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Gov. Code, § 6103**

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

SOUTHERN CALIFORNIA GAS COMPANY,

Defendant.

Case No. 23CV040344
[PROPOSED] FINAL JUDGMENT ON CONSENT FOR PERMANENT INJUNCTION AND CIVIL PENALTIES

Date: October 19, 2023
Time: 2:30 p.m.
Dept: 518
Judge: Hon. Dennis Hayashi
Trial Date: None set
Action Filed: August 11, 2023

Reservation: 863539546851

1 Plaintiff, the People of the State of California, acting by and through Attorney
2 General Rob Bonta, in his independent capacity (“People”), and Defendant Southern California
3 Gas Company (“SoCalGas”) (together with the People, the “Parties,” or each individually,
4 “Party”) have stipulated to entry of this [Proposed] Final Judgment on Consent for Permanent
5 Injunction and Civil Penalties (“Final Judgment on Consent”) on the terms set forth below and in
6 the Stipulation for Entry of Final Judgment on Consent for Permanent Injunction and Civil
7 Penalties. The Parties intend to fully and finally resolve all matters that were or could have been
8 raised regarding the SoCalGas statements referenced in the People’s Complaint.

9 **WHEREAS**, the Court finds that the settlement between the Parties is fair and in the public
10 interest,

11 **NOW THEREFORE**, upon consent of the Parties, it is hereby **ORDERED, ADJUDGED,**
12 **AND DECREED:**

13 **FINAL JUDGMENT ON CONSENT**

14 **1. JURISDICTION AND VENUE**

15 **1.1** The Parties stipulated and agreed that the Superior Court of California, County
16 of Alameda, has subject matter jurisdiction over the matters alleged in this action and personal
17 jurisdiction over the Parties to this Final Judgment on Consent. This Court has jurisdiction over
18 this action pursuant to the California Constitution, Article VI, section 10.

19 **1.2** Venue is proper in this Court pursuant to Business and Professions Code
20 sections 17204; 17206, subdivision (a); 17207, subdivision (b); and 17535.5, subdivision (b).
21 Substantial acts in furtherance of the alleged improper conduct occurred within this jurisdiction.

22 **2. SETTLEMENT OF DISPUTED CLAIMS**

23 The Parties enter into this Final Judgment on Consent pursuant to a compromise and
24 settlement of disputed claims for purposes of furthering the public interest. The People believe
25 that: (i) the resolution embodied in this Final Judgment on Consent is fair and reasonable and
26 fulfills the People’s enforcement objectives; (ii) except as provided in this Final Judgment on
27 Consent, no further action is warranted concerning the allegations contained in the Complaint for
28 Civil Penalties and Injunctive Relief (“Complaint”); and (iii) entry of this Final Judgment on

1 Consent is in the best interest of the public. This Final Judgment on Consent is and represents a
2 compromise of disputed claims. SoCalGas agrees that this Final Judgment on Consent is a fair
3 and reasonable resolution of the matters alleged in the Complaint. The Parties also have waived
4 their respective rights to appeal from this Final Judgment on Consent.

5 **3. NO ADMISSION OR FINDINGS**

6 The Parties' execution of the Stipulation is not intended to and shall not constitute an
7 admission of wrongdoing or liability, nor an admission of any issue of law or fact alleged in the
8 People's Complaint, by SoCalGas. This Stipulation is made without adjudication of any alleged
9 issue of law or fact and without a finding of liability of any kind.

10 **4. APPLICABILITY**

11 The obligations of this Final Judgment on Consent apply to and are binding upon the
12 People and upon SoCalGas, as defined below in Paragraphs 5.1 and 5.2, respectively. This Final
13 Judgment on Consent constitutes a full and final resolution of the Covered Matters, as defined
14 below in Paragraph 5.8.

15 **5. DEFINITIONS**

16 **5.1 "People"** shall mean the People of the State of California, by and through the
17 Attorney General.

18 **5.2 "SoCalGas"** shall mean the Southern California Gas Company and any
19 affiliates and/or parent companies.

20 **5.3 "Parties"** shall mean SoCalGas and the People.

