



Socalgas Files Application to Develop RNG Pilot Project

August 14, 2023

Southern California Gas Co. (SoCalGas) has filed an application with the California Public Utilities Commission (CPUC) to support the development of a pilot project that would utilize organic waste such as chipped wood, along with nut shells, and turn it into renewable natural gas (RNG).

If approved, the project would be the largest RNG project in the state of California, producing up to 4.5 billion cubic feet of fuel each year from 400,000 to 500,000 tons of agricultural waste, some of which would otherwise be burned. It would more than double already historic deliveries of RNG in 2022 from existing projects within SoCalGas's service territory and could deliver carbon-neutral or negative fuel equivalent to taking up to 52,000 gasoline vehicles off the road each year.

The project would be developed by San Joaquin Renewables LLC in the City of McFarland. Pursuant to CPUC direction, SoCalGas proposed funding its portion of the project – about \$13 million – with cap-and-trade funds. If approved, which could come as soon as May 2024, the project is planned to come online in late 2026.

"As the State of California has recognized, renewable natural gas remains a critical tool, along with other decarbonization pathways such as electrification, hydrogen and carbon management, in our efforts to decarbonize our great state," said Neil Navin, chief clean fuels officer at SoCalGas. "Instead of burning this agricultural waste, this project could produce more RNG annually than the entire state of Hawaii uses each year, putting this waste to good use to help shore up energy reliability and resiliency as we transition to a clean energy economy."

"Converting biomass into renewable natural gas provides a sustainable and renewable source of energy from waste material," said T.J. Paskach, president of San Joaquin Renewables. "Additionally, the San Joaquin Renewables facility will help reduce our dependence on fossil fuels, will help clean the air of the Central Valley by producing a carbon negative fuel, and will provide hundreds of high-quality jobs in McFarland."

The project will work by using a non-combustion process to turn agricultural waste into a mixture of gases, including hydrogen. The mixture is then cleaned, compressed and is then usable as RNG.

In February 2022, the CPUC adopted the Renewable Gas Procurement Standard, which sets goals for the procurement of renewable gas made by capturing methane emitted by organic waste from wastewater treatment plants, dairies, landfills, agricultural waste, and forestry residues. The standard also requires SoCalGas to replace

approximately 12.2 percent of the traditional gas it delivers to core customers with renewable natural gas by 2030. The CPUC also required SoCalGas to submit an application proposing at least one gasification or pyrolysis pilot project focused on conversion of woody biomass to biomethane.

RNG is a key tool in decarbonizing the gas system as it can be carbon neutral or even negative, depending on its source. RNG, along with carbon management and clean fuels like hydrogen, is one in a suite of tools SoCalGas is utilizing to help achieve its aim to have net-zero greenhouse gas emissions by 2045.