

## DOCKETED

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## **SoCalGas Comments on Draft 2016 IEPR Scoping Order**

*Additional submitted attachment is included below.*



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California Energy Commission  
Docket Office  
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**Subject: SoCalGas' Comments on the Scoping Order for the Draft 2016 Integrated Energy Policy Report Update, Docket No. 16-IEPR-01**

Dear Commissioners:

The Southern California Gas Company (SoCalGas) welcomes the opportunity to comment on the Scoping Order for the Draft 2016 Integrated Energy Policy Report Update (2016 IEPR Update).

We commend the extensive efforts of the California Energy Commission (Commission) and its staff in preparing the scope and schedule for the 2016 IEPR Update. We offer the following comments for the Commission's consideration to ensure the 2016 IEPR Update addresses the state's comprehensive energy needs by considering the role of natural gas in California and by continuing to explore opportunities for natural gas utilization.

***Natural Gas and Aliso Canyon Storage Facility Gas Leak Response***

SoCalGas requests that the statement regarding reducing California's reliance on natural gas infrastructure on page 3 be stricken from the Scoping Order as shown below:

*The natural gas leak at the Aliso Canyon storage facility underscores the need for an interagency, multi-year assessment of the issues involved in ~~reducing California's reliance on natural gas infrastructure to meet the state's greenhouse gas emission goals and the Governor's Executive Order B-30-15.~~*

The focus of the 2016 IEPR Update should be to consider energy needs holistically and address the pressing need to diversify the state's energy portfolio *rather than* assume from the start of the process that reducing the dependency on natural gas would meet the state's greenhouse gas (GHG) goals. Diversification of the state's energy portfolio is a prudent risk management strategy that supports energy infrastructure resiliency and is a way to implement climate adaptation strategies.

Natural gas is an affordable and practical way to meet California's clean energy goals and develop plans to advance research on cleaner natural gas technologies and accelerate development of renewable natural gas to meet our environmental goals.

The last three decades of increased renewable electricity supply, and goal-setting driving such renewable progress, can and is being applied to natural gas supply. There is no evidence that suggests a lack of reliance on gas infrastructure in the future is warranted. In fact, the evidence presented in the California Air Resources Board (ARB) Short Lived Climate Pollutant Plan,<sup>1</sup> and in the Commission's own Assembly Bill (AB)1257 Report<sup>2</sup> indicates that continued reliance on gas infrastructure is part of a balanced and increasingly clean energy supply portfolio. Further strategic development of additional gas infrastructure to facilitate the capture of methane emissions and its delivery as renewable natural gas to customers will be required in order to ensure continued progress on reducing GHGs and addressing climate change.

### ***Environmental Performance of Electricity Generation System***

The 2016 IEPR Update should include references to the State's Energy Loading Order and address distributed generation resources, like combined heat and power (CHP), natural gas microturbines, and fuels cells which can help manage load centers, our electricity demand, and enhance the resiliency of energy infrastructure. Additionally, the Scoping Order should be amended to address renewable natural gas opportunities such as methane created from feedstocks whose carbon content comes from atmospheric carbon dioxide including organic material, electrolysis using renewable electricity, solar pathways using biogenic carbon dioxide, and other methods that may be developed to create methane through continuous carbon cycles.

Renewable natural gas created through electrolysis, known as Power-to-Gas (P2G), should be included in the 2016 IEPR Update as a renewables integration approach which enables greater utilization of zero-carbon electricity and provides grid support services. In a P2G system, the natural gas pipeline serves the same function as the cells in a battery, the storage tanks in a flow battery, the storage vessels in a compressed air system, or the ice in an electricity-to-ice system. In the P2G process, excess renewable energy is run through water to produce hydrogen gas. This hydrogen can be used for transportation, industrial end uses, injected into the pipeline, or methanated.

The Commission should address Emissions Performance Standards by including a goal in the Scoping Order that aims to provide a clear energy policy recommendation to reduce criteria pollutant emissions. For example, switching from diesel and gasoline fuels to compressed natural gas for transportation will achieve both NOx and GHG reductions.

### ***Climate Adaptation and Resiliency***

As currently drafted in the Scoping Order, this section focuses on Governor Brown's Executive Order B-30-15 as it relates to the electricity system. However, addressing energy system resiliency without considering natural gas and the electricity system's dependency on it is amiss with potentially serious consequences.

The 2016 IEPR Update—which is intended to provide policy recommendations to conserve resources; protect the environment; ensure reliable, secure, and diverse energy supplies; enhance the state's economy; as well as protect public health and safety—must consider the benefits of

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<sup>1</sup> Available at <http://www.arb.ca.gov/cc/shortlived/2015draft.pdf>

<sup>2</sup> Available at [http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-04/TN206470\\_20151030T160233\\_STAFF.pdf](http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-04/TN206470_20151030T160233_STAFF.pdf)

natural gas, including renewable natural gas and P2G. This will enable the Commission to provide comprehensive policy recommendations that address California's long-term energy needs safely and cost-effectively. SoCalGas reiterates from previous comments: an over reliance on one single energy source can create unavoidable and unnecessary risks for the economy and public safety.

We appreciate the opportunity to provide comments and input on the Scoping Order for the 2016 IEPR Update. Please do not hesitate to contact us for more information.

Sincerely,

/s/ Tim Carmichael

Tim Carmichael

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