21 **5.4 "Action"** shall mean the Complaint concurrently filed by the People against
22 SoCalGas related to the Subject Conduct.

23 **5.5 "Day"** means a calendar day unless expressly stated to be a business day. In
24 computing any period of time under this Final Judgment on Consent, where the last day would
25 fall on a Saturday, Sunday, or federal or California holiday, the period shall run until the close of
26 business of the next business day.

27 **5.6 "Effective Date"** shall mean the date upon which this Final Judgment on
28 Consent is entered by the Court.

1 **5.7 “Subject Conduct”** shall mean SoCalGas’ statements referenced in the
2 People’s Complaint, that mean or imply that natural gas is “renewable” without meeting the
3 standards for such claim set forth in the FTC Green Guides. Specifically, the statements did not
4 provide qualification or context in clear and prominent language, as instructed by the FTC Green
5 Guides, 16 C.F.R. Part 260, and the natural gas at issue was not derived “all or virtually all” from
6 biogas (which is then upgraded to be “renewable natural gas” or RNG), in accordance with the
7 standards set forth at 16 C.F.R. § 260.15(c).

8 **5.8 “Covered Matters”** shall mean, only as to the Parties to this Final Judgment on
9 Consent, each cause of action and claim for relief in the Action and any directive, cause of action,
10 or claim for relief against the Released Parties that the People brought or could have brought
11 arising from the Subject Conduct, the allegations in the People’s Complaint, or SoCalGas’
12 advertisements referenced therein. Covered Matters shall not be construed to impair the Attorney
13 General’s ability to bring, or SoCalGas’s ability to oppose, an action on behalf of any state
14 agency not a party to this Final Judgment on Consent.

15 **5.9 “Released Parties”** shall mean SoCalGas and its officers, directors,
16 shareholders, affiliates, parent companies, holding companies, subsidiaries, agents, principals,
17 employees, attorneys, successors, and assigns of the persons and entities described above.

18 **5.10 “Reserved Claim”** shall mean any claim, violation, or cause of action that is
19 not a Covered Matter.

20 **6. INJUNCTIVE RELIEF**

21 **6.1** Pursuant to Business and Professions Code section 17203 and Business and
22 Professions Code section 17535, SoCalGas is permanently enjoined from stating or implying that
23 natural gas is “renewable” unless such statements comply with the standards set forth in the FTC
24 Green Guides (16 C.F.R. Part 260).

1 **6.2** SoCalGas will publish the following statement prominently¹ on its website
2 within 14 days after the Effective Date, and such statement shall remain on SoCalGas’s website
3 for at least consecutive 12 months:

4 SoCalGas’s mission is to build the cleanest, safest, and most innovative energy
5 infrastructure company in America. That mission includes a dedication to increasing
6 the supply of renewable natural gas (“RNG”) to our consumers. Most of SoCalGas’s
7 fuel portfolio is, at present, comprised of non-renewable natural gas derived from
8 fossil fuels. RNG deliveries to our customers represent just under 5% of our existing
9 deliveries as of the end of 2022.² For context, however, SoCalGas distributed RNG
10 throughout Central and Southern California in 2020 equivalent to approximately
11 130% of the natural gas needs of Santa Barbara County. SoCalGas has a goal of
12 delivering 20% RNG to our residential and small commercial and industrial
13 customers by 2030. SoCalGas remains committed to providing increasingly
14 renewable natural gas to its consumers. This is part of our aim to achieve net zero
15 greenhouse gas emissions in our operations and delivery of energy by 2045.

11 **6.3** Any modifications to the statement required in Paragraph 6.2 must be approved
12 in writing by the People, in advance of publication of the modified statement. The People agree to
13 respond to such request within fourteen (14) calendar days of receiving it. Court approval of any
14 modification is not required for such modification to be valid and enforceable.

15 **6.4** SoCalGas shall cooperate fully with the California Attorney General’s Office in
16 any investigation concerning compliance with this Final Judgment on Consent.

17 **6.5** SoCalGas shall pay all reasonable attorneys’ fees and costs of the People
18 associated with any successful action to enforce any provision of this Final Judgment on Consent.

