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<th><strong>Docket Number:</strong></th>
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<tr>
<td><strong>Project Title:</strong></td>
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<td><strong>Document Title:</strong></td>
<td>A Sustainable Energy Partnership with Natural Gas</td>
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<tr>
<td><strong>Description:</strong></td>
<td>Presentation by Derek Jones of California Natural Gas Producers Association</td>
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<td><strong>Filer:</strong></td>
<td>Raquel Kravitz</td>
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A Sustainable Energy Partnership with Natural Gas

• Challenges identified by California Leadership:
  • Societal Inequity – California has the nation’s highest poverty rate
    • More than 30% of Californians spend 50% or more of their paychecks on rent and utilities – the highest in the nation.
    • Affordable energy is on the minds of all Californians
      • Natural gas currently provides the most cost effective means for heating and powering our homes
      • Policy makers impact energy rates and cost
  • Affordable energy is on the minds of all Californians
  • Natural gas currently provides the most cost effective means for heating and powering our homes
  • Policy makers impact energy rates and cost

• Climate Change – Natural gas partnership with renewables – a healthy codependency
  • Gas fired generation provides an instant backstop for solar and wind generation
  • The codependency between renewable generation and natural gas is essential
    • Natural gas provides 30% of the state’s energy portfolio and 60% of the state’s electricity supply.
  • California natural gas production and gathering pipelines - a pathway for renewable natural gas access
    • Blending biogas with local California production helps address gas quality and interchangeability issues
    • Provides pipeline interconnections within reasonable proximity to renewable biogas production
    • The National Renewable Energy Laboratory has estimated the methane potential from biogas in California is about 160,000 Mcf/day, or less than 3% of California’s natural gas demand.
  • The record unequivocally shows that natural gas has delivered substantial GHG emission reductions.
    • EIA reported natural gas fired electrical generation has accounted for 63% of the 12% total reduction in US energy related CO2 emissions during the last decade.
A Sustainable Energy Partnership with Natural Gas

• California Natural Gas Production Plays an Absolutely Critical Role in our State’s Energy Diversity
  • In-State production has a clear locational advantage
    • California’s dependence on imported energy of all types – natural gas, crude oil and even electricity – has grown dramatically over the past decade.
    • California natural gas production currently satisfies less than 10% of our state’s demand, down from about 15% in the mid-1990’s.
    • California imports more than 90% of our natural gas by interstate pipelines from Texas, the Rockies and Canada – a thousand miles away
    • Local natural gas production increases California’s resiliency in the event of imported natural gas supply or storage disruptions.
  • Most environmentally responsible production in the Country
    • Must follow the most stringent regulations
    • Fewer transportation miles to market
  • All energy sources are needed
    • California’s natural gas producers believe that we need to produce energy supplies from all sources – traditional oil and natural gas and renewables – under California’s leading safety, labor and environmental standards to ensure a vibrant, sustainable future for all Californians.
A Sustainable Energy Partnership with Natural Gas

- California is blessed with substantial natural gas resources
  - Local production yields significant economic benefits to working Californians versus shipping those jobs out of state
    - California’s oil and gas industry supports more than 368,000 jobs with an average wage of $84,451 according to a recent study by the Los Angeles Economic Development Corporation.
      - This wage level is more than 35% above the average wage and provides a path to the middle class for a diverse workforce with a range of industrial jobs that don’t require a college degree.
  - California’s oil and natural gas industry contributed $26 billion in state and local taxes in 2015.

- Why California Natural Gas Production?
  - Affordable
  - Environmentally Beneficial
  - Reliable
  - Flexible on-demand availability
  - Home Grown

California Natural Gas Producers Association