

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Adopt
Biomethane Standards and Requirements,
Pipeline Open Access Rules, and Related
Enforcement Provisions.

Rulemaking 13-02-008
(Filed February 13, 2013)

**REPLY COMMENTS BY THE CALIFORNIA HYDROGEN BUSINESS
COUNCIL ON ASSIGNED COMMISSIONER'S SCOPING MEMO AND
RULING OPENING PHASE 4 OF RULEMAKING 13-02-008**

Emanuel Wagner
Deputy Director
California Hydrogen Business Council
18847 Via Sereno
Yorba Linda, CA 92866
310-455-6095
ewagner@californiahydrogen.org

January 27, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Adopt
Biomethane Standards and Requirements,
Pipeline Open Access Rules, and Related
Enforcement Provisions.

Rulemaking 13-02-008
(Filed February 13, 2018)

**REPLY COMMENTS BY THE CALIFORNIA HYDROGEN BUSINESS COUNCIL ON
ASSIGNED COMMISSIONER’S SCOPING MEMO AND RULING OPENING
PHASE 4 OF RULEMAKING 13-02-008**

I. Introduction

The California Hydrogen Business Council (CHBC) ¹ appreciates the opportunity to provide the following reply comments on the Assigned Commissioner’s Scoping Memo and Ruling Opening Phase 4 of Rulemaking 13-02-008 (“Scoping Memo”). Our main points can be summarized as follows:

- A. We continue to strongly support establishing hydrogen injection standards and protocols, a technical study to determine safe blending limits, and a preliminary injection standard within 12 months.**
- B. We support a diverse renewable gas procurement portfolio being pursued in California to enable success in reaching state greenhouse gas reduction targets.**
- C. We disagree with comments made by San Joaquin Renewables that “consideration of injecting hydrogen into the natural gas pipeline is a distraction to increasing the injection of renewable methane (biomethane).”²**

¹ The CHBC is comprised of over 100 companies and agencies involved in the business of hydrogen. Our mission is to advance the commercialization of hydrogen in the energy sector, including transportation, goods movement, and stationary power systems to reduce emissions and dependence on oil. The views expressed in these comments are those of the CHBC, and do not necessarily reflect the views of all of the individual CHBC member companies. Members are listed here: www.californiahydrogen.org/aboutus/chbc-members/.

² San Joaquin Renewables Comments, p. 4

II. Comments

A. We continue to strongly support the CPUC’s scope as proposed to establish hydrogen injection standards and protocols, conduct a technical study to determine safe blending limits, and set a preliminary injection standard within 12 months.

Enabling hydrogen injection is a critical step to reducing greenhouse gases from California’s gas supply. As comments from Orsted and First Solar make clear, this also can enable renewable electricity development that is essential to reaching state climate and clean energy goals. As Orsted commented, “We support all renewable sources of energy and consider utilization of existing gas pipeline infrastructure as a means to expedite conversion toward greater amounts of renewable energy to help meet both the state’s short-term climate pollutant reduction targets as well as other climate goals – including, but not limited to, achieving 40 percent reductions in buildings (AB 3232) and economy-wide (SB 32) by 2030, achieving 100 percent clean energy in the power sector by 2045 (SB 100), and achieving carbon neutrality by no later than 2045 (Executive Order B-55-18).”³

We also continue to fully support the Commission’s finding that a Preliminary Injection Standard within 12 months of this Ruling is appropriate because this process will take considerable time and because enough party comments and the materials were presented at the Workshop to warrant this.

B. We support a diverse renewable gas procurement portfolio being pursued in California to enable success in reaching state greenhouse gas reduction targets.

We join several parties in calling for the Commission to include a broad range of renewable gases in its procurement design. This is consistent with SB 1383 that specifically uses the broad statutory language of “renewable gas” and not just biomethane and biogas, and which the California Energy Commission has confirmed ought to be interpreted to include renewable

³ p. 3, Orsted’s *COMMENTS ON ASSIGNED COMMISSIONER’S SCOPING MEMO AND RULING OPENING PHASE 4 OF RULEMAKING 13-02-008*

hydrogen and its derivatives.⁴ GTI states plainly that they “*encourage the CPUC to ensure that the full variety of technologies, feedstocks and gaseous fuels have the appropriate opportunity to contribute to reducing GHG emissions in California in all energy end use applications*”⁵ and that the Commission adopt “*additional incentives along with a procurement program to accelerate renewable methane, hydrogen, biogas and biomethane production and use, which is critical to meet the state’s SLCP and broader climate goals, as well as wildfire reduction, air pollution, and other policies.*”⁶ So Gal Gas and SDG&E similarly commented that they “*support a broad and diverse renewable gas procurement policy*”⁷ and that the “*Commission should also consider the inclusion of hydrogen as part of the procurement strategy.*”⁸ The RNG Coalition recommends “*against ‘siloing’ biomethane unnecessarily,*” pointing out that “*SB 1440 is only one of many possible sources of authority the commission could use to authorize utilities to procure low-CI renewable gases to help achieve the state’s climate goals.*”⁹

While we fully agree that safety issues regarding hydrogen injection into the gas pipeline ought to be understood before hydrogen is procured by gas utilities, renewable methane derived from hydrogen ought to be included in procurement programs immediately. Renewable methane synthesized from renewable hydrogen by adding carbon dioxide is chemically methane and therefore able to blend seamlessly with natural gas and biomethane. There is thus no sound reason that it should not be included immediately in renewable gas procurement programs.

Procurement program design also ought to include conditional language to allow hydrogen to be injected insofar as the pending technical study deems it safe.

**C. We disagree with comments made by San Joaquin Renewables that
“consideration of injecting hydrogen into the natural gas pipeline is a distraction
to increasing the injection of renewable methane (biomethane).”¹⁰**

⁴ See, e.g., 2017 IEPR pp. 260, 280, 285-286.

⁵ p. 3-4, GTI Comments on Scoping Memo

⁶ p. 8, *ibid.*

⁷ p. 8, So Cal Gas/SDG&E Comments on Scoping Memo

⁸ p. 11, *ibid.*

⁹ p. 14, RNG Coalition Comments on Scoping Memo

¹⁰ San Joaquin Renewables Comments, p. 4

First, it is misleading to suggest that renewable methane and biomethane are one in the same. While biomethane is a type of renewable methane, renewable methane can also be made by combining renewably produced hydrogen with carbon dioxide. Second, considering hydrogen injection issues is in line with comments expressed by the majority of parties in the last phase of the proceeding who agreed that this is important to pursue.¹¹ The bottom line is all types of renewable gas have value to CA's greenhouse gas reduction efforts. Notably, as mentioned in our opening comments, of all renewable gas types, only renewable hydrogen can actually displace methane, and only electrolytic hydrogen can be used as a load balancing and energy storage technology.

III. Conclusion

The CHBC appreciates this opportunity to submit these reply comments, and we look forward to collaborating further with Commission to address the important issues raised in the Scoping Memo.

Respectfully submitted,

Dated: January 27, 2020



Emanuel Wagner
Deputy Director
California Hydrogen Business Council

¹¹ See p. 3 of CHBC's *Reply Comments on the Assigned Commissioner's Amended Scoping Memo and Ruling*.
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M230/K886/230886802.PDF>