PG&E’s Voluntary Renewable Natural Gas Procurement Pilot

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Advice Letter

• Advice Letter 3961-G was approved on June 21, 2018
• Through this Pilot, PG&E is seeking to:
  – Reduce Compress Natural Gas (CNG) procurement costs
  – Reduce the greenhouse gas impact of CNG for vehicle fuel
  – Encourage further development of biomethane sources
  – Support California’s policy to reduce Short Lived Climate Pollutants
Competitive Solicitation

- Competitive Solicitation was issued on July 25, 2018
  - The RNG seller would share with PG&E the proceeds generated from the seller’s sale of the California Air Resources Board’s (ARB) Low Carbon Fuel Standard (LCFS) and U.S. Environmental Protection Agency’s (US EPA) Renewable Identification Number (RIN) credits
  - Contract terms of up to three years
- Received a robust response which included producers and marketers
Current Status

• Currently in confidential negotiation with one of the shortlisted counterparties
• Working internally and with the counterparty to resolve regulatory and contractual issues
• Bankruptcy has been delaying the implementation of this pilot