

DOCKETED

Docket Number:	17-IEPR-04
Project Title:	Natural Gas Outlook
TN #:	221428-2
Document Title:	A Sustainable Energy Partnership with Natural Gas
Description:	Presentation by Derek Jones of California Natural Gas Producers Association
Filer:	Raquel Kravitz
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	10/9/2017 8:23:00 AM
Docketed Date:	10/9/2017

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
 - 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