

DOCKETED

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SCG VP CEC 2022 Energy Code Comment letter

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: Pre-Rulemaking for the California 2022 Energy Code Compliance Metrics, Docket #19-BSTD-03

Dear Commissioners,

SoCalGas supports CEC's mandate to lead our state towards a clean energy future. As a utility that provides clean, reliable, gas to about 22 million customers in the southern and central California regions, and as an enabler of decarbonization, we are supportive of building and appliance standards that reduce usage and are cost-effective. As has recently been expressed by objective experts from E3 and the California Center for Science and Technology, prospective electrification and renewable deployment must be accompanied by a more capable and responsive gas grid to respond during periods of peak daily and hourly demand, much as was the case over the past week.

We continue to stand committed to the State's carbon reduction goal of 40% below 1990 levels by 2030 and the complete decarbonization of the economy by 2045. SoCalGas's gas grid system continues to play an indispensable role to facilitate and achieve both of those goals by enabling the continued use and expansion of renewable energy such as solar and wind. Moreover, we stand committed to be the nation's cleanest gas utility, supplying 20 percent of our traditional natural gas with renewable gas by 2030. In the context of the building electrification discussion, our 20% RNG by 2030 commitment will result in 25 percent more greenhouse gas emission reductions than if CA were to completely electrify every single building (which none of the modeled scenarios can even come close to obtaining).¹

With these goals in mind, we are concerned that several groups have engaged in the 2022 Building Standards proceeding requesting that the CEC predetermine the outcome before the CEC has even released their proposed code changes for comment and without the CEC first meeting its mandated requirements to evaluate cost-effectiveness, the impact on housing costs, total statewide benefits, economic impacts to California businesses and alternative approaches and costs. Further, these groups have made exaggerated claims about indoor air quality and natural gas appliances that are not supported by the science, data or evidence.

¹ Navigant, Analysis of Role of Gas for a Low-Carbon California Future, Figure ES-1, page ix:
https://www.socalgas.com/1443741887279/SoCalGas_Renewable_Gas_Final-Report.pdf

SoCalGas appreciates the CEC’s continued thoughtful engagement in a technical and public process without predetermining the outcome. As part of this proceeding, SoCalGas would like to highlight the following:

1. The CEC, as required by the Warren-Alquist Act Public Resources Code, should follow a data-driven process for building codes taking in all mandated considerations for reliability, affordability, and customer choice.²
2. Should the CEC host a workshop to consider indoor air quality as part of this proceeding, SoCalGas supports a balanced discussion of the facts at a public workshop.

Further, SoCalGas is concerned that the CEC is proceeding with the development of the 2022 Building Standards without considering the impact of shelter-in-place orders, heatwave induced rolling blackouts, and wildfires on our energy infrastructure. Since the shelter in place orders, residential electricity consumption has increased by 15 percent (weather normalized).³ Summer electricity bills are already the highest of the year, exacerbating an already difficult financial time. The recent heat storm also stressed the electricity grid resulting in rolling blackouts that haven’t been seen in California for nearly two decades. Relying on a single energy source like electricity leaves already disproportionately cost burdened populations more vulnerable to even higher energy bills, as well as increasing energy demand in the midst of rolling black outs. We encourage the CEC to consider these real-world conditions when developing cost-efficient measures under the 2022 Building Standards.

More to the point, energy policy decisions must be based upon sound science, data and evidence that is sufficiently conservative to withstand the increased volatility of our energy needs. We are now observing policy decisions made with the best of intentions resulting in unexpected and undesirable consequences and for which thoughtful and detailed analysis must be part of the decisional process. We have observed over the past week the difference between what models might predict in theory versus what happens in practice, expressing the challenges of transforming and decarbonizing the integrated energy system. At the core is the foundational need for a flexible and diverse set of energy resources that can back up the grid in times of stress.

SoCalGas looks forward to continuing to work with the Energy Commission, Air Resources Board, local Air Quality Districts, and the Public Utilities Commission as well as the business community, agriculture community, and Labor organizations as a facilitator of California’s climate policy goals, while maintaining an affordable and reliable integrated energy system.

Sincerely,



Andy Carrasco
VP, Strategy, Engagement & Chief Environmental Officer
Southern California Gas Company

² Warren-Alquist Act Public Resources Code, Chapter 5, Energy Resources Conservation Section 25402 (b) (3) specifically describes what considerations should be part of the CEC’s cost-effectiveness calculations. These include cost-effectiveness and other relevant factors including, but not limited to, the impact on housing costs, total statewide costs and benefits, economic impact on California businesses and alternative approaches and their associated costs.

³ https://www.energy.ca.gov/sites/default/files/2020-07/Energy%20Insights_FINAL%2007-17-2020.pdf