



September 12, 2018

Re: Greenhouse Gas Accounting and the Aliso Canyon Mitigation Agreement

Dear ARB Board Members and staff,

Thank you for the opportunity to comment on the Aliso Canyon Mitigation Agreement with Southern California Gas Company (SoCalGas).¹ Our remarks focus on two scientific issues that relate to greenhouse gas (GHG) emissions accounting associated with the Aliso Canyon natural gas leak and the proposed Mitigation Agreement.

1. Limitation of Mitigation Fund Certified Reductions to direct reductions in methane emissions

Governor Brown's January 2016 Proclamation directs ARB to "fully mitigate" the leaked methane emissions from Aliso Canyon.² The Mitigation Agreement specifies a Mitigation Obligation of 109,000 metric tons of methane emissions.³ It also defines qualifying reductions

¹ People v. Southern California Gas Company, JCCP No. 4861, Los Angeles Superior Court, Case Nos. BC602973 and BC628120, Appendix A to Consent Decree ("Mitigation Agreement"), available at <https://www.arb.ca.gov/html/aliso-canyon/aliso-canyon-mitigation-agreement.pdf>.

² Governor's Proclamation of a State of Emergency (Jan. 6, 2016) at ¶ 12, available at <https://www.gov.ca.gov/news.php?id=19263>.

³ Mitigation Agreement, *supra* note 1 at 7.

(Mitigation Fund Certified Reductions) as direct reductions in methane emissions.⁴

We commend ARB for pursuing an approach that limits mitigation in this context to reductions in methane emissions, rather than incorporating potential reductions in other GHG emissions. In contrast, the Aliso Canyon Methane Leak Climate Impacts Mitigation Program had recommended a focus on mitigation of methane emissions in California but also contemplated mitigation of other greenhouse gases.⁵

In order to ensure equivalence between the impact of the original leak and mitigation effects across a portfolio of greenhouse gases, ARB's Mitigation Program used a standard metric: Global Warming Potentials (GWPs) published by the Intergovernmental Panel on Climate Change (IPCC). The Mitigation Program adopted a 20-year GWP from the IPCC's Fifth Assessment Report (AR5) to convert the total leaked methane emissions into carbon dioxide equivalents (CO₂e).⁶ In contrast, most climate mitigation policies—including California's greenhouse gas inventory and cap-and-trade program—apply 100-year GWPs to calculate CO₂e.⁷

As some of us commented during the public review of the Mitigation Program, ARB's selection of 20-year GWPs raised important technical issues, including the potential for complications arising from adopting different time horizons for measuring the climate impact from the same

⁴ *Id.* at 6-7.

⁵ California Air Resource Board, Aliso Canyon Methane Leak Climate Impacts Mitigation Program (Mar. 31, 2016) ("Mitigation Program"), at 6-7, available at https://www.arb.ca.gov/research/aliso_canyon/arb_aliso_canyon_methane_leak_climate_impacts_mitigation_program.pdf.

⁶ Mitigation Program, *supra* note 5 at 8.

⁷ Other mitigation programs that use 100-year GWPs include the Kyoto Protocol, the United States' Intended Nationally Determined Contribution under the Paris Agreement, and California's Low Carbon Fuel Standard. As some of us have previously noted, the use of different "vintages" of GWPs from different IPCC reports also raises complexities and should be harmonized going forward. The Mitigation Agreement avoids these complexities as well via its exclusive focus on methane reductions.

greenhouse gases across different state policies.⁸ The Mitigation Agreement’s exclusive focus on methane emission reductions avoids these complicated issues, and therefore offers a superior strategy for addressing the climate impacts of the original methane leak.

2. Exclusion of emissions associated with the Aliso Canyon natural gas leak from “Included Emissions” in ARB’s GHG inventory

ARB’s GHG inventory categorizes emissions from the Aliso Canyon natural gas leak as “Other Emissions,” which are tracked separately from “Included Emissions” that measure progress towards California’s AB 32 and SB 32 statewide emissions limits. The rationale for this categorization is given in the Supplement to the Technical Support Document from the 2017 Edition of the state GHG inventory, which states that the Aliso Canyon leak was a one-time event that will be fully mitigated in future years according to legal settlement.⁹

This choice creates an important accounting inconsistency that should be corrected. The mitigation projects proposed in the Mitigation Agreement will reduce emissions that are tracked as part of “Included Emissions” in the state GHG inventory, and therefore will count towards the progress California makes toward its AB 32 and SB 32 emission limits. We agree that the future reductions associated with the Mitigation Agreement should be tracked as part of trends in “Included Emissions,” but this requires also counting the gross emissions from the Aliso Canyon leak on a similar basis. Not doing so would result in an overestimate of California’s net progress toward its AB 32 and SB 32 emissions limits. This would also be consistent with the handling of fugitive emissions from natural gas storage, which as of

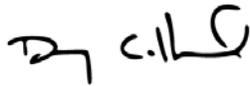
⁸ Danny Cullenward, Michael Mastrandrea, Emily Grubert, and Aaron Strong, Comment Letter Re: Use of 20-year GWPs in the Draft Aliso Canyon Methane Leak Climate Impacts Mitigation Program (Mar. 24, 2016), available at <https://www.arb.ca.gov/lispub/comm2/bccommlog.php?listname=alisompdraft-ws>.

⁹ California Air Resources Board, California’s 2000-2015 Greenhouse Gas Emissions Inventory, 2017 Edition, Inventory Updates Since the 2016 Edition of the Inventory (June 6, 2017), available at https://www.arb.ca.gov/cc/inventory/pubs/reports/2000_2015/ghg_inventory_00-15_method_update_document.pdf.

the 2017 edition of the GHG inventory are tracked as a specific subcategory of “Included Emissions.”¹⁰ For these reasons, the emissions associated with the Aliso Canyon leak should be counted as part of “Included Emissions” and the state GHG inventory should be updated for the years 2015 and 2016 accordingly.

Again, we appreciate the opportunity to comment on the Mitigation Agreement and thank ARB staff for their hard work.

Sincerely,



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¹⁰ *Id.* at 5-6.