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*Comment Received From: Allison Smith  
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**SoCalGas Final Comments AB 3232 CEC\_Buidling Decarb  
Assessment**

*Additional submitted attachment is included below.*



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California Energy Commission  
Dockets Office, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

**Subject: Comments on AB 3232 Workshop on Opportunities and Challenges of the Residential and Commercial Building Sectors, Docket #19-DECARB-01**

Dear Commissioners:

I write on behalf of Southern California Gas Company (SoCalGas) in response to the California Energy Commission's (CEC's) Workshop held on May 22, 2019 on the Building Decarbonization Assessment required by Assembly Bill (AB) 3232. SoCalGas supports the State's bold attempts to address climate change and wants to be a key partner to reduce greenhouse gas (GHG) emissions from the building sector. We believe that a portfolio approach, utilizing all energy sources and technologies to meet our climate goals, will best serve Californians and those that follow our lead. Natural gas and renewable gas (such as hydrogen, synthetic natural gas, and biomethane/renewable natural gas) are clean, reliable, affordable, and resilient sources of energy that should be part of the *solution* to California's energy concerns.

Before offering new comments, SoCalGas would like to reiterate the high-level points made in our previously submitted comments on this subject. Many of the parties at the May 22 workshop are focused on picking the "best" technology (in their opinions—electrification) while obscuring focus on the State's goal which is to decarbonize the built sector considering cost, speed, reliability, resiliency, and customer preference. SoCalGas submits that we can and should play a significant role in the decarbonization of buildings in accordance with the applicable laws and policy goals. To this end, a multi-faceted approach considering all prospective pathways to lower the carbon intensity of residential and commercial buildings will best serve public interests and impacted energy consumers.

The AB 3232 Decarbonization Assessment (Assessment) must:

- Include renewable gas inputs;
- Consider the economic implications of energy system resiliency;
- Recognize that the gas system is resilient; and

- Include feedback from a working group created to review, assess, and make recommendations about assumptions and methodology.<sup>1</sup>

We suggest that building decarbonization efforts will be most successful if undertaken in a way that is affordable to consumers, preserves consumer choice, and is easily implementable as rapid adoption will be key to meeting 2030 goals. SoCalGas respectfully requests CEC to challenge stakeholders to be innovative in their approaches to decarbonize buildings, and to impartially consider all evidence and viewpoints throughout the development of the AB 3232 Assessment.

Below, SoCalGas offers input on the following in response to statements made during workshop:

1. Gas customers prefer gas and a choice when determining how to cook and heat their homes
2. The natural gas system should be used to help decarbonize California; and
3. SoCalGas would like to be part of the AB 3232 process, but to date has been excluded.

### **1. Gas customers prefer gas and a choice when determining how to cook and heat their homes**

About 90% of residential energy consumers in Southern California use natural gas for space and water heating<sup>2</sup> and prefer to have a choice about their energy use. “‘They prefer gas.’ Prandini [president and CEO of California Building Industry Association] said. ‘Gas is easier to use, easier to control and works more efficiently in terms of cooking food. Restaurants would be decimated with electric [stove requirements], and terribly impacted.’”<sup>3</sup>

Electrifying buildings is not the only way to decarbonize buildings. Renewable gas is an available and cost effective tool for commercial and residential buildings to meet our climate goals. Replacing less than 20% of traditional natural gas with renewable gas can achieve GHG emissions reductions equivalent to converting 100% electrification of buildings by 2030, *at a significantly lower cost*.<sup>4</sup> The cost benefits result from effectively utilizing *existing* infrastructure and avoiding the cost of new electricity infrastructure to provide power for peak usage times. While reducing emissions in accordance with State policy, we are advancing a building decarbonization strategy that allows the State to maintain a diverse portfolio of energy options, and still offers customers choice in their preferred appliances for heating space and water and cooking in their homes and businesses.

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<sup>1</sup> SoCalGas comments on the Staff Workshop on Fuel Substitution Scenario Analysis to Support AB 3232. March 23, 2020. Available at:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=232494&DocumentContentId=64512>

<sup>2</sup> CEC. *2009 California Residential Appliance Saturation Study: Executive Summary*, Table ES-3: Natural Gas UEC and Appliance Saturation Summaries by Utility. October 2010.

