Application: A.26-07-XXX
Exhibit No: SCG-02-C
Witness: Jason Legner
Chapter: 2

Application of Southern California Gas Company (U904G), on Behalf of its Customers, for Approval of Gas Line Extension Allowances.	Application 26-07-XXX (Filed July 1, 2026)

DIRECT TESTIMONY OF

JASON LEGNER

ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

(CHAPTER 2 – SELECTED PROJECTS)

[PUBLIC VERSION]

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

July 1, 2026

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DIRECT TESTIMONY OF
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CHAPTER 2 – SELECTED PROJECTS

I. PURPOSE AND OVERVIEW

The purpose of my testimony is to describe, on behalf of the customers, how seven non-residential projects that submitted New Business Allowance Exception Applications to Southern California Gas Company (SoCalGas) satisfy the eligibility criteria for gas line extension allowances set forth in California Public Utilities Commission (Commission) Decision (D.) 22-09-026. Pursuant to that decision, projects must meet three criteria: (1) show a demonstrable reduction in greenhouse gas (GHG) emissions; (2) be consistent with California's climate goals, including those articulated in Senate Bill (SB) 32 (Pavley, 2016); and (3) demonstrate that they have no feasible alternative to the use of natural gas, including electrification.[1]

II. OVERVIEW OF PROJECTS

A. General Project Qualifications

The seven projects included in this Application consist of (1) combined heat and power (CHP) engines paired with carbon capture, solar, and energy storage, and (2) compressed natural gas (CNG) fueling stations that will dispense 100% renewable natural gas (RNG). These customers have requested gas line extension allowances and have provided information demonstrating that the projects meet the criteria in D.22-09-026 for an exception. The following projects are described in more detail in the sections below.

Table 1- Projects

Project Identifier	Project
A-1	[redacted]
A-2	[redacted]
A-3	[redacted]
B	[redacted]
C	[redacted]
D	[redacted]
E	[redacted]

[1] D.22-09-026 at 81-82 (Ordering Paragraph (OP) 2).

1. Demonstrable Reduction in GHG Emissions

D.22-09-026 requires projects to demonstrate a reduction in GHG emissions.[2] Six of the seven projects seeking an allowance are RNG fueling stations. For these projects, SoCalGas used the "Standard Lifecycle GHG Emission Reduction Methodology" to calculate emissions reductions from the use of RNG compared to the displaced incumbent fuel, diesel.[3] The methodology uses the Low Carbon Fuel Standard (LCFS) credits calculation, a standardized, regulatory-approved framework for accounting for the use of low-carbon transportation fuels in California.[4] All assumptions and calculation methods remain unchanged from the prior application except for an updated carbon intensity (CI) value reflecting a volume-adjusted average biogas CNG CI of -186.39 gCO_2e/MJ (grams of CO_2-equivalent per megajoule), based on updated 2025 LCFS quarterly data.[5]

For the remaining project, SoCalGas calculated GHG emissions reductions based on the estimated emissions from a natural-gas-fired CHP system paired with a carbon capture system, using the U.S. Environmental Protection Agency (EPA) GHG Reporting Program methodology for general combustion sources.[6] This approach quantifies carbon dioxide (CO_2) emissions using EPA-specified emission factors and incorporates customer-provided system characteristics and operational assumptions to estimate fuel consumption. In addition, Southern California Edison's (SCE) 2024 Power Content Label and the EPA's Emissions & Generation Resource Integrated Database (eGRID) were used to estimate grid electricity GHG emissions.[7,8] To estimate avoided

[2] D.22-09-026 at 82 (OP 2).

[3] A.25-07-001, Prepared Direct Testimony of Jason Legner on behalf of SoCalGas (Chapter 2, Selected Projects) Exhibit (Ex.) SCG-02 (Legner) at JL-2–JL-4.

[4] California Air Resources Board (CARB), *Low Carbon Fuel Standard, available at:* https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard/about.

[5] Data derived from CARB, LCFS Quarterly Data Spreadsheet as of Q3 2025, *available at*: https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/dashboard/quarterlysummary/quarterlysummary_Q32025.xlsx.

[6] 40 CFR § 98.33.

[7] Utilized SCE Default Rate's GHG Emissions Intensity of 515 lbs. of CO_2e emitted per megawatt-hour (MWh). *See* California Energy Commission (CEC), *2024 Power Content Label – Southern California Edison Company* (2024), *available at*: https://www.energy.ca.gov/filebrowser/download/9168.

[8] Utilized U.S. Grid Gross Loss of 4.2%. *See* EPA, *Summary Data – eGRID with 2023 Data*, *available at*: https://www.epa.gov/egrid/summary-data.

emissions from the paired solar photovoltaic (PV) system, SoCalGas assumed a 19.1% capacity factor, 96% inverter efficiency, and 14% system losses, based on National Renewable Energy Laboratory (NREL), now known as the National Laboratory of the Rockies (NLR), Commercial PV data and PVWatts.[9,10] For the paired energy storage system, SoCalGas assumed 140 annual full discharge cycles, consistent with average non-residential project performance reported in the 2023 Self-Generation Incentive Program (SGIP) Impact Evaluation Report.[11]

The methodology, assumptions, and calculations for each project are provided in the accompanying workpapers. In total, the seven projects represent an estimated annual GHG emissions reduction of approximately 151,585 metric tons of carbon dioxide equivalent ($MTCO_2e$). The calculated annual GHG emission reductions in $MTCO_2e$ for each project are listed in Table 2.[12]

Table 2: Estimated Annual GHG Emission Reductions

Project Identifier	Estimated Annual GHG Emission Reductions ($MTCO_2e$)
A-1	36,731
A-2	27,548
A-3	18,365
B	30,609
C	15,304
D	15,305
E	7,722

[9] Utilized a commercial PV capacity factor of 19.1%, based on U.S. resource class 2. *See* NLR – Annual Technology Baseline, *Commercial PV, available at*: https://atb.nlr.gov/electricity/2024b/commercial_pv.

