



Renewable Natural Gas – FACT SHEET

Biomethane 2018

Why must we talk about gas at all?

Before considering renewable natural gas, first, it's important to recall that California uses natural gas procured from the ground, associated with oil production, for a few important functions: to heat buildings, to heat water (showers), to heat food (cooking), and in the transportation sector as fuel (for compressed natural gas and fuel cells vehicles of all sizes). Currently, California imports ~6 billion cubic feet of natural gas every single day and almost all of it comes from out of state.¹ The natural gas pipeline system is the state's fourth largest emitter of waste methane gas.

Methane gas is a short-lived climate pollutant meaning that it has intense greenhouse gas atmospheric warming properties, but it dissipates more quickly than carbon dioxide. Pursuant to the Air Resources Board's Short-Lived Climate Pollutant Emissions Reduction Strategy, the state must reduce its emission of waste methane gas by 40% below 2013 levels by 2030.²

What are Renewable Natural Gas and Biomethane? Are they the same thing?

Waste methane gas also comes from decomposing organic materials at dairies, wastewater treatment facilities, and landfills, among other places, as biogas. This biogas can be "cleaned up" or "conditioned"³ to become biomethane and used interchangeably with the natural gas associated with oil production that is currently used in the natural gas pipeline system. Biomethane, also known as renewable natural gas or RNG, is therefore waste gas that can be used in the natural gas pipeline system.

Biomethane is one type of renewable natural gas. California is working towards putting biomethane to beneficial use for electricity generation, low carbon renewable natural gas for use in the trucking industry, and as renewable hydrogen which can be used for fuel and energy storage.

¹ To describe this properly, at the peak of the Aliso Canyon gas leak, the quantity released every day was an amount described as one Rose Bowl-sized football stadium amount of natural gas. In comparison, the State of California consumes 68 Rose Bowls of gas per day for building, water, and food heating and for use in the transportation sector as fuel.

² See California Air Resources Board: <https://www.arb.ca.gov/cc/shortlived/shortlived.htm>

³ Conditioning facilities that clean up biogas to biomethane, natural gas pipeline quality gas, are a known technology requiring training and safety knowledge, just like other industrial processes.





What is the CPUC's regulatory authority in the area of Renewable Natural Gas, Biomethane?

The CPUC is responsible for ensuring safe, reliable, utility service at just and reasonable rates pursuant to PU Code 451 in the areas of electricity and natural gas. The CPUC's regulatory authority extends over the deregulated commodity product of associated gas and renewable natural gas that is injected in to the natural gas pipeline system. The CPUC has regulatory authority over the gas quality standards required for natural gas pipeline system injection, the safety of the natural gas pipeline itself, and utility natural gas procurement for core customers (residential and small commercial customers who make up about 40% of the natural gas market).

Pursuant to SB 1383 (Lara, 2016), the CPUC, with the help of the Air Resources Board and the California Department of Food and Agriculture is evaluating dairy biomethane pilot project applications that might be selected to generate biomethane for injection into the natural gas pipeline system. It is possible that a decision regarding which pilot projects will be selected may occur in 2018.

We need your help!

On July 5, 2018, a scoping memo was issued in Rulemaking 13-02-008 on the topic of biomethane industry development. Comments are due on July 27th, Reply Comments are due on August 31st and we need to hear from you in order to incorporate your expertise into the Commission's Decision-making process. Please check out the following website, use the link on the right side of the page to subscribe to the Service List for the proceeding: http://www.cpuc.ca.gov/renewable_natural_gas/. And do not hesitate to get in touch if you have any questions about the proceeding or the regulatory process.

