



September 7, 2018

Mary D. Nichols, Chair  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95815

**RE: COMMENTS ON SOUTHERN CALIFORNIA GAS COMPANY ALISO VIEJO CANYON SETTLEMENT AGREEMENT**

Dear Chair Nichols and Members of the Board,

On behalf of the Orange County Business Council (OCBC), I am writing to comment on the recently announced Aliso Canyon Settlement Agreement. The Southern California Gas Company announced its settlement agreement with the Los Angeles City Attorney's Office, the County of Los Angeles, the California Office of the Attorney General and the California Air Resources Board on August 8, resolving all outstanding claims against the company related to the 2015-2016 natural gas leak at the Aliso Canyon natural gas storage facility.

As per the settlement, the Gas Company has reaffirmed its commitment to achieving the state's ambitious climate change goals by 2030. The Gas Company will pay \$26.5 million to create a loan program to fund the construction of a dozen dairy digester projects as well as three conditioning facilities and interconnection pipelines. Dairies account for nearly half of California's methane emissions, and capturing bio-methane for use as a renewable natural gas is instrumental to reaching the state's climate goals. These loans will be repaid in full, with interest, and ultimately reinvested to support additional emissions reductions and other local projects benefiting residents. Each project will repay the entire loan investment, and the Gas Company will not receive any repayment of the \$26.5 million and interest.

Renewable natural gas can have a tremendous impact on greenhouse gas reductions in the transportation sector, primarily through fueling heavy-duty trucks. Increasing the number of natural gas trucks on the road will have an immediate, substantial impact on air quality and will be pivotal in helping California achieve its clean air goals. Currently, nearly 70 percent of natural gas fleets in California are fueled with renewable natural gas; increasing the available in-state fuel supply could push more fleets to switch from diesel to natural gas trucks.

Renewable natural gas has a critical role to play in providing energy for millions of Californians while simultaneously reducing greenhouse gas emissions through impactful and sustainable solutions. OCBC commends the leadership of the Air Resources Board in collaborating with this important regional utility in order to substantially improve the state and guide California to its ambitious climate change goals. The settlement agreement is an essential step forward that puts the Aliso Canyon leak in the past and focuses on securing California's future.

Sincerely,

Alicia Berhow  
Senior Vice President of Government Affairs