<sup>3</sup> The Business Journal. *Are California homes headed to an all-electric future?* October 23, 2019. Available at: <https://thebusinessjournal.com/are-california-homes-headed-to-an-all-electric-future/>

<sup>4</sup> Navigant Consulting. *Analysis of the Role of Gas for a Low-Carbon California Future*. July 24, 2019. Available at: [https://www.socalgas.com/1443741887279/SoCalGas\\_Renewable\\_Gas\\_Final-Report.pdf](https://www.socalgas.com/1443741887279/SoCalGas_Renewable_Gas_Final-Report.pdf)

## **2. The natural gas system should be used to help decarbonize California**

Decommissioning all or parts the existing natural gas system—as suggested by electrification advocates—is not a prudent approach as the system is critical to decarbonizing the electric grid, and to facilitating reliable, diversified, clean energy options, including renewable gases. Using renewable gas in commercial and residential buildings reduces GHG emissions while maintaining a diverse portfolio of energy options, and provides customers with choice in their preferred appliances. Decarbonizing the feedstock rather than replacing infrastructure, results in less disruption to customers, continues to promote a fuel mix for a reliable and resilient energy supply, and provides GHG emissions reductions.<sup>5</sup>

The gas system is resilient and can be leveraged to avoid costs for improving electric grid resiliency. The ability to maintain reliable energy operations unaffected by climate events, such as wildfires, and to quickly resume service is a significant and valuable resiliency factor. Natural gas performs highly in this regard.<sup>6,7</sup>

## **3. SoCalGas would like to be part of the AB 3232 process, but to date has been excluded**

In SoCalGas' comments in response to the Staff Workshop on Fuel Substitution Scenario Analysis to Support AB 3232, we asked CEC to establish a working group to review, assess, and make recommendations about their assumptions and methodology.<sup>8</sup> We note that the majority of panelists convened in public workshops are electrification advocates. The working group should include experts from both the electric and natural gas sectors, academics, resiliency experts, industries, end-users (like the California Pool & Spa Association), and others to ensure the Assessment does not overlook options for achieving California's climate goals. Again, SoCalGas would like to be part of this team and be included in public panel discussions about how best to decarbonize California.<sup>9</sup>

California will benefit from a robust and broad technical study supported by numerous, independent studies. Prospective pathways should consider the extent to which natural gas fosters renewable electricity resource deployment, provides short- and long-duration storage, and protects resiliency. Considering the critical reliability and resiliency functions provided by the gas grid to the electric grid, we suggest modeling scenarios that leverage existing natural gas assets to deliver renewable gas and hydrogen to be used in the building, industrial, and

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<sup>5</sup> SoCalGas Comments on the Staff Workshop on Fuel Substitution Scenario Analysis to Support AB 3232. March 23, 2020. Available at:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=232494&DocumentContentId=64512>

<sup>6</sup> Natural Gas Council. *Natural Gas Systems: Reliable and Resilient*. July 2017. Available at:

<https://tinyurl.com/y7ffswse>

<sup>7</sup> Natural Gas Council. *Report: Weather Resilience in the Natural Gas Industry*. August 6, 2018.

Available at: [www.naturalgascouncil.org/weather-resilience-in-the-natural-gas-industry/](http://www.naturalgascouncil.org/weather-resilience-in-the-natural-gas-industry/)

<sup>8</sup> SoCalGas comments on the Staff Workshop on fuel Substitution Scenario Analysis to Support AB 3232. March 23, 2020. Available at:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=232494&DocumentContentId=64512>

<sup>9</sup> *Ibid.*

transportation sectors. A narrow focus on electrification, without consideration of the important role that the gas grid is providing to reduce emissions now and in the future, is likely to miss opportunities, add avoidable costs, and lead to suboptimal pathways.

## **Conclusion**

SoCalGas is committed to decarbonizing the energy sector and built environment. We align with California's carbon reduction goals and will contribute to meeting them in a thoughtful, reasoned, studied, and cost-effective way. We respectfully suggest that we can decarbonize buildings by decarbonizing both electricity and natural gas supplies—not just electrifying end uses. We look forward to participating in additional workshops that thoughtfully consider multiple options for building decarbonization and their respective effects on customers and communities.

Sincerely,

*/s/ Tim Carmichael*

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