19 **7. PAYMENT OF CIVIL PENALTIES AND SUPPLEMENTAL**
20 **ENVIRONMENTAL PROJECTS**

21 SoCalGas shall pay a total of **ONE HUNDRED SEVENTY-FIVE THOUSAND**
22 **DOLLARS (\$175,000)** to resolve the Settled Matters (“Total Settlement Payment”).

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26 ¹ This statement shall be visible either on SoCalGas’s homepage, or the first page of
27 SoCalGas’s “Leading Through Sustainability” webpage. The text shall be in a font equivalent to
28 introductory text presently on that page. See <https://www.socalgas.com/sustainability/leading-through-sustainability>.

² SoCalGas may update this date before publishing the statement for accuracy.

1 **7.1 Civil Penalties**

2 Pursuant to Business and Professions Code sections 17206 and 17536, SoCalGas shall pay
3 to the People fifty percent (50%) of the Total Settlement Payment (or eighty-seven thousand
4 dollars (\$87,500)) to resolve claims for civil penalties. This amount shall be paid directly to the
5 Attorney General’s Office within thirty (30) days of the Effective Date of this Final Judgment on
6 Consent pursuant to wire transfer instructions to be provided by the Attorney General’s Office.³

7 **7.2 Supplemental Environmental Project:** The remaining fifty percent (50%) of the
8 Total Settlement Payment shall be paid into the Attorney General’s Office Litigation Deposit
9 Fund, for disbursement to the California Environmental Protection Agency’s Environmental
10 Justice Small Grants Program (“EJ Grant Program”). The EJ Grant Program offers funding
11 opportunities authorized by California Code of Regulations, title 27, division 1, chapter 3, article
12 1 to assist eligible non-profit community organizations and federally-recognized Tribal
13 governments address environmental justice issues in areas disproportionately affected by
14 environmental pollution and hazards. The grants are awarded on a competitive basis. This amount
15 shall be paid directly to the Attorney General’s Office within thirty (30) days of the Effective
16 Date pursuant to wire transfer instructions to be provided by the Attorney General’s Office.

17 **7.3. Late Payments**

18 SoCalGas shall be liable for a civil penalty of five thousand dollars (\$5,000) for each
19 calendar day that any payment required pursuant to Paragraphs 6.1 and 6.2 above is late.

20
21 ³ Said payment shall be administered by the California Department of Justice and shall be
22 used by the Environment Section of the Public Rights Division of the Attorney General’s Office,
23 until all funds are exhausted, for any of the following purposes: (1) implementation of the
24 Attorney General’s authority to protect the environment and natural resources of the State
25 pursuant to Government Code section 12600 et seq. and as Chief Law Officer of the State of
26 California pursuant to Article V, section 13 of the California Constitution; (2) enforcement of
27 laws related to environmental protection; (3) enforcement of the Unfair Competition Law,
28 Business and Professions Code section 17200, et seq., as it relates to protection of the
environment and natural resources of the State of California; and (4) other environmental actions
or initiatives which benefit the State of California and its citizens as determined by the Attorney
General. Such funding may be used for the costs of the Attorney General’s investigation, filing
fees and other court costs, payment to expert witnesses and technical consultants, purchase of
equipment, laboratory analyses, personnel costs, travel costs, and other costs necessary to pursue
environmental actions or initiatives investigated or initiated by the Attorney General for the
benefit of the State of California and its citizens.

1 **8. PARTIES’ COSTS AND FEES**

2 The Parties shall each pay their own attorneys’ fees and costs in this matter. This provision
3 shall not apply to any fees and costs incurred in successfully enforcing this Judgment on Consent,
4 as set forth in Paragraph 6.5, above.

5 **9. ENFORCEMENT OF FINAL JUDGMENT ON CONSENT AND PENALTIES**

6 **9.1.** The People may move this Court for additional relief for any violation of any
7 provision of this Final Judgment on Consent, including but not limited to, contempt, additional
8 injunctive provisions, or penalties in accordance with the particular legal standard that applies
9 under the facts and circumstances at issue. Except as otherwise set forth in this Final Judgment on
10 Consent, nothing in this Final Judgment on Consent shall limit any rights of the People to seek
11 any other relief or remedies provided by law, or the rights of SoCalGas to defend against any
12 such request by the People for such other relief or remedies.

