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| Docket Number: | 22-OII-02 |
| Project Title: | Gas Decarbonization |
| TN #: | 243594 |
| Document Title: | PureWest Energy Comments - CEC Should Include Responsibly Sourced Gas in Gas Decarbonization Proceeding |
| Description: | N/A |
| Filer: | System |
| Organization: | PureWest Energy |
| Submitter Role: | Public |
| Submission Date: | 6/17/2022 4:08:26 PM |
| Docketed Date: | 6/17/2022 |

*Comment Received From: Kelly Bott
Submitted On: 6/17/2022
Docket Number: 22-OII-02*

**CEC Should Include Responsibly Sourced Gas in Gas
Decarbonization Proceeding**

Additional submitted attachment is included below.



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June 17, 2022

Commissioner Siva Gunda
Vice Chair, California Energy Commission (CEC)
Docket No. 22-OII-02
715 P Street
Sacramento, CA 95814

Re: Include Responsibly Sourced Gas in Gas Decarbonization Proceeding

Dear Vice Chair Gunda:

PureWest Energy appreciates the opportunity to comment on the Lead Commissioner Workshop to Launch Gas Decarbonization Proceeding under the 2022 Integrated Energy Policy Report Update (IEPR). This is an important forum and issue to explore as the CEC considers how to ensure energy reliability in an interconnected electric/fossil gas system as the state moves forward to achieve its ambitious climate change and energy goals. As you develop the IEPR, and through this proceeding, we hope you will:

1. Highlight the significant opportunity to further reduce potent short-lived climate pollutant (SLCP) emissions and other environmental impacts associated with natural gas supplying California
2. Evaluate strategies to capture that opportunity and provide recommendations to reduce emissions in the near-term associated with natural gas supplied to California

California has policies in place to reduce emissions associated with electricity and transportation fuel imported into the state, but it does not do so for natural gas – even though it's the State's largest energy import. Aligning the State's approach towards natural gas with emissions accounting and policy incentives in place for other imported energy sources could deliver significant, near-term, low- or negative-cost greenhouse gas emissions reductions and bolster the State's leading efforts to measure, monitor and reduce potent short-lived climate pollutant (SLCP) methane emissions. We hope you will explore opportunities to reduce emissions from current natural gas supplies through this proceeding, even as you evaluate longer-term transitions in the gas system.

About PureWest Energy

PureWest Energy is an independent natural gas company focused on development in the U.S. Rockies, with current operations in the Pinedale Anticline and Jonah Field in Southwest Wyoming. We are dedicated to advancing modern life by responsibly delivering essential energy with exceptional reliability and proven environmental



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stewardship. We strive to go beyond the expected to produce natural gas in the most responsible and efficient manner possible.

PureWest was recognized by Hart Energy as a Top ESG Performer and has been working with Project Canary to certify 100% of our production as TrustWell Responsibly Sourced Gas (RSG) by year end. We are the first Rocky Mountain producer to achieve TrustWell's Freshwater-Friendly Verified Attribute and have earned a platinum rating, representing the top decile of performers, from Project Canary on more than 85% of the production certified to date. All certified production has also achieved the Low-Methane Verified Attribute.

In addition, we are partnering with Colorado State University Energy Institute in their Advancing Development of Emissions Detection program to field-test multiple stationary methane detection technologies that will inform PureWest's multi-layer strategy for methane detection throughout our field. Last year, we delivered the first-of-its-kind scope one and two carbon neutral RSG to Pierce Transit to power transit buses on the northwest coast.

Significant Climate Opportunity Associated with Reducing Methane Emissions from Natural Gas Supplying California

There is significant opportunity to reduce methane emissions from upstream gas production supplying California. For example, PureWest has completed an initial calculation of our average climate impact using the GREET model, which estimates the average carbon intensity of our operations to be 0.489 gCO₂/MJ. This represents greater than a 90% reduction compared to the GREET 3.0 value of 6.07 gCO₂/MJ for natural gas recovery supplying the State.¹

While these results are preliminary, and we are working with third parties to complete the model with greater rigor and validate them, they suggest a significant potential for the state to further reduce greenhouse gas and potent methane emissions. California used 2,075 billion cubic feet of natural gas in 2021,² and imports about 90% of its supply, per the workshop slides. This suggests that about 1,900 billion cubic feet is produced out of state and not subject to the State's oil and gas methane rules.

