD Staff attended a demonstration of the mobile compressor method in June.

2. Leak Survey: Integrate the Vintage Leak Survey into the Optimized Leak Survey Program. The OLS uses a risk-based analysis to perform leak surveys more frequently on the portions of the system where leaks are more likely to occur. The Vintage Leak Survey addresses older-vintage pipe material that is prone to leak.
3. Super Emitter: Reduce threshold from ten Standard Cubic Feet per Hour (SCFH) to seven, which increases the leak candidates to be identified as Super Emitters for fast repair and emission reduction. To fund this program expansion, PG&E proposes to cut the number of low-effectiveness underground Grade 3 repairs forecasted in the GRC from 2000 to 1000 per year. Underground leak repairs are costly due to the excavation work needed to find and expose the leak, and Grade 3 leaks generally have low emission rates-unless they are a Super Emitter.
4. Hi-Bleed and Intermittent Bleed Devices: Replace ten High-Bleed controllers at two Measurement and Control stations; replace 18 Intermittent-Bleed gas control devices with air-actuated devices at Hinckley Compressor Station. This work will further reduce the number of remaining gas-bleeding devices.

The 2022 Compliance Plan includes discussion of the currently on-going process to adjust the original 2015 Baseline figure to better account for improved emission measurement techniques that have been developed by the IOUs as part of the NGLA work. SPD has the final say to approve changes to the baseline figures but must consult with CARB on these decisions. The consultation with CARB is currently underway and SPD expects to approve PG&E's proposed adjustments by September. With those adjustments in place, PG&E has achieved an 18.6% emissions reduction since 2015 by 2020, which is well on the way to meet the CPUC target of 20% by 2025 especially with the proposed incremental practices in the 2022 Plan.