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**Southwest Gas Corporation Comments Regarding the Pre-
Rulemaking for the California 2022 Energy Code, Docket #19-BTSD-
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Additional submitted attachment is included below.



SOUTHWEST GAS CORPORATION

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

Subject: Southwest Gas Corporation Comments Regarding the Pre-Rulemaking for the California 2022 Energy Code, Docket #19-BTSD-03

Southwest Gas appreciates the California Energy Commission (Commission) working in a collaborative and transparent manner to update the State's Building Energy Efficiency Standards and promote a healthy energy future in the State of California. While the Commission's goal of reducing energy consumption and consumer costs is certainly a worthy one, we believe efforts to force building electrification through the State's energy code will increase costs, harm the economy, and further jeopardize energy reliability. Southwest Gas appreciates the opportunity to provide these comments on California's 2022 Energy Code Pre-Rulemaking (Docket #19-BTSD-03).

The Southern California Gas Company (SoCalGas) and the American Gas Association (AGA) have provided technical comments regarding indoor air quality associated with natural gas cooking appliances on August 21, 2020 and October 16, 2020, respectively.^{1,2} Southwest Gas agrees with SoCalGas' Comments regarding the submitted correlation between natural gas cooking appliances and poor indoor air quality. The document "Health Effects from Gas Stove Pollution" was published with discrepancies, lack of proper scientific data and methodologies, and opinionated conclusions. As described in SoCalGas comments, current research and science do not support that document's conclusions. Southwest Gas agrees with AGA's Comments that request a second webinar be scheduled to hear alternative viewpoints about indoor cooking health studies, emission exposures to occupants and occupant health impacts. Consumers do prefer natural gas appliances and any impact or restrictions to those appliances should be based on proper science and review. Additionally, Southwest Gas recommends that the Commission should wait on any proposals associated with kitchen hood exhaust efficiency requirements until the indoor air quality above has been resolved. The current kitchen exhaust hood proposal described at

¹ Southern California Gas Company, *Technical Comments Regarding Pre-Rulemaking for the California 2022 Energy Code Compliance Metrics, Docket #19-BSTD-03*, dated August 21, 2020.

² American Gas Association, *Comments on the Commissioner Webinar Workshop on the 2022 Energy Code Pre-Rulemaking, "Advances in Scientific Understanding of the Impacts of Indoor Cooking and Associated Ventilation on Indoor Air Quality," September 30, 2020, Docket Log (19-BTSD-03)*, dated October 16, 2020.



the November 3, 2020 Staff Workshop³ does not provide any energy savings or greenhouse gas emission reduction.

As you know, one of the benefits of building energy standards is the potential financial savings opportunities for U.S. consumers. However, if the Commission were to pursue electrification policies in the 2022 energy code, consumers could actually see their utility costs increase. Residential natural gas bills are among the lowest the average household pays. In fact, households that use natural gas for heating, cooking, and clothes drying save on average \$874 per year compared to homes that use electricity for those same applications.⁴ This is not an insignificant amount for the 17.8 percent of Californians who “live on resources below a very basic level of well-being.”⁵ The cost burden associated with electrification will only exacerbate the state’s growing housing crisis. For every \$1,000 increase in the median-priced home, 8,870 households are priced out of the housing market in California.⁶ Instead of adopting policies that place an undue hardship on lower-income consumers and families that are already struggling with the unprecedented circumstances caused by the COVID-19 pandemic, Southwest Gas encourages the Commission to continue its work to advance standards that promote the reduction of energy usage and therefore reduced costs to consumers.

It is important to emphasize the potential damaging effects that electrification would have on California’s economy. Natural gas is a critical energy source for manufacturers, bio-tech companies, and other industries integral to California’s economy including the restaurant, lodging and tourism, and residential and commercial building industries. In addition to being a necessary input for many sectors, natural gas also provides California businesses with an affordable energy source. Since 2009, low domestic natural gas prices have led to a savings of \$121 billion for American businesses.⁷ Limiting choice statewide will increase costs and create barriers of entry into the economy for the State’s potential job creators.

As with any building energy code, Southwest Gas believes the code should be fuel neutral to allow for a diversified and reliable energy mix. The development of the 2022 energy code should take into consideration the recent high-power demands on the electrical grid, the resulting rolling blackouts, the impact that recent wildfires have had on electrical transmission infrastructure, and the impact that the threat of wildfires have had on the availability of the electrical grid. Southwest Gas believes that energy policies that rely on a

³ Staff Workshop - 2022 Energy Code Pre-Rulemaking - Proposed 2022 Energy Code Ventilation for Indoor Air Quality and Reduced Infiltration Proposals, November 3, 2020.

⁴ American Gas Association. (2020). *Every-day affordability*. <https://www.aga.org/natural-gas/affordable/>

⁵ Favre, Lauren. (July 31, 2019). *California Poverty Rate Still High*. U.S. News. <https://www.usnews.com/news/best-states/articles/2019-07-31/california-poverty-rate-stays-high-despite-improvements>

⁶ Zhao, Na. (January 2, 2020) *NAHB Priced-Out Estimates for 2020*. <https://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=271366&channelID=311&ga=2.209002900.762791976.1603905604-1140288057.1603905604>

⁷ American Gas Association. (2020). *Natural Gas – Our Clean Energy Future*.



single energy source like electricity could exacerbate current and possibly future problems with the grid.

Should the Commission consider energy policy proposals through the State's energy code, it is important that those decisions be based on sound science and data. Natural gas as a direct use is a clean and efficient energy source for cooking, space heating, water heating and clothes drying because the network that delivers the energy to the appliance is extremely efficient. From the time natural gas is extracted out of the ground to the time it arrives at an appliance in a building, it maintains 92 percent energy efficiency⁸ compared to 36 percent when burned for electric generation. With nearly 43 percent of California's in-state electric generation being sourced from natural gas,⁹ moving away from its direct use could increase the proportion of the State's reliance on natural gas for electrical generation. Energy codes that favor a fuel's most inefficient use to the detriment of its most efficient use would be a direct contradiction to the intent of the codes.

The natural gas industry is well-positioned to quickly and efficiently introduce low-carbon options to help meet California's decarbonization goals with technologies like renewable gas and is similarly well positioned to employ hydrogen technologies as they are developed. The code should allow for flexible and innovative solutions like renewable gas that meet consumers' energy demand while reducing emissions. Southwest Gas looks forward to participating in this pre-rulemaking and working with the Commission to help achieve California's climate goals while maintaining affordable and reliable energy options for consumers.

Respectfully submitted,

Valerie J. Ontiveroz
Regulatory Manager/California
valerie.ontiveroz@swgas.com

⁸ American Gas Association. (2020). *An emissions solution in your home*. Cleaner Energy. <https://www.aga.org/natural-gas/clean-energy/>

⁹ California Energy Commission. *2019 Total System Electric Generation*. <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/2019-total-system-electric-generation>