[10] Utilized PVWatts default assumptions of 96% inverter efficiency and 14% total system losses. *See* NREL, *PVWatts Version 5 Manual* (Dobos, 2014), *available at:* https://pvwatts.nlr.gov/downloads/pvwattsv5.pdf.

[11] Utilized the overall average nonresidential full discharge cycles. *See* Verdant Associates, *2023 SGIP Impact Evaluation,* Commission, (March 7, 2025) at 54 (Figure 4-15: Summary of 2023 Nonresidential Performance Metrics by PA), *available at:* https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/self-generation-incentive-program/2023_sgip_impact_evaluation.pdf.

[12] Accompanying Chapter 2 workpapers further illustrate the methodology of the underlying calculations for each individual project.

2. Consistent with California's Climate Goals

The proposed projects included in this Application consist of: (1) RNG-fueled CNG fueling infrastructure for industrial use, enabling the displacement of diesel in the hard-to-decarbonize industrial transportation sector,[13] and (2) high-efficiency CHP engine-generator sets fueled by conventional natural gas and equipped with carbon capture technology, allowing for substantial reductions in point-source CO_2 emissions while delivering efficient on-site electricity and thermal energy.[14] The project will also include the installation of PV and energy storage systems for additional GHG emissions reductions.

California has established ambitious climate, energy, and air quality objectives, including those set forth in SB 32, which requires a 40% reduction in GHG emissions below 1990 levels by 2030,[15] and the CARB 2022 Scoping Plan for Achieving Carbon Neutrality (Scoping Plan), which outlines a pathway to carbon neutrality by 2045. Together, these policies emphasize the importance of deploying a diverse portfolio of strategies—including low-carbon fuels, carbon capture technologies, renewable generation, and energy storage technologies—to reduce emissions from industrial and other hard-to-decarbonize sectors. The CARB Scoping Plan recognizes RNG and biomethane, supported through the LCFS, as well as CO_2 removal solutions, including carbon capture, as effective near-term tools for reducing emissions.[16] Additionally, the LCFS provides a framework for recognizing RNG used in transportation as a qualifying low-carbon fuel pathway that can achieve immediate GHG and air-quality benefits using existing natural gas infrastructure. These projects support California's long-term decarbonization and energy resilience goals while remaining in compliance with all applicable regulations.

[13] The Transport Project, *RNG-Fueled Fleets in California Mark Five Years of Carbon-Free Outcomes* (September 3, 2025), *available at:* https://transportproject.org/2025/09/03/rng-fueled-fleets-in-california-mark-five-years-of-carbon-free-outcomes/.

[14] Carbon Trail, *Carbon Capture* (August 20, 2024), *available at:* https://carbontrail.net/glossary/carbon-capture/.

[15] SB 32 (Pavley, 2016) – California Global Warming Solutions Act of 2006: emissions limit, *available at:* https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB32.

[16] CARB, *2022 Scoping Plan for Achieving Carbon Neutrality* (November 16, 2022) at 190, *available at:* https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp_1.pdf. *See also, id.* at 45 (Table 1-1) (summarizing major climate legislation enacted since the 2017 Scoping Plan, such as Assembly Bill (AB) 1279 and SB 905).

a. Climate Benefits

RNG used for industrial CNG fueling is produced from waste sources, including dairy farms, landfills, and organic waste processing facilities. When used as a substitute for diesel, RNG can reduce GHG emissions by up to 80%.[17] RNG produced from waste streams that would otherwise emit methane can achieve carbon-negative intensity values under CARB's LCFS, reflecting the significant climate benefit of capturing methane—a short-lived climate pollutant (SLCP) with a high global warming potential.[18] The use of RNG for industrial fueling captures methane that would otherwise be released into the atmosphere and converts it into useful energy. These avoided methane emissions are a key factor in RNG's low or negative CI and directly support the goals of California SB 1383 (Lara, 2016) and CARB's SLCP Reduction Strategy, which emphasizes methane reductions and diversion of organic waste from landfills.[19,20]

One of the projects within the Application is for a natural gas-fired CHP system that incorporates carbon capture technology to significantly avoid point-source CO_2 emissions. CHP systems already achieve overall efficiencies substantially higher than separate grid electricity and thermal generation;[21] the inclusion of carbon capture, solar, and storage technologies provide additional GHG benefits, making these systems an important transitional strategy for reducing emissions from industrial energy demand while maintaining reliability.[22]

[17] EPA, *An Overview of Renewable Natural Gas From Biogas* (January 2024) at 11, *available at:* https://www.epa.gov/system/files/documents/2024-01/lmop_rng_document.pdf.

[18] CARB, *LCFS Pathway Certified Carbon Intensities*, *available at:* https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities.

[19] CARB, *SLCP Reduction Strategy* (March 2017) at 58, *available at:* https://ww2.arb.ca.gov/sites/default/files/2020-07/final_SLCP_strategy.pdf; *see also* CARB, *LCFS Pathway Certified Carbon Intensities, available at:* https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities.

[20] CalRecycle, *Statewide Mandatory Organic Waste Collection, available at:* https://calrecycle.ca.gov/Organics/SLCP/collection/; *see also* CARB, *SLCP Reduction Strategy* (March 2017), *available at: https://ww2.arb.ca.gov/sites/default/files/2020-07/final_SLCP_strategy.pdf*.

[21] EPA, *CHP Benefits, available at:* https://www.epa.gov/chp/chp-benefits.

