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<b>Project Title:</b>	Decarbonizing Buildings
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<b>Document Title:</b>	Email from George Minter_RNG Pathway Most Cost Effective
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## Moreno, Edith1

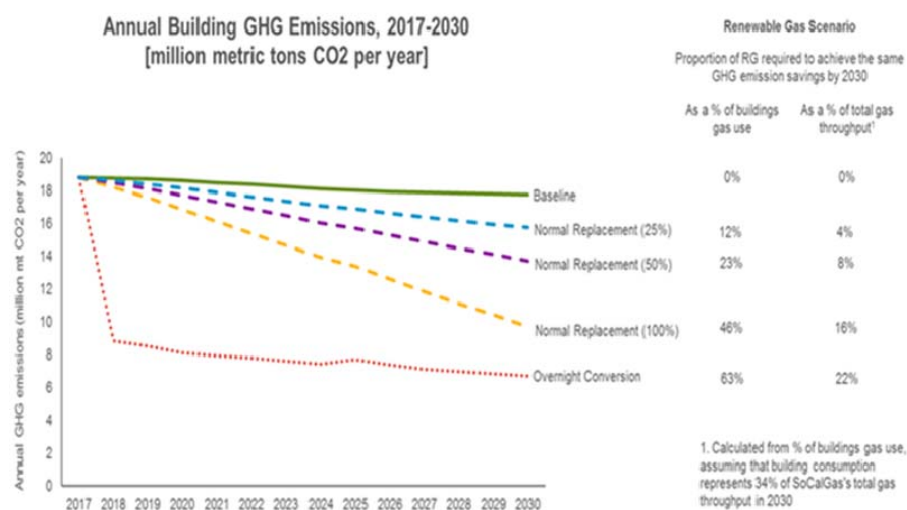
**From:** Moreno, Edith1  
**Sent:** Tuesday, August 7, 2018 4:29 PM  
**To:** Moreno, Edith1  
**Subject:** FW: Building Decarbonization -- RNG Pathway most cost effective, and realizable!  
**Attachments:** Renewable Gas Executive Brief 17\_07\_2018.pdf; NEWS RELEASE New Study Advises Policymakers to Consider Renewable Natural Gas for Low-Carbon Buildings Strategy FINAL.PDF

**From:** Minter, George I  
**Sent:** Thursday, August 2, 2018 1:29 PM  
**Subject:** Building Decarbonization -- RNG Pathway most cost effective, and realizable!

I thought I would share with you an important new study on building decarbonization strategies. While some policy leaders focus on electrifying all buildings to meet California's future climate change goals, a new analysis documents another, more effective and less costly pathway – deploying renewable gas for current gas uses in the building sector. This is particularly important given such high support and consumer demand for gas in the home and in business.

We asked the consulting firm Navigant to look at the electrification of residential and commercial buildings, and answer the question: How much renewable gas (RNG) would be needed to achieve the same amount of GHG reductions as would building electrification being proposed by some environmental and public policy leaders.

Results suggest that there is no need to electrify California's building sector in order to meet state climate goals. The study concluded that renewable gas should be considered for the state's low carbon building strategy. It shows that replacing just 16% percent of traditional natural gas with renewable gas achieves the same GHG reductions as electrifying 100% of California's buildings by 2030!



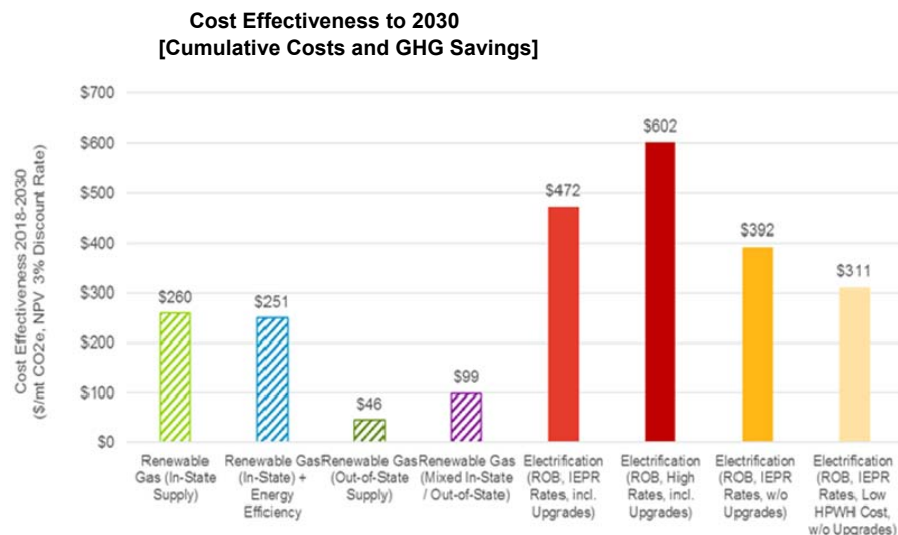
This approach would ensure consumers continue to have the right to choose their energy, as well as avoid costly future building and appliance changeout mandates. For SoCalGas, results indicate that just a 5% rate of renewable gas throughput could achieve the same climate benefit as a recent proposal by Southern California Edison to electrify 30% of the building sector by 2030.

It's important to realize that, like electricity, gas can be renewable, too. Increasing the amount of renewable gas, as the state has done with electricity, has already become part of state climate regulation. The state's Short Lived Climate Pollution (SLCP) plan, a critical part of state climate regulation under state law (SB 1383),

requires a 40% capture rate by 2030 for methane from California's waste stream -- from sewage treatment, and landfills, and agriculture, and dairies.

This Navigant study shows that once captured, delivering this methane as renewable gas to the pipeline system for use by residential and commercial buildings to reduce the carbon content of the building sector is an approach that can effectively decarbonize the building sector.

Importantly, the study further indicates that reducing the carbon content of gas supply by adding renewable gas to displace traditional gas ***can be less costly, and is more cost effective in reducing GHG's, than building electrification.***



In every case the renewable gas pathway is more cost effective in reducing GHGs than any electrification pathway. Further, in every case, except relying only on high priced in-state gas supply sources, the renewable gas pathway is less costly to implement than electrification.

Electrification entails equipment change out and installation costs and system upgrade costs to meet new and higher demand. Renewable gas simply re-uses California's waste streams as energy, achieving climate change objectives without consumer and builder mandates.

SoCalGas believes the study results confirm a new approach to reaching California's climate goals – an approach that allows consumers to choose the energy they want. There is no need for the state to force customers to change out their appliances. There is no need for the state to tell builders what to build. There is only the need to think about gas supply as we now think about electric supply – make it more renewable.

Something to consider...if we want the best outcome...

For Navigant's full analysis [CLICK HERE](#).

**George Minter | Reg. Vice President**

**External Affairs & Environmental Strategy**

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