



Southern
California
Gas Company

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SoCalGas Low Emission Vehicle Program

September 25, 2012



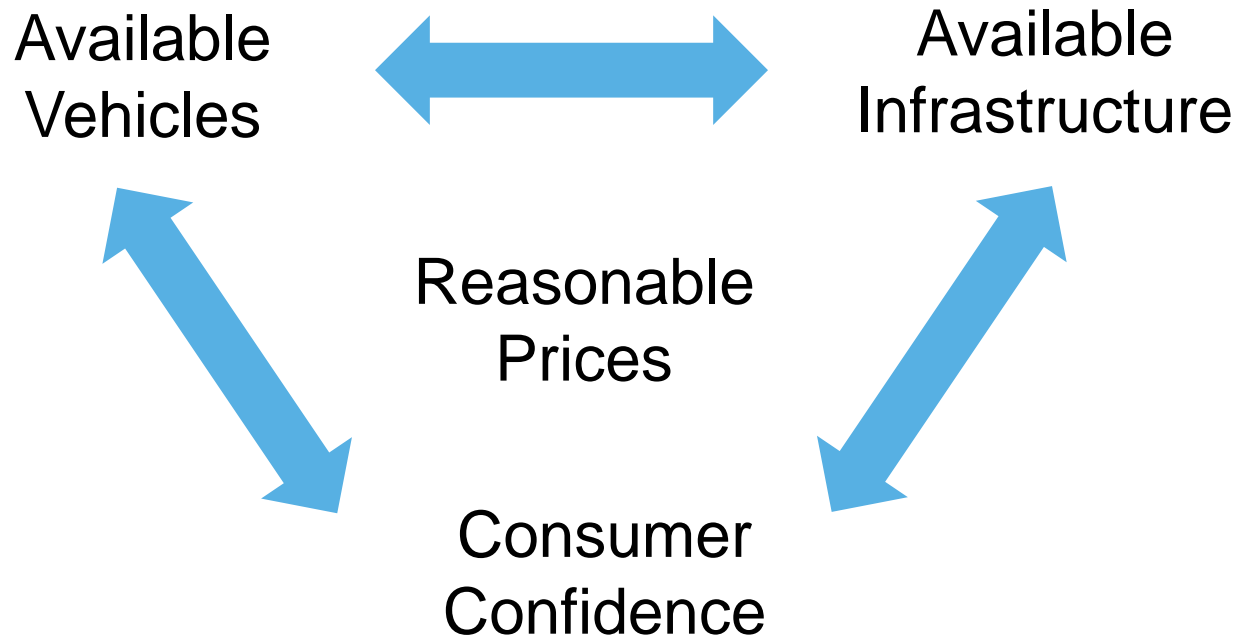
SoCalGas LEV Focus Areas



- Outreach to support expanded use of natural gas for transportation – clean, cost effective and domestic
- Advocacy to support even-handed, performance based standards
- Industry collaboration
- Technology advancement



Several factors must come together for the markets to accelerate growth



NGV Technology Advancement – Path to Near-zero and Zero Emissions



| Opportunity Area | Comments |
|--|---|
| Engine Technology and Drive Trains | <ul style="list-style-type: none"> • Improvements of 35% to 60%+ in fuel economy predicted by some experts • Advanced combustion, control and drive trains • Aerodynamics, light-weight materials and peripherals can help as well • Fuel efficiency eliminates all tailpipe emissions -- #1 in the “loading order” |
| Advanced After-treatment | <ul style="list-style-type: none"> • Catalyst systems similar to those in use today • Has technical potential to reduce NOx to “near zero” levels (90% less than 2010 standards) |
| Carbon Reduction | <ul style="list-style-type: none"> • Biogas • Solar methane synthesis • Renewable hydrogen blending (Hythane) |
| “Supporting “ advances -- On-board tanks -- Fueling infrastructure | <ul style="list-style-type: none"> • Helps reduce lifecycle emissions by reducing required compression energy • Convenience and elimination of range anxiety via home fueling • Low –cost, efficient fueling infrastructure is a key enabler • Efficiency improvements reduce lifecycle emissions |