[22] EPA, *CHP's Role in Decarbonization, available at:* https://www.epa.gov/chp/chps-role-decarbonization.

b. Air Quality Improvements

Replacing diesel fuel with RNG for industrial CNG fueling yields substantial air-quality benefits, including significant reductions in nitrogen oxides (NO_x) and particulate matter (PM), because modern RNG-fueled CNG engines emit significantly lower levels of criteria pollutants than diesel equipment.[23] Similarly, natural gas-fired CHP systems, particularly when equipped with advanced emissions controls and operated at high efficiency, emit lower levels of NO_x and PM than conventional diesel generation.[24,25] For this CHP project, a selective catalytic reduction (SCR) system will be installed to further reduce emissions, achieving at least a 96% reduction in NO_x. Furthermore, the CHP engines will be equipped with [redacted] controller, a control system that optimizes lean-burn combustion performance and dynamically adjusts emissions controls to further minimize air pollutant emissions and meet air quality requirements. The project will also install a Continuous Emissions Monitoring System (CEMS) to enable real-time monitoring of key pollutants and ensure compliance with environmental regulations. In addition, because CHP systems require less fuel to produce the same amount of useful energy, they can further reduce emissions of CO_2 as well as criteria pollutants such as NO_x and sulfur dioxide (SO_2).[26] The integration of carbon capture technology does not increase criteria pollutant emissions and enables the reduction of environmental impacts.[27]

3. No Feasible Alternative

D.22-09-026 requires each project to demonstrate that no feasible alternative to the use of natural gas exists, including electrification.[28] Each customer has provided information, as

[23] Energy Vision, *A Path to a Healthier America: Ditching Old Diesel Trucks* (March 2025) at 18, *available at*: https://energy-vision.org/pdf/ditching-diesel.pdf.

[24] Generac, *White Papers – Environmental and Regulatory Advantages of Natural Gas Generators, available at:* https://www.generac.com/industrial/tools-resources/white-papers/environmental-regulatory-advantages-of-natural-gas-generators/.

[25] EPA, *Chapter 2 – Selective Catalytic Reduction* (June 2019) at Section 2-1, *available at*: https://www.epa.gov/sites/default/files/2017-12/documents/scrcostmanualchapter7thedition_2016revisions2017.pdf.

[26] EPA, *CHP Benefits, available at: https://www.epa.gov/chp/chp-benefits*.

[27] Clean Air Task Force, *Air Pollutant Reductions From Carbon Capture* (December 2023), *available at:* https://cdn.catf.us/wp-content/uploads/2023/11/28104644/air-pollutant-reductions-carbon-capture-report.pdf.

[28] D.22-09-026 at 82 (OP 2(c)).

detailed in the project-specific evaluations below, confirming that no feasible alternatives are available.

III. PROJECT-SPECIFIC EVALUATIONS

Unless otherwise stated, Section III is based on information provided by the customer and publicly available information. Customer-submitted applications are included in the accompanying Chapter 2 workpapers.

A. Projects A-1-A-3 – [redacted]

[redacted] is one of [redacted] waste collection and hauling companies, operating a fleet of nearly [redacted] waste collection and industrial trucking vehicles and [redacted] material recovery facilities that support waste diversion throughout Southern California. [redacted] has submitted applications for three projects—[redacted]—where RNG will be used to fuel its fleet of vehicles. The proposed, strategically located facilities will enable [redacted] to support residential, commercial, and industrial waste and recycling services in these locations and surrounding areas. [redacted] also manages organics waste collection programs, trucking organic feedstocks to anaerobic digestion facilities that produce RNG. For more than six decades, [redacted] has pioneered innovative environmental solutions in service of communities across greater Southern California. As a [redacted] waste collection and recycling company, [redacted] is committed to advancing California's sustainability objectives by diverting valuable resources from landfills. These efforts include recycling and organics diversion programs and the deployment of a near-zero-emission industrial fleet fueled by ultra-low-CI RNG, with carbon intensities approaching −400 gCO_2e/MJ under the CARB LCFS, sourced primarily from California dairy operations. [redacted] long-term goal is to achieve a zero-waste future by empowering communities to reduce their environmental footprint by safely returning materials to productive industrial use or to soil without adverse impacts to human, animal, or global health.[29]

1. Project A-1: [redacted]

This location is adjacent to [redacted] which [redacted] The site will facilitate operational growth and provide truck parking and

[29] *See* [redacted]

maintenance for vehicles serving the adjacent [redacted], as well as anticipated future fleet growth. [redacted] has expanded by an average of [redacted] per year over the last 10 years.

a. Demonstrable Reduction in GHG Emissions

The customer proposes replacing up to 80 third-party diesel transfer trucks with new, near-zero-emission RNG tractors. Based on an estimated annual fuel consumption of 1,200,000 gasoline gallon equivalents (GGEs) and a dairy RNG CI of -200 gCO_2e/MJ, the customer estimates that the proposed RNG refueling installation will achieve an annual GHG emissions reduction of 42,180 $MTCO_2e$. Applying the Standard Lifecycle GHG Emission Reduction Methodology and the customer's estimated RNG usage of approximately 1.4 million therms, the estimated annual lifecycle GHG emissions reductions of using RNG in replacement of diesel will be 36,731 $MTCO_2e$ for this project.

2. Project A-2: [redacted]

This location will replace an existing third-party-owned station upon expiration of the customer's current contract to use that station. The new location will provide [redacted] with the parking, maintenance, and operational space necessary to meet expanding fleet needs and replace third-party party diesel sub-haulers.

a. Demonstrable Reduction in GHG Emissions

The proposed project replaces conventional diesel waste-hauling trucks with near-zero-emission CNG vehicles using RNG produced from California dairies. The customer estimates that annual fuel consumption of approximately 900,000 GGEs of RNG, combined with an assumed dairy-derived RNG CI of -200 gCO_2e/MJ, would result in an annual GHG emissions reduction of approximately 31,635 $MTCO_2e$ associated with the proposed RNG refueling installation. Applying the Standard Lifecycle GHG Emission Reduction Methodology, the project achieves a comparable emissions reduction of approximately 27,548 $MTCO_2e$ per year, demonstrating the project's substantial GHG benefits from replacing diesel with low-carbon, dairy-derived RNG.

