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Clerk of the Board  
California Air Resources Board  
Sacramento, CA

To Whom It May Concern:

Sempra Energy appreciates the opportunity to comment on the amendments to the **AB 32 Cost of Implementation Fee Regulation and Proposed Amendment to the Existing Regulation for the Mandatory Reporting of Greenhouse Gas Emissions**. We respectfully request the following changes (noted in **BOLD**) to the February 26 draft:

### **Recommendation #1**

**95202.**

#### **Definitions.**

11) "Biogas" (also called biomethane) means **natural** gas that meets the **meets the** requirements of 13 CCR §2292.5 and is produced from the breakdown of organic material in the absence of oxygen. Biogas is produced in processes including, but not limited to, anaerobic digestion, anaerobic decomposition, and thermochemical decomposition. These processes are applied to biodegradable biomass materials, such as manure, sewage, municipal solid waste, green waste, and waste from energy crops, to produce landfill gas, digester gas, and other forms of biogas, agricultural waste, animal waste, or other biomass.

Sempra recommends that "natural" be deleted from the definition of biogas to remain consistent with the language in the definition of natural gas:

(68) "Natural gas" means a naturally occurring mixture of hydrocarbons beneath the Earth's surface that maintains a gaseous state at standard atmospheric temperature and pressure under ordinary conditions. **"Natural gas" does not include "biogas"**.

### **Recommendation #2**

**95207.**

#### **Severability.**

- (a) Each part of this subarticle is deemed severable, and, in the event that any part of this subarticle is held to be invalid, the remainder of this subarticle shall continue in full force and effect.
- (b) If any fee payer or group of fee payers subject to this subarticle is determined to be ineligible, by a court of law or statute, to pay the

**fees pursuant to this subarticle, the formula contained in section 95203 shall be revised by rule-making. the remaining entities shall be assessed the entire fee based on the formula contained in section 95203, without including the emissions associated with the ineligible fee payer or group of fee payers in the calculation. If a refund is ordered by any court or other authority the remaining fee payers shall be responsible to pay the subsequent deficit.**

A revision in the regulation is likely to be necessary in the event a particular ratepayer or group no longer is subject to the fee. Section 95207 (b) as proposed says that the calculation in section 95203 (common carbon cost) shall be made "without including the emissions associated with the ineligible fee payer or group of fee payers in the calculation." However when one refers back to the common carbon calculation in section 95203 it seems doubtful that the missing "fee payer or group of the players" will always neatly out of the calculation equation. Such a revision also will give remaining stakeholders to participate in determining the most equitable way to split the program costs to account for a missing fee payer group.

### **Recommendation #3**

Additionally, Sempra supports PG&E's request for staff to provide a list of electric generators required to pay the AB 32 Administrative Fee. Similar to PG&E, providing this information will assist with Sempra's reporting requirement to provide aggregate therms of natural gas delivered at the meter to end use customers, and exclude natural gas delivered to electricity generating facilities.

Sincerely,

A handwritten signature in cursive script, appearing to read "Amara Parly".