

DOCKETED

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July 1, 2022

California Energy Commission
715 P Street
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Re: California Energy Commission (CEC) Docket No. 19-ERDD-01; Indicated Shippers Comments on June 16, 2022 Workshop Regarding Establishing a Long-Term Gas Research Strategy to Achieve Aggressive Statewide Carbon Neutrality Goals

Dear CEC Commissioners and Staff:

The Indicated Shippers¹ appreciate the opportunity to submit comments on the comprehensive and thoughtful June 16, 2022 workshop (Workshop) on decarbonization technologies and associated research gaps for the California Energy Commission's (CEC) Long-Term Gas Research and Development (Gas R&D) Strategy. These comments emphasize the following recommendations to the CEC and Guidehouse in their prioritization of research topics.

- The Gas R&D Strategy should exercise situational awareness in selecting its research prioritization by coordinating with other agencies, including the California Public Utilities Commission (CPUC), on their current efforts to decarbonize the gas grid. For example, the CPUC's Long-Term Gas System Planning docket (Rulemaking 20-01-007) is currently considering strategies to decommission certain portions of the California gas grid, as well as repurpose certain gas storage facilities. The Gas R&D Strategy should complement the work being done on this policy effort.
- Coordination is also important in reaching certain milestones by 2030, given the significant changes being considered for the California gas grid, as well as minimizing further pressure on ratepayers.

¹ The Indicated Shippers represent the natural gas non-core customer interests of the following companies in this proceeding: Aera Energy LLC, California Resources Corporation, Chevron U.S.A. Inc., ConocoPhillips, PBF Holding Company, Phillips 66 Company, and Tesoro Refining & Marketing Company LLC.

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- The Gas R&D Strategy should consider issues related to Combined Heat and Power (CHP) as an effective means to use gas.

First, in considering its budget and research priorities, the Gas Research Program should consider potentially incoming policies on the gas grid. For example, the CPUC's Long-Term Gas System Planning rulemaking (R.20-01-007) is considering the "appropriate gas infrastructure portfolio for gas utilities that operate in California given the state's greenhouse gas reduction laws and the utilities' statutory obligation to serve customers within their service territories."² The policies being considered will shape the future of California's gas grid, and include strategic decommissioning and future use of gas storage facilities. The Workshop noted that strategic decommissioning of the gas grid would affect gas technology efficiency improvements and change demand,³ but did not address existing policy efforts underway. Relatedly, the CEC itself described multiple research projects that are targeted at gas decommissioning in its 2021 IEPR, Volume III.⁴ As such, interagency coordination is important to ensure that no research gaps exist in regard to potentially incoming policies that are currently be contemplated.

We emphasize that coordination over the next decade is especially important, given that 2030 is considered a milestone for several California decarbonization policies, as well as a midpoint check for achieving carbon neutrality by 2045.⁵

Finally, the Indicated Shippers appreciate the comments made by the Center for Sustainable Energy representative during the Q&A session on the effectiveness of Combined Heat and Power systems as an existing tool for using gas (whether fossil, renewable natural gas, or hydrogen). Continued research into CHP technology provides an opportunity for practical, cost-effective, and reliable energy during critical peak times.

² *Assigned Commissioner's Scoping Memo and Ruling*, Jan. 5, 2022, in CPUC docket R.20-01-007 at 3, available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M436/K692/436692151.PDF>.

³ Workshop Presentation, June 16, 2022, at slides 13-14, available at <https://www.energy.ca.gov/event/workshop/2022-06/technology-workshop-regarding-establishing-long-term-gas-research-strategy> (under Presentations).

⁴ Final 2021 IEPR Volume III: Decarbonizing the State's Gas System, CEC Dkt. 21-IEPR-01 (Mar. 9, 2022) at 83 and 107.

⁵ Workshop Presentation, June 16, 2022, at slides 9-10, available at <https://www.energy.ca.gov/event/workshop/2022-06/technology-workshop-regarding-establishing-long-term-gas-research-strategy> (under Presentations).


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The Indicated Shippers appreciate the opportunity to submit these comments.

Very truly yours,

BUCHALTER
A Professional Corporation

A handwritten signature in blue ink that reads "Lillian Rafii". The signature is written in a cursive style with a large initial "L".

Lillian Rafii
Counsel to the Indicated Shippers

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