

Barriers to Emission Reductions

2009 Natural Gas Star
Implementation Workshop

Southern California Gas Company

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Southern California Gas Company

The Southern California Gas Company is the nation's largest natural gas distribution utility, serving 19 million people through 5.4 million gas meters in more than 530 communities. The service area encompasses 23,000 square miles of diverse terrain throughout most of central and southern California, from Visalia to the Mexican border.

Cost Recovery Barriers

- Facility Cost Not Included in Normal Budgets
- Pending Regulations and Market Mechanisms
- Understanding CO₂ and Methane Inventories

Facility Budgets

- Rate Based Budget Requirements
- Company Project Approval Cycle
 - Project Priorities
 - Project Timing
- Funding for Non-scheduled Maintenance

Regs and Market Mechanisms

- Multiple New and Changing Regulations
- Cap-and-Trade Design vs.. Traditional Regulatory Mechanisms
- Local, State and Federal Oversight and Duplicity

CO2 and Methane Inventories

- Quantification Uncertainties
- Mutli-Tiered Options for Quantification
- Impacts of Inventory Evolution
- Lack of Codified Fugitive Measurement Methods

BMP Implementation Barriers

- Safety Considerations
- Other Regulations
- BMP Universal Applicability

SCG Sample BMP's in Practice

- Converting Engines to Starting Air
- Pressurizing Compressors when Off-line
- Saved Gas from ESD
- Replaced Gas Pneumatic Controls with Air or Electric Controls
- Hot Taps on In Service Pipeline Connections
- Main and Valve Closure to Reduce Blow downs

Conclusion

- The cost of emission reductions and the myriad of related potential activities associated with a reduction program is the most significant barrier.
- The true low lying fruit has already been generally addressed by Gas Star participants and future reductions achieved through BMP's will come at a cost to rate payers.