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**on Gas Decarbonization Order Instituting Informational Proceeding
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Additional submitted attachment is included below.



Comments of Environmental Defense Fund on Order Instituting Informational Proceeding for Gas Decarbonization (22-OII-02)

June 17, 2022

Environmental Defense Fund (EDF) respectfully submits the following comments on the kick off of this proceeding. EDF applauds the Energy Commission for opening this docket; EDF contends that a long term plan is vital to ensure affordable and reliable service as the system transitions into a decarbonization framework.

EDF offers up two resources into this docket, attached:

- 1) Managing the Transition: Proactive Solutions for Stranded Gas Assets in California
- 2) Aligning Gas Regulation and Climate Goals: A Road Map for State Regulators

In addition to these resources, EDF makes a couple of observations for the Commission to consider as it is scoping out this proceeding.

Decarbonizing the gas system requires a very clear target and goal to be established. The gas utilities will need to make new investments to decarbonize. According to the Gridworks report and stakeholder process (and the Energy Commission's own IEPR analysis), the price impact between a managed and an unmanaged transition could be up to a 5x rate increase. Giving the gas utilities clear direction on what the overall goal for decarbonization should be is critical – this goal has not yet been clearly delineated both in terms of time frame or total emissions reductions. Having the Energy Commission included this in the scope of the proceeding is critical for coordination with other state agencies in determining this amount.

Once a clear goal is established, EDF encourages that a different level of gas forecast and planning occur for:

- (1) core gas customers (with particular focus on bundled gas residential customers)
- (2) non-core gas customers (with particular focus on industrial customers where electrification is not a viable option)
- (3) gas fired electric generators

These three groups are the majority end users of gas, and the strategies to decarbonize the end use will be different for all three.

As the proceeding unfolds, EDF stands ready to provide record material on alternative fuels (including renewable natural gas and hydrogen), planning suggestions for infrastructure changes, advanced leak detection technologies, and other relevant material.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Colvin". The signature is fluid and cursive, with a long horizontal stroke at the end.

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