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Sent: 3/31/2014 11:46:07 AM
To: Michael R. Peevey (michael.peevey@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fwd: The White House Releases Strategy to Reduce Methane Emissions and PG&E Engagement

FYI. See our role in this.

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Begin forwarded message:

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Subject: The White House Releases Strategy to Reduce Methane Emissions and PG&E Engagement

All --

On Friday, the White House publicly launched an interagency effort to identify and pursue opportunities to reduce methane emissions across the economy. The initiative, known as the *Climate Action Plan - Strategy to Reduce Methane Emissions* (or *The Strategy*), is part of President Obama's broader effort to address climate change.

The Strategy identifies the key sources of U.S. emissions, i.e., landfills, coal mines, agriculture, and oil and gas, and details opportunities to reduce emissions from each source category, including the capture of gas from landfills, capture and disposal at coal mines, development of a Biogas Roadmap for the agriculture industry, and capture from venting and reductions in leaks across the oil and natural gas supply chain.

In particular, the document provides insight into specific steps the Obama Administration plans to take to achieve these emission reduction goals, including relying heavily on public-private partnerships. (A link to *The Strategy* is provided below.) With regard to methane emissions from the natural gas sector, *The Strategy* builds "on success in reducing methane emissions from the oil and gas sector through voluntary programs and targeted regulations, the Administration will take new actions to encourage additional cost-effective reductions. Key steps include:

- In the spring of 2014, EPA will assess several potentially significant sources of methane and other emissions from the oil and gas sector. EPA will solicit input from independent experts through a series of technical white papers, and in the fall of 2014, EPA will determine how best to pursue further methane reductions from these sources. If EPA decides to develop additional regulations, it will complete those regulations by the end of 2016.
- Later this year, the BLM will propose updated standards to reduce venting and flaring from oil and gas production on public lands.
- As part of the Quadrennial Energy Review, and through DOE-convened roundtables, the Administration will identify "downstream" methane reduction opportunities. Through the Natural Gas STAR program, EPA will work with the industry to expand voluntary efforts to reduce methane emissions."

More specific to PG&E, and as it relates to the White House announcement, the company was favorably mentioned in *The Strategy* for our involvement in two initiatives related to identifying and reducing methane emissions from the natural gas distribution sector. These initiatives (which are highlighted in an excerpt from *The Strategy* below), include:

- Environmental Defense Fund/Washington State University Study: PG&E, National Grid, and Southern California Gas Company, among others, are partnering with Environmental Defense Fund to develop a nationwide study to better understand natural gas leak rates and methane emissions from local distribution systems. This study is expected to be released later in 2014.
- Natural Gas Downstream Initiative: PG&E is currently collaborating with several other industry peers, to identify and encourage programs that accelerate investments in infrastructure and lead to the effective management and reduction of methane emissions within natural gas distribution systems. This initiative will also help to better inform the Environmental Protection Agency's methane emissions inventory efforts, as well as feed into the Administration's Quadrennial Energy Review efforts. The initiative is being coordinated by MJ Bradley & Associates.

We expect the focus on methane emissions from the natural gas sector to continue to garner significant discussion and attention, both in Washington and across the country, including in California. Toward that end, a cross-functional team is working to identify and coordinate our activities, as we have done with the abovementioned efforts. The team has also coordinated closely with our trade associations, including AGA and INGAA, and will continue to do so, going forward.

Please don't hesitate to contact us with any questions. We will continue to keep this group apprised of significant developments and activities.

Thank you,

Janet and Melissa

https://urldefense.proofpoint.com/v1/url?u=http://www.whitehouse.gov/sites/default/files/strategy-03-28_final.pdf&k=4%2BViHuL0UtSJBpVrYi3EdQ%3D%3D%0A&r=rf0int1RYIES4WXmSke6a%2F

Excerpt on Reducing Downstream Emissions

Safety is a top priority for natural gas distribution companies and state regulators. Thirty-eight states have some form of accelerated infrastructure replacement cost recovery program in place. Many companies are working with their state regulators to accelerate the modernization, replacement and expansion of the nation's natural gas pipeline system. These efforts to enhance safety also put people to work and reduce methane emissions. Several cooperative efforts are also underway. A group of 13 American Gas Association members are working with the Environmental Defense Fund on a project to improve measurement of methane emissions from natural gas distribution systems. In addition, the Natural Gas Downstream Initiative, a group of natural gas utilities, is collaborating to address key technical and regulatory factors affecting methane emission reduction opportunities from natural gas distribution systems. Through the initiative, partners are working to identify and encourage programs that accelerate investments in infrastructure and promote outstanding operations, including modernizing their systems and utilizing next generation technologies. The initiative is focused on opportunities that can substantially reduce methane emissions and support safe, reliable and cost-effective service. Current partners include Consolidated Edison Company of New York, National Grid, Pacific Gas & Electric Company, Public Service Electric and Gas Company, and Xcel Energy.