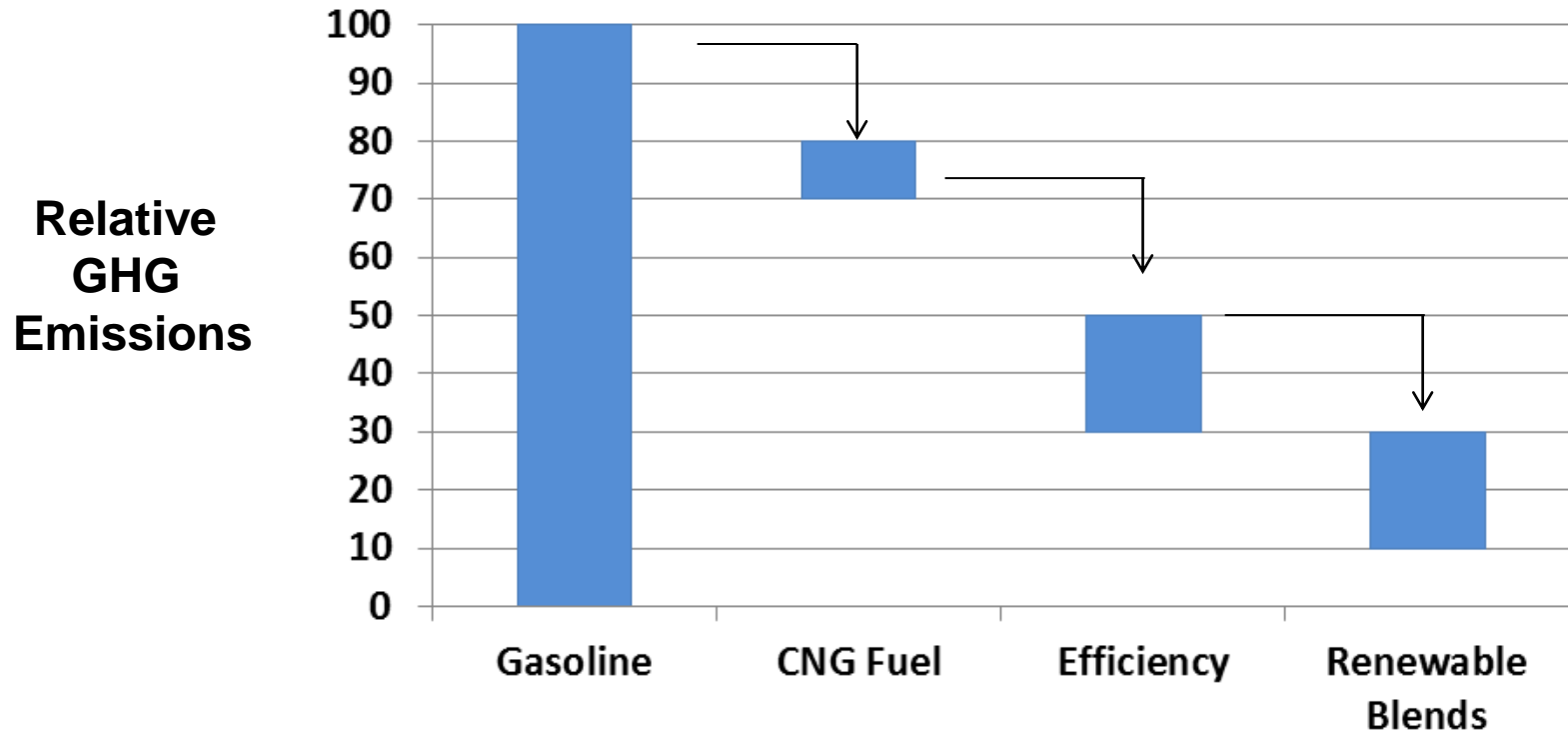
Growing Awareness of the Possibilities for NG Technologies



