

October 23, 2025



California Public Utilities Commission
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Re: Rulemaking 13-02-008, Order Instituting Rulemaking to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules, and Related Enforcement Provisions.

Dear California, Public Utilities Commission,

The American Biogas Council (ABC) would like to provide comments on the recent ruling filed on September 23, 2025. Our comments are consistent with previously submitted public comments related to SB 1440 implementation. Policies that support the full spectrum of biomethane projects will be necessary to help meet the state's climate goals as well as California's priorities for providing consumers with affordable energy. If implemented correctly, SB 1440 has the potential to deliver on these goals. The transition away from fossil fuels will take decades, especially in the residential, commercial, and industrial sectors. SB 1440 provides the necessary policy and market signal that biomethane can successfully displace the use of conventional, fossil natural gas as an important decarbonization tool with vast positive benefits for downstream users.

With respect to the questions posed in the ruling interconnection costs are a problem nationwide, not just in California, and can often be a barrier to project development. In California, these challenges are compounded by a lack of standardized or modular interconnection designs, which makes utilities slower and more restrictive compared to other states that use pre-approved designs. Extended review timelines often lasting one to two years further delay projects, create financing risks, and increase costs. In addition, restrictions on third-party construction limit developers' ability to use outside contractors, forcing reliance on higher-cost internal utility crews that can make projects financially unviable. Finally, California's cost recovery structure places nearly all interconnection expenses on developers, rather than distributing them across ratepayers as is done elsewhere. Together, these factors contribute to higher costs, longer timelines, and reduced market access for biomethane projects.

Among various project development costs, interconnection costs are mostly excluded from important incentives such as federal tax credits. However, other factors such as feedstock exclusions, caps, and carve-outs are likely to have a bigger negative impact on the ability to procure biomethane than specifically interconnection costs. This includes the exclusion of biomethane that is produced out of state.

Programs like SB 1440 are needed now more than ever as the California Air Resources Board (CARB) has begun to phase out the use of biomethane as an eligible transportation fuel under the Low Carbon Fuel

Standard (LCFS), recognizing the transportation market's saturation of biomethane as a transportation fuel. As such, biomethane's value as a successful GHG reduction measure should be redirected towards other hard-to-decarbonize sectors. Thus, an additional, clear policy signal is needed that directs biomethane into the pipeline for use in homes, businesses, and industrial facilities at greater amounts than what is currently envisioned under the SB 1440 program.

We strongly encourage the CPUC to re-open the rulemaking to make changes to the program to cast a wider net by expanding what constitutes eligible biomethane, which will make the program more accessible and cost-effective for utilities to procure biomethane. Thank you for the opportunity to publicly comment, and we hope to engage further in the rulemaking in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass". The signature is fluid and cursive, with the first name "Patrick" and last name "Serfass" clearly distinguishable.

Patrick Serfass, Executive Director

About the American Biogas Council The American Biogas Council is the voice of the US biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent more than 400 companies in all parts of the biogas supply chain who are leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they recycle organic material into renewable energy and soil products. Learn more online at www.AmericanBiogasCouncil.org, Twitter [@ambiogascouncil](https://twitter.com/ambiogascouncil), and [LinkedIn](https://www.linkedin.com/company/ambiogascouncil).