3. Project A-3: [redacted]

The current location serving this area is undersized. [redacted] will relocate its current operations to this new [redacted] location to provide the parking, maintenance, and

operational space needed to accommodate fleet expansion, replace third-party diesel sub-haulers, and expand CNG fueling. [redacted] has expanded by [redacted] per year over the last 10 years.

a. Demonstrable Reduction in GHG Emissions

The project involves constructing an RNG fueling station to serve a fleet of waste collection and industrial trucking vehicles providing residential, commercial, and industrial services. The customer estimates that the proposed RNG refueling station would result in an annual reduction of approximately 21,090 $MTCO_2e$ based on the use of 600,000 GGEs of RNG with a CI -200 gCO_2e/MJ. The Standard Lifecycle GHG Emissions Reduction Methodology yields a similar annual emissions reduction of 18,365 $MTCO_2e$.

4. Projects A-1-A-3: [redacted]

a. Consistent with California's Climate Goals

Projects A-1 through A-3, involving [redacted] facilities, align with California's climate goals, including those outlined in SB 32, SB 1383, CARB's Scoping Plan, and applicable federal and state clean-air standards. The projects support and/or align with these goals by:

- Reducing GHG emissions: The use of RNG contributes to California's GHG emissions reduction goals, aligning with SB 32 and the CARB Scoping Plan.
- Promoting air-quality improvements: RNG use reduces criteria pollutants such as NO_x, supporting California's air-quality and public-health objectives.
- Supporting clean-fuel infrastructure development: The projects enable broader adoption of clean-fuel technologies and support the development of RNG production facilities.
- Making effective use of waste streams: [redacted] recycling, organics diversion, and waste-transport operations divert green and organic waste from landfills, supporting SB 1383.

[redacted] confirms in its application that it will continue to comply with all state regulations, including CARB's Advanced Clean Fleets regulation and South Coast Air Quality Management District (SCAQMD) requirements. [redacted] waste and recycling providers in California, [redacted] is dedicated to climate and sustainability goals.

Operating [redacted] material recovery facilities for recycling and waste diversion, [redacted] also operates composting facilities and delivers organic feedstocks to anaerobic digestors that produce RNG, directly supporting the goals of SB 1383. The projects also align with SB 32 through [redacted] existing agreement to utilize RNG sourced from California dairy operations with a CI of approximately -400 gCO_2e/MJ.

b. No Feasible Alternative

For Projects A-1 through A-3, involving [redacted] facilities, electric-powered vehicles for waste hauling continue to be developed, but several challenges remain. The high upfront cost of electric refuse trucks, combined with battery weight and current performance limitations, can make deployment difficult, particularly for routes requiring heavy payloads, long duty cycles, or extended range. [redacted] currently operates approximately 96% of its hauling fleet with near-zero-emission CNG trucks fueled by dairy-derived RNG with a CI of approximately −400 gCO_2e/MJ. Converting to electric vehicles (EVs) would require an estimated 35% more trucks due to capacity, payload, weight, and mileage restrictions. [redacted] has already invested in its CNG operating infrastructure. EV infrastructure would require major capital, site, and supplemental battery-storage investments to meet fleet charging requirements. Additionally, charging time and potential impacts on route flexibility present operational challenges. The customer also found that productivity estimates would require approximately 1.35 EV trucks for each current CNG truck, and electric trucks typically carry a 75% to 80% higher capital cost than comparable CNG vehicles. Although these constraints are expected to diminish as technology advances, they remain meaningful barriers to broader adoption in the waste-hauling sector today. The proposed fueling stations will support [redacted] existing fleet of CNG vehicles, as well as additional RNG vehicles as needed. The stations will also allow [redacted] to replace third-party diesel long-haul transfer fleets with RNG-powered fleets.

B. Project B – [redacted]

[redacted] provides alternative fuel products and services to professional drivers and fleet operators. It operates approximately [redacted] locations in [redacted] states. For this proposed project, the end use of RNG is vehicle fueling to support the customer's clean transportation fleet operations. The project will use modern CNG compression technology to

improve overall energy efficiency compared to conventional fueling station designs by incorporating appropriately sized hydraulic and electric compressor equipment matched to the station's projected fueling demand. By right-sizing the compression equipment and using more efficient compressor designs, the proposed station reduces parasitic electrical loads, minimizes unnecessary compressor run time, and improves overall system efficiency. Integrated control systems and sequencing further optimize station operations based on real-time fueling demand, thereby reducing idle operation and unnecessary energy consumption. Collectively, these design features are expected to lower total energy consumption per unit of fuel dispensed compared to conventional configurations.

[redacted] sustainability objectives focus on reducing environmental impacts while supporting cleaner transportation solutions. To that end, the company invests in alternative and low-carbon fuel infrastructure, including RNG and other low-emission fuel options, to enable customers to reduce emissions. As outlined in its application, [redacted] also implements sustainable operational practices, including energy efficiency improvements, recycling programs, and water conservation measures, to reduce its overall environmental footprint and support a more sustainable transportation network.