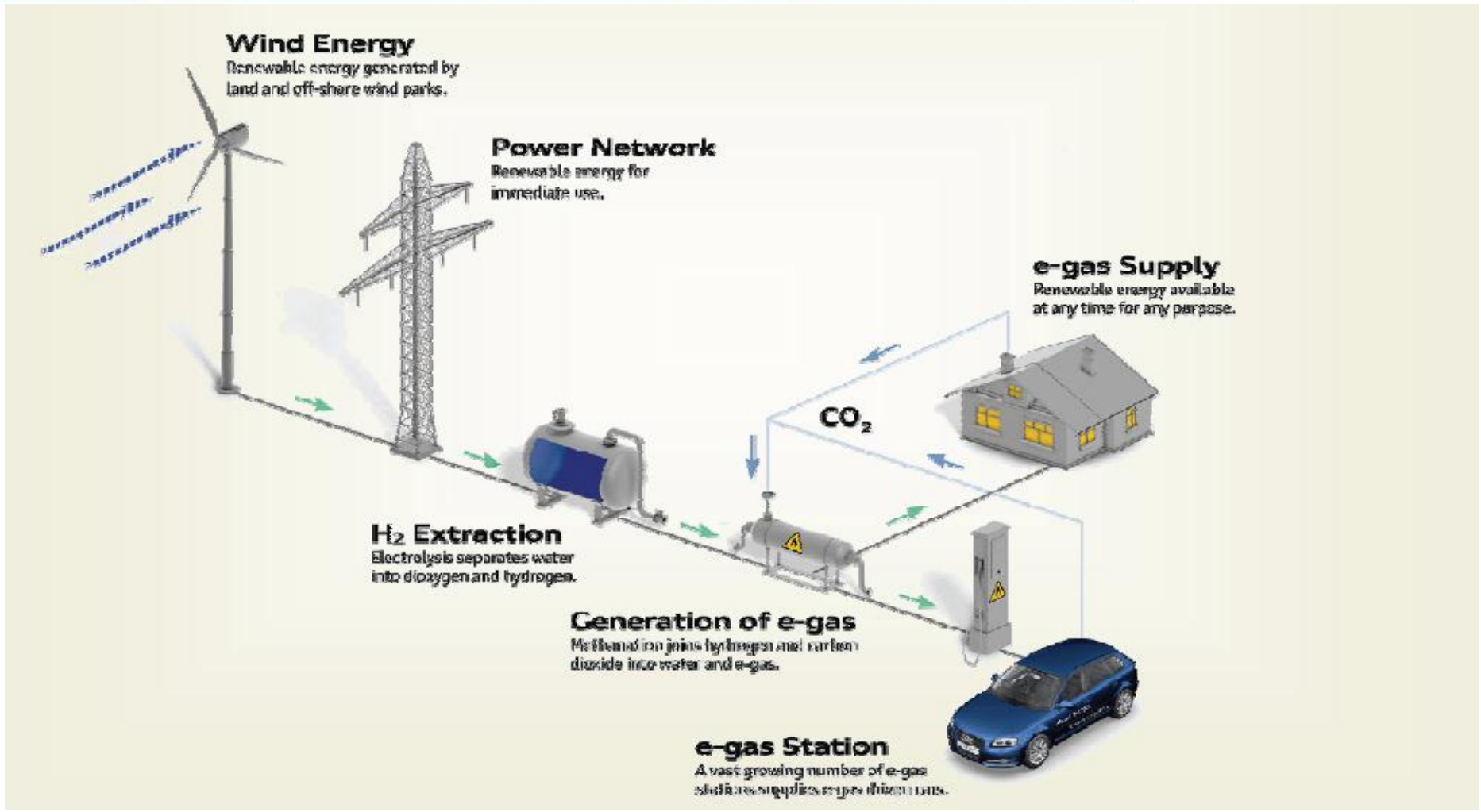
- CEC AB118 technology program
- ARPA-e MOVE (Methane Opportunities for Vehicle Energy) program -- \$30M+ focused on home refueling and tank design
- Note – many aspects of on-board tank, storage and compression R&D are synergistic with FCV



Path to 2050 Goals



Renewable H2 and Methane (Concept from German gas association)



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