Based on the estimated potential reduction in upstream methane emissions of 5.581 between PureWest operations and the current assumed industry average, California could reduce potent SLCP emissions by 11.7 MMTCO₂e/year, simply by shifting its

¹ <https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/ca-greet/lut-doc.pdf>

² <https://www.eia.gov/state/print.php?sid=CA>



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natural gas use to RSG.^{3,4} This is equivalent to total methane emissions from dairy manure management in California, according to CARB's greenhouse gas inventory.⁵

PureWest achieves these emissions benefits as a matter of its normal business operations with plans for further reductions. Overall, an estimated 20% of U.S. gas production is already certified as low methane, however much of this is in the southeast United States, where it may not reach the California market.⁶ According to the Environmental Defense Fund (EDF), 50% of methane emissions in the oil and gas sector can be reduced at no net cost, and cutting methane pollution from these sources is the fastest way to slow climate change.⁷

Align Approach to Imported Natural Gas with Other Imported Energy Sources

CARB's SLCP Strategy rightfully touts the State's leading approach to reducing methane emissions from oil and gas systems, but that approach only covers 10% of the state's gas use. The Strategy admits as much, noting "There may be steps that California agencies or utilities can take to ensure that infrastructure supplying gas to the state has minimal leakage, and to ensure that natural gas is providing environmental benefits compared to use of other fossil fuels in the State."⁸ Yet fugitive methane emissions from out-of-state natural gas supplies have yet to be addressed in the State's climate framework.

Now is the time to take those steps, and we hope that CEC will fully explore this topic as part of this proceeding. California's climate framework already accounts for and incentivizes emissions reductions associated with the State's electricity and transportation fuel supplying the state, even if those resources come from out-of-state. However, it does not treat natural gas supplies the same way, even though natural gas is the State's largest energy import and a large source of potent SLCP emissions, and even though reducing fugitive methane emissions from natural gas production represents some of the lowest hanging fruit in the fight against climate change.

³ Based on 10.37 therms per thousand cubic feet and 105.5 MJ/therm natural gas

⁴ Note this value exceeds CARB's estimate for greenhouse gas emissions associated with natural gas imports, which it estimates were 9.6 MMTCO₂e in 2019. (Note that the report acknowledges that numerous studies suggest the data behind these numbers may significantly underestimate actual emissions.) Still, CARB's estimates suggest a significant potential emissions benefit associated with switching to responsibly sourced gas, likely on the order of multi-millions of metric tonnes CO₂e per year.
https://ww3.arb.ca.gov/cc/inventory/pubs/reports/2000_2019/ab_2195_out_of_state_natural_gas_emissions.pdf

⁵ https://ww3.arb.ca.gov/cc/inventory/data/tables/ghg_inventory_scopingplan_sum_2000-19.pdf

⁶ <https://www.houstonchronicle.com/business/energy/article/How-green-is-my-gas-Questions-linger-as-17244835.php>

⁷ <https://www.edf.org/issue/climate-pollution/methane-oil-and-gas>

⁸ See pg. 79 of the SLCP Strategy at https://ww2.arb.ca.gov/sites/default/files/2020-07/final_SLCP_strategy.pdf



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Don't Overlook Near-Term Opportunities to Reduce Emissions

PureWest Energy appreciates that the State is focused on transitioning away from fossil fuels, including natural gas, but the focus on a long-term transition away from fossil fuels should not distract from opportunities to capture additional emissions reductions in the near-term. We hope you will include near-term opportunities to reduce the environmental impacts of natural gas in this proceeding and the resulting IEPR.

Thank you again for the opportunity to participate in this important forum. We look forward to working with you as you develop the IEPR. Please do not hesitate to reach out if you have any questions about PureWest Energy, the differentiated gas market, or these comments.

Thank you,

Kelly Bott
Senior Vice President, ESG, Land and Regulatory
PureWest Energy