1. Demonstrable Reduction in GHG Emissions

The customer estimates the equivalent CO_2 emissions reduction associated with its proposed RNG refueling installation to be 41,100 metric tons per year, based on an annual fueling throughput of approximately 1,000,000 GGEs and a dairy-derived RNG CI of –250 gCO_2e/MJ. Applying a more conservative RNG CI of –186.39 gCO_2e/MJ under the Standard Lifecycle GHG Emission Reduction Methodology produces a lower, yet still substantial, estimated reduction of approximately 30,609 $MTCO_2e$ annually, demonstrating the project's significant emissions benefits in replacing diesel-fueled trucks with RNG vehicles.

2. Consistent with California's Climate Goals

This project aligns with California's climate goals, including those outlined in SB 32, CARB's Scoping Plan, and applicable federal and state clean-air standards. The project supports and/or aligns with these goals by:

- Reducing GHG emissions: The use of RNG contributes to California's GHG emissions reduction goals, aligning with SB 32 and the CARB Scoping Plan.

- Promoting air quality improvements: RNG use reduces criteria pollutants such as NO_x, supporting California's air-quality and public-health objectives.
- Supporting clean-fuel infrastructure development: The project enables broader adoption of clean-fuel technologies and supports the development of RNG production facilities.

The line extension supports California's climate goals by enabling the continued use of low-carbon transportation fuels for an existing CNG vehicle fleet. The project facilitates the delivery of RNG for vehicle fueling, which has a significantly lower CI than conventional diesel fuel and supports GHG reduction targets established under SB 32 and the CARB Scoping Plan.[30]

By providing localized fueling infrastructure, the project reduces the vehicle miles traveled associated with off-site refueling, improves operational efficiency for clean transportation fleets, and supports California's transition to lower-carbon transportation solutions. The customer estimates that the proposed compression system will reduce overall electrical energy demand for compression by approximately 10–15% compared to a traditional reciprocating-compressor-based CNG station designed for equivalent throughput. These estimated reductions are attributable to improved compressor efficiency, reduced equipment oversizing, and optimized operating profiles aligned with actual fueling demand. These energy-reduction estimates are comparative and indicative; actual performance will depend on final operating conditions, fueling patterns, and equipment duty cycles.

3. No Feasible Alternative

Electrification and other alternative fueling technologies were evaluated; however, they are not feasible within the scope of this project. The project is specifically designed to support an existing CNG vehicle fleet. Transitioning to alternative technologies would require full fleet replacement, development of new fueling infrastructure, and significant changes to fleet operations, none of which are practical or achievable under the current project objectives, timeline, or regulatory framework. Without RNG fueling equipment, the project would be

[30] CARB LCFS, *available at:* https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities; SB 32 (Pavley, 2016), *available at:* https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB32; *see also CARB, 2022 Scoping Plan for Achieving Carbon Neutrality* (November 16, 2022), *available at:* https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp_1.pdf.

unable to effectively support current operations. Fleet vehicles would be required to travel off-site to refuel, increasing vehicle miles traveled, operating costs, and associated emissions. Continued operation in this manner is infeasible because it would undermine fleet efficiency and conflict with the project's clean transportation objectives. On-site RNG fueling allows the customer to use a cleaner-burning alternative to diesel, minimize unnecessary travel and emissions, and maintain operations in a manner consistent with the site-specific operating constraints and performance requirements.

C. Project C – [redacted]

[redacted] is a [redacted] company engaged in the production, marketing, and distribution of low-CI RNG nationwide. [redacted] integrates [redacted] with [redacted] The company produces RNG by capturing methane emissions from organic waste sources, upgrading, and purifying that gas to pipeline-quality standards, and displacing higher-carbon fuels, including diesel, in transportation and other end uses.

The facility, owned and operated by [redacted], will serve as a fueling station providing RNG to an existing private fleet of CNG vehicles on a slow-fill basis and to other public vehicles through a fast-fill process. The refueling station will be located in [redacted] and will use 100% RNG supplied by one of the company's RNG production facilities. The location was chosen due to its proximity to [redacted] and will primarily serve paving contractors and trucking companies that haul agricultural commodities in this part of the [redacted]. Additionally, this location has access to high-pressure gas supply, which will reduce on-site compression requirements and is therefore expected to require approximately half of the electrical energy associated with compression at a conventional CNG fueling station, improving overall system energy efficiency relative to traditional designs.

1. Demonstrable Reduction in GHG Emissions

Based on an annual fuel fleet consumption of 500,000 GGEs and dairy-derived RNG with a CI of –200 gCO_2e/MJ, the customer estimates the equivalent CO_2 emissions reduction associated with the proposed RNG refueling installation to be 17,542 metric tons per year. In addition, to demonstrate GHG emissions reductions across multiple fuel pathways, the customer evaluated alternative natural gas options and found that displacing diesel with conventional

CNG, with a CI of 79.21 gCO_2e/MJ, would reduce emissions by approximately 677 $MTCO_2e$ per year, while landfill-derived RNG, with a CI of 50 gCO_2e/MJ, would achieve a larger annual reduction of approximately 2,441 $MTCO_2e$. Applying the Standard Lifecycle GHG Emissions Reduction Methodology, which uses a more conservative CI assumption than the dairy-derived RNG pathway, the project is estimated to achieve an annual CO_2 emissions reduction of approximately 15,304 metric tons.

2. Consistent with California's Climate Goals

This project aligns with California's climate goals, including those outlined in SB 32, SB 1383, CARB's Scoping Plan, and applicable federal and state clean-air standards. The project supports and/or aligns with these goals by:

- Reducing GHG emissions: The use of RNG contributes to California's GHG emissions reduction goals, aligning with SB 32 and the CARB Scoping Plan.
- Promoting air-quality improvements: RNG use reduces criteria pollutants such as NO_x, supporting California's air-quality and public-health objectives.
- Supporting clean-fuel infrastructure development: The project enables broader adoption of clean-fuel technologies and supports the development of RNG production facilities.
- Making effective use of waste streams: RNG will be supplied by one of the company's RNG production facilities, using organic waste sources, supporting SB 1383.

