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SoCalGas Comments on IEPR Volume I

Please find attached Southern California Gas Company's comments on the 2018 Integrated Energy Policy Report (IEPR) Update, Revised Volume I: Toward a Clean Energy Future (Vol. I).

Additional submitted attachment is included below.

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California Energy Commission
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Subject: Comments on 2018 Integrated Energy Policy Report Update, *Revised Volume I: Toward a Clean Energy Future*, Docket: 18-IEPR-02

Southern California Gas Company (SoCalGas) appreciates the opportunity to comment on the 2018 Integrated Energy Policy Report (IEPR) Update, *Revised Volume I: Toward a Clean Energy Future* (Vol. I). Vol. I is a concise and artful summary of the history and implementation of California's policies that have played a role in establishing California's clean energy economy. However, there was no mention of the importance of natural gas in the past, present, and future of the State's clean energy efforts which have been well documented. We offer the following comments and specific recommendations that should be incorporated into Vol. I to make it more complete. Our comments are organized based on the section titles presented in Vol. I.

Leading the Way to a Clean Energy Future-Building a Clean Economy (pages 4-5)

Natural gas has played a significant role in building our State's clean economy. As noted in California Energy Commission (CEC)–*Tracking Progress - California's Declining Reliance on Coal – Updated December 2017,*[1] "reductions in the use of coal-fired electricity generation have played a key role in California's efforts to decrease greenhouse gas emissions attributable to the electrical sector" and are largely driven by conversion of coal-fired to natural gas-fired generation. SoCalGas believes it is appropriate to include the key role natural gas has played historically in the significant decrease in greenhouse gas (GHG) emissions credited to cleaner electricity generation.

Today's technology demonstrates that natural gas is a foundational fuel, not just a bridge fuel, for a clean and renewable energy future. Natural gas has enabled renewable growth by providing critical back up generation and storage when the sun doesn't shine and the wind doesn't blow. The California Council on Science and Technology report, "Long-Term Viability

[1] California Energy Commission. *Tracking Progress - California's Declining Reliance on Coal – Updated December 2017* Retrieved from https://www.energy.ca.gov/renewables/tracking_progress/documents/current_expected_energy_from_coal.pdf

of Underground Natural Gas Storage in California: An Independent Review of Scientific and Technical Information"[2] states that "[m]ore renewables on the grid can require a greater use of gas-fired generation to back up renewables." And "[w]ithout gas storage, California would be unable to accommodate the electricity generation ramping that now occurs nearly every day and that may increase as more renewables are added to the grid" (page 54).

Another reality of current affairs is the increasing occurrence and severity of natural disasters. Because the natural gas system is mostly underground it has proven to be very resilient to extreme weather events, it aids and enables emergency response efforts, and supports the overall resilience of California's energy system.

Looking forward, natural gas infrastructure will not only play an integral role in planning efforts to help protect the resiliency of the energy grid, ensuring energy provision to residents that are especially vulnerable to climate change impacts, but also as a foundation for new energy pathways, delivering energy with zero and near-zero emissions quickly and cost-effectively.

Greenhouse Gas Reductions and Utility Scale Renewable Energy (pages 6-9)

It is important to include the necessary role of renewable gas to reduce short-lived climate pollutants (SLCP). Specifically, Senate Bill 1383 and California Air Resources Board's (ARB) SLCP Reduction Plan,[3] which requires the increased use of renewable gas to reduce methane emissions from organic sources by 40 percent by 2030, including injection into natural gas pipelines and utilization in the transportation sector. Furthermore, ARB's 2017 Climate-Change Scoping Plan Update[4] relies heavily on the SLCP Reduction Plan to achieve about one-third of GHG reductions needed to reach the State's 2030 GHG goals. The California Department of Food and Agriculture's (CDFA) February 2018 Dairy Digester Research and Development Program report states that they have funded a total of $46.4 million for dairy digester projects with an estimated GHG reduction of 5.7 million metric tons of carbon dioxide equivalent over 10 years.[5] Further GHG reductions from renewable gas are expected as CDFA in 2017 was awarded $99 million more to support dairy and livestock methane reduction projects. There is ample data on renewable gas. SoCalGas recommends its inclusion in Vol. I in order to provide a more balanced and accurate picture of California's renewable energy future.

Energy Efficiency-Savings and Standards (pages 12-13)

There is no natural gas-specific data noted in this section, therefore, potentially misleading readers into thinking California's ratepayer-funded energy efficiency programs only result in electricity savings. It is important to include the contribution of natural gas in reaching energy

[2] California Council on Science and Technology. 2018. "Long-Term Viability of Underground Natural Gas Storage in California: An Independent Review of Scientific and Technical Information" Accessed from https://ccst.us/publications/2018/Summary%20Report%20v2.pdf

[3] CARB California's 2017 Climate Change Scoping Plan, November 2017. Retrieved from https://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf

[4] CARB 2017 Short-Lived Climate Pollution Reduction Strategy. Retrieved from https://www.arb.ca.gov/cc/shortlived/meetings/03142017/final_slcp_report.pdf

[5] California Department of Food and Agriculture. February 2018. Dairy Digester Research and Development Program Report of Funded Projects (2015-2017). Retrieved from https://www.cdfa.ca.gov/oefi/ddrdp/docs/DDRDP_Report_February2018.pdf

efficiency goals. The CEC Almanac states, "[n]atural gas residential energy efficiency savings from appliance and building standards totaled 3,812 million therms in 2012. Building and appliance standards have had a proportionally larger impact on residential natural gas use than on electricity or commercial gas use. Residential standards account for natural gas demand savings of 21 percent in 1990 compared to a 1975 baseline, 33 percent in 2000, and 39 percent in 2010. Commercial standards account for demand savings of 3.8 percent in 1990, 7.0 percent in 2000, and 9.3 percent in 2010."[6] Further, there was significant analysis during the 2017 IEPR, and in the *Final Commission Report: Senate Bill 350: Doubling Energy Efficiency Savings by 2030* which discusses the aggressive natural gas targets including those that will come from codes and standards.

Conclusion

SoCalGas strongly believes that a resilient and diverse energy portfolio, including multiple fuel sources and opportunities for innovation, competition, and flexibility, is needed to meet California's current and future energy needs and environmental policies, and this should be reflected in Vol. I. California's clean energy history, current status, and future includes both natural and renewable gas and this should be reflected in this document.

SoCalGas appreciates the CEC's consideration of these comments in the 2018 IEPR Update and looks forward to continuing to work on advancing California's energy policy goals and objectives.

Sincerely,

/s/ Tim Carmichael

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[6] California Energy Commission. Almanac, Natural Gas Data. Accessed from http://www.energy.ca.gov/almanac/naturalgas_data/overview.html