13 **9.2.** The Parties may also ask the Court for appropriate relief regarding any
14 interpretation or dispute arising from or regarding the Final Judgment on Consent, subject to the
15 meet and confer requirements in Paragraph 9.3 and provided that SoCalGas may not seek to
16 shorten the term of the injunctive provisions of this Final Judgment on Consent other than as
17 provided in Paragraph 19.

18 **9.3.** The Parties shall meet and confer at least fourteen (14) calendar days prior to
19 the filing of any application or motion relating to this Final Judgment on Consent, including, but
20 not limited to, any motion filed under Paragraph 9.1 or 9.2, and shall negotiate in good faith in an
21 effort to resolve any dispute without judicial intervention; provided, however, that the fourteen
22 (14) calendar day period referenced above shall be shortened to five (5) business days regarding
23 any alleged violation of Paragraph 6 of this Final Judgment on Consent. If the Parties are unable
24 to resolve their dispute after meet and confer discussions, either Party may move this Court
25 seeking a resolution of that dispute by the Court. This “meet and confer” procedure shall not
26 apply to any emergency relief that the People may seek, in its sole discretion, or to any separate
27 enforcement action.

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1 **10. EFFECT OF THIS FINAL JUDGMENT ON CONSENT**

2 **10.1.** This Final Judgment on Consent is a final and binding resolution and settlement
3 of Covered Matters. The Attorney General, and his respective successors, covenant not to sue
4 SoCalGas for any Covered Matter. SoCalGas’s execution of the Stipulation filed in this action
5 shall constitute such consent and acknowledgment on behalf of SoCalGas, and SoCalGas
6 represents that the signatory to the Stipulation will bind SoCalGas for purposes of the
7 commitment in this paragraph.

8 **10.2.** Except as provided in Paragraph 10.3, the Parties each reserve all rights and
9 defenses at law they may have (in equity, under contract, or otherwise, all of which are expressly
10 reserved) as to any Reserved Claim.

11 **10.3.** In any subsequent action that may be brought by the People, by and through
12 counsel of record for the People, based on any Reserved Claim, SoCalGas agrees that it will not
13 assert that failing to pursue any Reserved Claim as part of this action constitutes claim-splitting,
14 laches, or is otherwise inequitable because such claims should have been brought as part of this
15 action, except that SoCalGas may argue that the claim falls within the definition of “Covered
16 Matter.” This paragraph does not prohibit SoCalGas from asserting that any statute of limitations
17 or other legal or equitable defenses may be applicable to any Reserved Claims. If SoCalGas
18 asserts such defenses, the People, by and through counsel of record for the People, reserve their
19 right to challenge such defenses.

20 **10.4.** The provisions of Paragraph 10.1 are effective on the Effective Date. The
21 continuing effect of Paragraph 10.1 is expressly conditioned on SoCalGas’s full payment of the
22 amounts due under this Final Judgment on Consent.

23 **10.5.** Paragraph 10.1 does not limit the right and ability of the People to enforce the
24 terms of this Final Judgment on Consent.

25 **10.6.** SoCalGas covenants not to pursue any civil or administrative claims against the
26 People or against any agency of the State of California, or against their officers, employees,
27 representatives, agents or attorneys arising out of or related to any Covered Matter (unless such
28 entities pursue claims against SoCalGas related to any Covered Matter, in which case SoCalGas

1 reserves all rights it has to assert any rights, claims, and defenses it may have). Notwithstanding
2 the prior sentence, SoCalGas may seek determinations from the Court regarding the provisions of
3 this Final Judgment on Consent.