As highlighted in the customer application, [redacted] addresses the environmental impacts of traditional diesel use in the Class 8 trucking industry by helping heavy-duty fleets transition from diesel to RNG fuel, thereby reducing GHG emissions while supporting lower operating costs.[31] The proposed project advances California's climate objectives by supporting the continued operation of both private and public CNG vehicles using low-carbon transportation fuels. Specifically, the project facilitates the distribution of RNG, produced from organic waste feedstocks, for use in industrial vehicle fueling. In doing so, the project contributes to GHG emissions reductions and aligns with the policy objectives of SB 32, SB 1383, and the CARB Scoping Plan.

[31] *See* [redacted]

3. No Feasible Alternative

This [redacted] located project will primarily serve the needs of a single end-use customer: a fleet of heavy-duty RNG trucks that transport aggregate material used in the construction industry. The routes vary by project, with some requiring trucks to travel up to 350 miles per day. The end user evaluated the feasibility of battery-electric vehicles but determined they were not feasible due to high upfront costs, limited range, excessive charging times, and the lack of electrical infrastructure in the area. The nearest public RNG station is 12.5 miles away, and relying on that fast-fill station, or others along the routes, would result in operational uncertainty, reduced filling density, and higher costs associated with driver downtime and unnecessary non-route travel. Conversely, the proposed RNG refueling site would allow the customer's trucks to depart from the facility with sufficient fuel to maximize range. This is particularly necessary for routes on the east side of the [redacted], where refueling infrastructure for heavy-duty vehicles is limited.

D. Project D – [redacted]

As a leading transportation provider, [redacted] is committed to reducing the environmental impact of its operations through sustainable business practices, equipment optimization, and operational efficiencies. The proposed fueling station will serve [redacted] existing fleet of CNG vehicles and will be located in [redacted], providing 100% RNG to power its existing industrial trucking fleet. The refueling infrastructure will also enable [redacted] to expand its CNG fleet over time, replacing higher-emission diesel trucks as needed. With an anticipated annual throughput of approximately 500,000 GGEs, the fueling station underscores [redacted] sustainability commitment.

[redacted] goal is to continue reducing its carbon footprint and minimizing the use of resources where possible. The company's fleet initiatives include [redacted] Other conservation initiatives include recycling used oil, scrap metal, paper and cardboard, and tires.[32]

[32] *See* [redacted].

1. Demonstrable Reduction in GHG Emissions

The customer estimates the equivalent CO_2 emissions reduction associated with the proposed RNG refueling installation to be 2,871-22,447 metric tons per year, based on an estimated annual energy usage of 500,000 GGEs for its initial fleet of 50 CNG tractors. To assess the range of potential emissions benefits, the customer evaluated three fuel-supply scenarios: landfill-derived RNG with a CI of 46.87 gCO_2e/MJ, a dairy and landfill-derived RNG blend with a CI of –124.77 gCO_2e/MJ, and dairy-derived RNG with a CI of –250 gCO_2e/MJ. The corresponding estimated annual GHG emissions reductions for these scenarios are approximately 2,871, 14,189, and 22,447 $MTCO_2e$, respectively. Comparatively, applying the Standard Lifecycle GHG Emission Reduction Methodology and the customer's estimated RNG usage of approximately 580,000 therms, replacing diesel with RNG would result in annual lifecycle GHG emissions reductions of approximately 15,305 $MTCO_2e$ for this project.

2. Consistent with California's Climate Goals

This project aligns with California's climate goals, including those outlined in SB 32, CARB's Scoping Plan, and applicable federal and state clean-air standards. The project supports and/or aligns with these goals by:

- Reducing GHG emissions: The use of RNG contributes to California's GHG emissions reduction goals, aligning with SB 32 and the CARB Scoping Plan.
- Promoting air quality improvements: RNG reduces criteria pollutants such as NO_x, supporting California's air-quality and public-health objectives.
- Supporting clean-fuel infrastructure development: The project enables broader adoption of clean-fuel technologies and supports the development of RNG production facilities.

The customer's application also highlights the project's alignment with AB 1279, which sets ambitious targets to reduce anthropogenic emissions by 85% below 1990 levels and achieve carbon neutrality by 2045. The customer states that RNG, a biogenic fuel produced from landfills or dairy farms and delivered to this project as a low-carbon transportation fuel, can achieve a reportable reduction of over 90% in GHG emissions during the vehicle-use phase for heavy-duty trucks. The application also notes that RNG sourced from in-state dairy manure projects can further reduce GHG emissions in California's agricultural sector by mitigating fugitive methane emissions. Additionally, low-NO_x RNG trucks improve air quality by reducing

criteria pollutants. By supporting the transition to cleaner transportation fuels, [redacted] project directly contributes to California's efforts to mitigate climate change, improve air quality, and promote environmental justice.

3. No Feasible Alternative

[redacted] CNG industrial Class 8 trucks currently fuel at public RNG refueling infrastructure. This project will establish a new station co-located at [redacted] existing facility. Refueling at the proposed station will increase efficiency and reduce emissions by decreasing the time, fuel, and emissions associated with traveling to public network stations for refueling. [redacted] states that it is beginning to deploy EV trucks at some locations; however, broader deployment remains constrained by insufficient electrical capacity to charge a large fleet of trucks and by current range limitations relative to its contracted transportation lanes. In this instance, the customer evaluated the adoption of some EV yard mules and trucks; however, SCE confirmed that it would not be able to support the EV charging power demand for another 56 months. In light of these constraints, RNG remains the only option that has proven viable for [redacted] heavy-duty trucking operations today. For example, the customer's back-of-cab 175 diesel gallon equivalent RNG fuel systems will allow the customer to travel more than 900 miles once the RNG fueling station is operational. Notably, the fueling system will also allow 100% fills, compared to 80% to 85% at public fast-fill stations due to heat of compression fueling at those sites. By comparison, electric trucking applications are generally constrained to ranges of approximately 200 to 300 miles, with potential reductions in payload capacity attributable to battery weight and additional operational impacts associated with off-site charging duration.

