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NEWS RELEASE

California Utilities Issue Draft Solicitation for Dairy Biomethane Pilot Projects

LOS ANGELES, Jan. 19, 2018—[Southern California Gas Co.](#) (SoCalGas), [San Diego Gas & Electric](#) (SDG&E), [Pacific Gas and Electric Company](#) (PG&E) and [Southwest Gas](#) jointly issued a draft solicitation yesterday for dairy biomethane pilot projects under California Senate Bill (SB) 1383. Proposed projects must demonstrate an ability to capture and process biogas from dairy cows to produce renewable natural gas, which can replace traditionally sourced natural gas for generating electricity, heating homes and fueling vehicles. At least five projects will be selected.

The draft solicitation is the first step in a new program created under SB 1383 by the California Public Utilities Commission (CPUC), which has been directed to reduce methane emissions from agriculture in the state by 2030.

“This is an exciting first step to building the market for renewable natural gas,” said Lisa Alexander, vice president of customer solutions and communications for SoCalGas. “Renewable natural gas, with its ability to turn methane emissions into a source of energy, is a critical element of a comprehensive approach to climate change, and we look forward to supporting these efforts.”

“The capture of biogas from agriculture is an innovative way to produce renewable natural gas to fuel our homes and businesses while helping achieve the state’s climate goals,” said Michael Schneider, chief environmental officer and vice president of operations support and sustainability for SDG&E. “These pilot projects will help us identify a largely untapped energy resource and put organic waste to work for California.”

“Identifying new ways to reduce methane emissions and their effect on the environment is one of PG&E’s highest priorities. We remain committed to playing a key role in California’s emissions reductions effort and clean energy future. And, we are proud to partner with the state’s leading energy companies and agriculture producers to convert organic waste into a reliable source of energy. The capturing, transformation and utilization of methane emissions as a clean fuel source will have significant environmental benefits,” said PG&E Gas Operations Senior Director, Christine Cowser.

“Southwest Gas is pleased to partner with SoCalGas, San Diego Gas & Electric and Pacific Gas and Electric to further develop the renewable natural gas market in California to help achieve the state’s climate change goals,” said Randall Gabe, vice president/Gas Resources for Southwest Gas.

Proposed projects will be selected by the CPUC, California Air Resources Board and the California Department of Food and Agriculture. The agencies will jointly choose projects based on an evaluation of the proposed business model, likely greenhouse gas reductions realized, and cost effectiveness of achieving these reductions, environmental benefits, disadvantaged community benefits and project readiness.

Dairy biogas development is rapidly increasing in California, with help in part from \$35 million in grant funding last year from the California Department of Food and Agriculture (CDFA). CDFA is expected to provide an additional \$61-\$75 million in grant funding for new dairy biogas projects this year. There are currently about 40 projects in the works, and experts expect there could be as many as 120 projects being developed by 2022.

The utilities will explain the draft solicitation process, gather feedback to clarify the process and answer questions at a workshop and webinar on Wednesday, Jan. 31, from 1:00 to 3:00 p.m. at the California Department of Food and Agriculture, 2800 Gateway Oaks Dr., Room 101, Sacramento, CA 95833. Additional information on the draft solicitation as well as the workshop and webinar can be found [here](#).

About SoCalGas

Headquartered in Los Angeles, [SoCalGas®](#) is the [largest natural gas distribution utility](#) in the United States, providing clean, safe, affordable and reliable natural gas service to 21.7 million customers in Central and Southern California. Its service territory spans [22,000 square miles](#) from Fresno to the Mexican border, reaching more than [550 communities](#) through 5.9 million meters and 101,000 miles of pipeline. More than 90 percent of Southern California single-family home residents use natural gas for home heat and hot water. In addition, natural gas plays a key role in providing electricity to Californians—about [60 percent of electric power generated](#) in the state comes from gas-fired power plants.

SoCalGas has served communities in California [for 150 years](#) and is committed to being a leader in the region’s clean energy future. SoCalGas is working to accelerate the use of [renewable natural gas](#), a carbon-neutral or carbon-negative fuel created by capturing and conditioning greenhouse gas emissions from farms, landfills and wastewater treatment plants. The company is a subsidiary of [Sempra Energy](#) (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego. For more information visit socalgas.com/newsroom or connect with SoCalGas on [Twitter](#) (@SoCalGas), [Instagram](#) (@SoCalGas) and [Facebook](#).

About SDG&E

SDG&E is an innovative San Diego-based energy company that provides safe, reliable, clean energy to better the lives of the people it serves in San Diego and southern Orange counties. More than 4,000 employees work to provide the cleanest, safest and most reliable energy in the West. The company has been recognized by the U.S. Environmental Protection Agency for leadership in addressing climate change, was the first to meet California’s goal of delivering 33 percent of energy from renewable sources, has fueled the adoption of electric vehicles and energy efficiency through unique customer programs, and supports a number of non-profit partners. SDG&E is a subsidiary of Sempra Energy (NYSE: SRE), a Fortune 500 energy services holding company based in San Diego. For more information, visit [SDGNews.com](https://sdgenews.com) or connect with SDG&E on [Twitter](#) (@SDGE), [Instagram](#) (@SDGE) and [Facebook](#).

About PG&E

Pacific Gas and Electric Company, a subsidiary of [PG&E Corporation](#) (NYSE:PCG), is one of the largest combined natural gas and electric energy companies in the United States. Based in San Francisco, with more than 20,000 employees, the company delivers some of the nation's cleanest energy to nearly 16 million people in Northern and Central California. For more information, visit www.pge.com/ and www.pge.com/en/about/newsroom/index.page.

About Southwest Gas

Southwest Gas Corporation was founded in 1931 and is a subsidiary of Southwest Gas Holdings Inc. Southwest Gas Corporation provides natural gas service to 2 million customers in Arizona, California and Nevada. For more information about Southwest Gas, please visit www.swgas.com.

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