4 **11. NOTICE**

5 Any notice, submission or request that is required or permitted to be given pursuant to this
6 Final Judgment on Consent (“Notice”), and any response thereto pursuant to this Final Judgment
7 on Consent (“Response”), shall be given in writing and shall be sent by email transmission; first-
8 class certified mail, postage prepaid; or by overnight courier service, charges prepaid, to the Party
9 to be notified, addressed to such Party at the addresses set forth below, or such other address(es)
10 as such Party may have substituted by written Notice (given in accordance with this Paragraph) to
11 the other Party. The sending of such Notice or Response together with confirmation of
12 transmission by return email (in the case of email transmission) or confirmation of receipt (in the
13 case of delivery by first-class certified mail or by overnight courier service) shall constitute the
14 giving thereof and is effective upon the confirmation date. All Notices or Responses shall be sent
15 to:

16 For the People:

17 Liz Rumsey
18 Erin Ganahl
19 Deputy Attorneys General
20 Office of the Attorney General
21 1515 Clay Street, Suite 2000
22 Oakland, CA 94612
23 liz.rumsey@doj.ca.gov
24 erin.ganahl@doj.ca.gov

22 For SoCalGas:

23 General Counsel
24 Southern California Gas Company
25 555 W. 5th Street
26 Los Angeles, CA 90013

26 Any Party may change its Notice name and address by informing the other Party in writing.
27 No change is effective until it is confirmed to be received.

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1 **12. EFFECT OF FINAL JUDGMENT ON CONSENT**

2 Except as expressly provided in this Final Judgment on Consent, nothing in this Final
3 Judgment on Consent is intended nor shall it be construed to preclude the People, or any
4 California state, county, city, or local agency, department, board or entity from exercising its
5 authority under any law, statute or regulation.

6 **13. NON-LIABILITY OF THE PEOPLE**

7 The People shall not be liable for any injury or damage to persons or property resulting
8 from acts or omissions by SoCalGas in carrying out activities pursuant to this Final Judgment on
9 Consent, nor shall the People be held as a party to or guarantor for any contract entered into by
10 SoCalGas in carrying out the requirements of this Final Judgment on Consent.

11 **14. NO WAIVER OF RIGHT TO ENFORCE**

12 The People’s non-enforcement of this Final Judgment on Consent, or any provision therein,
13 shall neither be deemed a waiver of such provision nor in any way affect the validity of this Final
14 Judgment on Consent. Such non-enforcement shall not preclude it from later enforcing the same
15 or any other provision of this Final Judgment on Consent. Except as expressly provided in this
16 Final Judgment on Consent, SoCalGas retains all defenses allowed by law to any such later
17 enforcement. No oral advice, guidance, suggestions, or comments by employees or officials of
18 any Party regarding matters covered in this Final Judgment on Consent shall be construed to
19 relieve any Party of its obligations under this Final Judgment on Consent.

20 **15. APPLICATION OF FINAL JUDGMENT ON CONSENT**

21 This Final Judgment on Consent shall apply to and be binding upon the People and upon
22 SoCalGas, including its successors and assigns.

23 **16. CONTINUING JURISDICTION**

24 The Court shall retain continuing jurisdiction to enforce the terms of this Final Judgment on
25 Consent and to address any other matters arising out of or regarding this Final Judgment on
26 Consent.

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17. INTERPRETATION

This Final Judgment on Consent was drafted equally by the Parties. The Parties agree that the rule of construction holding that ambiguity is construed against the drafting Party shall not apply to the interpretation of this Final Judgment on Consent.

18. INTEGRATION

This Final Judgment on Consent constitutes the entire agreement between the Parties with respect to the subject matter set forth herein and may not be amended or supplemented except as provided for in the Final Judgment on Consent. No oral representations have been made or relied upon other than as expressly set forth herein.

19. MODIFICATION OF FINAL JUDGMENT ON CONSENT

This Final Judgment on Consent may be modified upon written consent by all of the Parties with the approval of the Court or, if written consent to the proposed modification cannot be obtained, on noticed motion by one of the Parties. Prior to filing any such noticed motion, the Parties shall follow the dispute resolution requirements set forth in Paragraph 9.3 of this Final Judgment on Consent.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Final Judgment on Consent for Permanent Injunction and Civil Penalties be entered as provided herein.

Dated: _____, 2023

JUDGE OF THE SUPERIOR COURT

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