In the absence of the proposed natural gas fueling equipment, [redacted] would continue fueling its CNG tractors at public refueling stations and would not expand its CNG tractor fleet. Instead, [redacted] would rely on diesel trucks using renewable diesel when available and as needed to maintain compliance with applicable state requirements.

E. Project E – [redacted]

[redacted] is one of the [redacted] in the United States, serving customers and communities across 10 states through a network of manufacturing and distribution facilities. [redacted] has several prioritized climate goals by 2030, including facility-specific community engagement targets, greater than [redacted] waste diversion from landfills

across all facilities, [redacted] of on-site renewable energy capacity, a [redacted] reduction in GHG emissions, and a [redacted] reduction in water use. Currently, [redacted] is developing a new industry-leading [redacted] center in [redacted]. The new center will replace the company's original 125,000-square-foot facility with a modern 620,000-square-foot operation designed with safety, efficiency, and sustainability as top priorities.[33]

The proposed project will include the installation of two high-efficiency CHP engine-generator sets that will provide on-site electricity to serve plant electrical loads while also recovering waste heat from the engines to drive a CO_2 capture and liquefaction system. This integrated use maximizes fuel efficiency, reduces reliance on grid electricity, and enables recovered CO_2 to be repurposed for on-site use, eliminating the need for diesel truck transportation of CO_2 deliveries.

The project supports California's ambitious GHG reduction goals and advances the state toward a cleaner energy future. The proposed project is also planned to include a phased installation of a 2.5 MW solar PV system and a 2.356 MWh battery energy storage system to provide additional GHG emissions reductions at the [redacted] plant—a major step towards carbon neutrality. [redacted] is developing an almost identical project which includes two 1.5 MW CHP systems and carbon capture at their [redacted]. That project received a gas line extension allowance before the effective date of D.22-09-026, is currently in the entitlements phase with the city, and has received SCAQMD permits for construction.

The project increases energy efficiency by using a CHP system that simultaneously generates electricity and captures waste heat from natural gas engines that would otherwise be lost. The electricity is used directly on-site, avoiding grid transmission losses, while the captured waste heat is used for the CO_2 liquefaction process. By integrating power generation and CO_2 recovery into a single process, the system achieves substantially higher overall fuel utilization than conventional standalone power systems. According to the customer application, the two [redacted] natural gas engines consume approximately 54,804,492 kilowatt-hours (kWh) of energy annually. In contrast, the alternative approach, including grid electricity, diesel truck transportation of CO_2 product, and thermal energy supplied by an electric boiler for the carbon

[33] *See* [redacted]

capture process, results in higher overall energy consumption. In total, these alternative energy sources have an estimated annual energy consumption of 59,688,134 kWh.[34] Overall, the proposed project reduces total energy demand by approximately 4,883,642 kWh per year, reflecting improved efficiency relative to the alternative approach.

1. Demonstrable Reduction in GHG Emissions

The customer estimates that the project will achieve an annual GHG emissions reduction of approximately 5,202 $MTCO_2e$ through deployment of an efficient CHP microgrid with integrated carbon capture. The system includes two [redacted] units, each rated at 1,514 kilowatts (kW), operating at approximately 84% capacity and producing 11,152 $MTCO_2$ annually. By generating electricity on-site, the project displaces approximately 22.6 million kWh of grid electricity per year. The customer found that, based on U.S. Department of Energy, Energy Information Administration emissions factors for natural gas power plants of 465 gCO_2/kWh, this equates to roughly 11,051 $MTCO_2$ avoided annually. In addition, the [redacted] CO_2 capture system uses waste heat from the CHP engines to capture CO_2 in place of a conventional electric boiler, avoiding an additional 5,081 metric tons of CO_2 per year. The CO_2 capture system achieves approximately 87% conversion efficiency, capturing around 9,600 metric tons of CO_2 on-site each year and eliminating the need to transport externally supplied CO_2 by diesel truck. Based on an EPA emissions factor of 168 gCO_2 per ton-mile, avoiding this external diesel transport prevents an additional estimated 221 $MTCO_2$ emissions each year.[35]

Collectively, by displacing grid electricity generation, diesel truck transportation, and electric boiler operation, the customer estimates a net annual GHG emissions reduction of approximately 5,202 $MTCO_2$. This estimate is intentionally conservative, as it accounts for marginal electric grid emissions and does not account for the capture of CO_2 that is being repurposed into the manufacturing process [redacted].

SoCalGas validated the customer's emissions calculations based on immediate GHG emissions reductions from the generation and carbon capture system. Similarly, using EPA

[34] For example, off-site utility-scale natural gas power plant would account for 48,479,130 kWh annually of fuel consumption, annual truck transportation of CO_2 product accounts for an estimated 281,463 kWh of annual diesel usage, and the thermal energy required for the carbon capture process using a conventional electric boiler would require an additional 10,927,542 kWh per year.

[35] Assumes 483 round-trip deliveries, 124-mile round-trip distance, and 22 tons of CO_2 per truckload.

methodologies and emission factors, SoCalGas validated that the two generators would emit a total of 11,100 $MTCO_2$ annually, of which 87% is captured for reuse; therefore, immediate on-site emissions are approximately 1,399 $MTCO_2$ per year. Applying SCE's default grid emissions rate of 233.6 gCO_2e/kWh,[36] SoCalGas conservatively estimates annual reductions of approximately 5,519 $MTCO_2e$ from displaced grid electricity and 2,538 $MTCO_2e$ from avoided electric boiler use. An additional 135 $MTCO_2e$ per year are avoided from displaced diesel truck deliveries. Furthermore, in a secondary project phase, the customer plans to install a 2.5-MW solar PV system and a 2,356-kWh energy storage system, which are expected to reduce emissions by approximately 842 and 87 metric tons of CO_2e per year, respectively, relative to SCE's grid. Altogether, accounting for point-source CO_2 captured for reuse in the industrial process, avoided grid electricity generation, displacement of electric boiler operation, reduced diesel truck transportation, and planned future renewable generation and storage additions, SoCalGas estimates total net annual GHG reductions of approximately 7,722 $MTCO_2e$.

2. Consistent with California's Climate Goals

This project aligns with California's climate goals, including those outlined in SB 32, CARB's Scoping Plan, and applicable federal and state clean-air standards. The project supports and/or aligns with these goals by:

- Reducing GHG emissions: The use of high-efficiency CHP engine-generators, carbon capture repurposed for on-site use, and the elimination of CO_2 trucking deliveries contributes to California's GHG emissions reduction goals, aligning with SB 32 and the CARB Scoping Plan.
- Promoting air quality improvements: The use of advanced control systems improves system efficiency and reduces criteria pollutant emissions, including NO_x and PM, supporting California's air-quality and public-health objectives.
- Advancing Technology: The project supports the advancement of carbon capture, the beneficial use of CO_2, and the adoption of renewable generation and storage technologies

[36] Converted from SCE Default Rate's Greenhouse Gas Emissions Intensity of 515 lbs. of CO2e emitted per MWh. *See* California Energy Commission (CEC), *2024 Power Content Label – Southern California Edison Company* (2024), *available at*: https://www.energy.ca.gov/filebrowser/download/9168.

The proposed line extension is consistent with California's climate goals because it directly supports a high-efficiency CHP system with integrated CO_2 capture, which is consistent with strategies identified in CARB's Scoping Plan. The Scoping Plan recognizes CHP, waste heat recovery, and carbon capture as near-term, high-impact measures for reducing emissions from existing industrial facilities while maintaining reliability and grid resilience. By enabling on-site electricity generation, the project reduces reliance on grid power and avoids transmission and distribution losses, supporting the GHG emissions reduction requirements of SB 32, which mandates emissions reductions of at least 40% below 1990 levels by 2030. Furthermore, the project uses advanced emissions-control technologies, including a selective catalytic reduction system, [redacted] combustion controller, and a CEMS, to minimize NO_x emissions, provide air-quality benefits, and support compliance with environmental regulations. In addition, the capture and beneficial reuse of CO_2 from the CHP exhaust directly advances the carbon management and utilization pathways identified in the CARB Scoping Plan and is aligned with the carbon neutrality goals established by AB 1279. Overall, the line extension enables a project that reduces net emissions, improves energy efficiency, and supports California's statutory pathway to an 85% reduction in anthropogenic GHG emissions and carbon neutrality by 2045.

3. No Feasible Alternative

While alternative technologies are available to the facility for electricity production, those solutions would not provide the CO_2 source needed for [redacted] plant operations. One alternative would be to procure merchant liquid CO_2 delivered by truck, but that approach would reduce operational reliability and increase operating costs compared to on-site production.

Grid power is a higher-cost and less predictable way to meet the facility's continuous electrical needs, particularly during peak demand periods, and would expose operations to greater price volatility. An even larger concern is CO_2 supply reliability: recent industry disruptions have resulted in major outages, force majeure declarations, and long-term uncertainty in merchant CO_2 availability. In some cases, the customer has been forced to source CO_2 from as far away as Texas and Missouri. Without on-site recovery, the facility would remain vulnerable to supply interruptions that directly threaten production continuity. This alternative operating model would also significantly increase truck traffic associated with CO_2 deliveries, leading to higher GHG and criteria pollutant emissions, increased congestion, and reduced

overall environmental performance compared to the proposed natural gas-fueled CHP system with on-site CO_2 capture.

This concludes my direct testimony.

IV. QUALIFICATIONS

My name is Jason Legner, and I am the manager of Customer Clean Energy Solutions. I have a comprehensive background in clean energy solutions and utility management. My business address is 555 West Fifth Street, Los Angeles, California, 90013-1011. In this role, I lead several key teams, including the Rules, Tariffs, and Policies; the Self-Generation Incentive Program, which provides incentives for customer behind-the-meter energy storage and renewably fueled distributed energy resources; the soon-to-launch Voluntary Renewable Natural Gas Tariff; and Clean Transportation. The Clean Transportation team is responsible for supporting the establishment and maintenance of CNG and RNG fueling stations. Prior to joining SoCalGas, I gained experience in both the private and public sectors, with a strong focus on strengthening California's electric grid and advancing broader clean energy goals. My experience includes managing and contributing to national programs aimed at reducing GHG emissions, enhancing demand response, enabling peak load shifting, and deploying distributed energy resources, including RNG and other renewable generation technologies. I have previously prepared and submitted written testimony for consideration in a proceeding before this Commission.

V. CERTIFICATION

I prepared, or caused to be prepared under my supervision, this testimony and the supporting workpapers accompanying it. The facts stated in this testimony are true and correct to the best of my knowledge and belief as of the date set forth below. To the extent this testimony contains opinions or judgments, those opinions or judgments reflect my best professional judgment as of that date. The supporting workpapers accompanying this testimony are true and correct to the best of my knowledge and belief as of that date.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 1, 2026, in Los Angeles, California.

/s/ Jason Legner
Jason Legner