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SoCalGas Comments on the CEC IEPR Workshop on Centering Equity and Environmental Justice

Additional submitted attachment is included below.



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Vice Chair Siva Gunda
California Energy Commission
Docket Unit, MS-4
Docket No. 22-IEPR-04
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: Comments on the CEC IEPR Commissioner Workshop on Centering Equity and Environmental Justice Throughout CEC Efforts

Dear Vice Chair Gunda:

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide public comments on the July 20, 2022 California Energy Commission (CEC) Integrated Energy Policy Report (IEPR) Commissioner Workshop on Centering Equity and Environmental Justice Throughout CEC Efforts. As discussed during the workshop, the availability and accessibility of highly skilled, high-paying clean energy jobs with good benefits is crucial to achieving California's climate and energy goals. As California transitions to carbon neutrality by 2045, an inclusive energy transition furthers the public interest. Research and analysis from the Brookings Institute show that clean energy jobs can potentially provide higher and more equitable wages compared to other professions on a national scale. However, according to a 2019 report released by the Brookings Institute, there are several obstacles that prevent underrepresented populations from accessing these jobs, including a lack of: (1) young talent entering the clean energy economy, (2) relevant training, experience, and technical skills, and (3) racial and gender diversity in certain occupations.¹ The findings of the Brookings Institute highlight the importance of the CEC's focus on equity and environmental justice. SoCalGas is committed to championing the diversity of our workforce and will continue to do so as we move towards a decarbonized future. Leveraging the talents of our skilled workforce and commitment to diversity and inclusion, SoCalGas envisions a clean fuels network in which the existing natural gas pipeline system will be repurposed for

¹ See "Advancing inclusion through clean energy jobs," Brookings Institute, April 28, 2019, available at: <https://www.brookings.edu/research/advancing-inclusion-through-clean-energy-jobs/>.

transporting clean fuels such as green hydrogen and renewable natural gas (RNG) and that is increasingly integrated with the electric system and renewable energy resources. This would also entail dedicated green hydrogen pipelines. Implementing a clean fuels network will help retain current gas workers and update workforce skill sets to engineer, implement, and innovate clean energy technologies in the future. With the above context, our comments focus on the following area: **The clean fuels network will play a major role in maintaining high-quality jobs in the energy transition.**

As Betony Jones from the U.S. Department of Energy (DoE) stated during the workshop, there will need to be “skill matching between traditional fossil energy jobs and what is coming with new clean energy jobs.”² Unionizing these new and updated clean energy jobs is also a very high priority for U.S. President Joe Biden and U.S. Secretary of Energy Jennifer Granholm, according to Jones.³ As the gas and electric grids continue to become increasingly interdependent, a decarbonizing gas grid will continue to provide a pathway for a highly paid, skilled, and diverse workforce. SoCalGas currently boasts a robust unionized workforce and has a strong record of championing diversity. SoCalGas employs more than 4,380 union represented workers, with an average hourly pay of \$45.68 per hour.⁴ The highest hourly wage rate for union represented employees in 2022 is \$60.34 per hour.⁵ The average tenure of union represented employees is almost thirteen years, demonstrating these positions are high-quality, long-term career opportunities.⁶ The highest educational requirement for a majority of these union jobs is a high school diploma.⁷ Many of these unionized jobs are planned to be retained and adapted to support a clean fuels network. In 2020, SoCalGas released its Diversity and Inclusion Snapshot Report which was produced to increase transparency and provide metrics of the demographic makeup of SoCalGas’ workforce. As of December 2021, 57 percent of Sempra Energy’s employees self-identified as belonging to an ethnic minority group: Latino/Hispanic, Asian, Black/African American, and other ethnic minority groups.^{8, 9} The workforce at SoCalGas is generationally diverse, with five generations of talent represented by current employees: Millennials, Generation Z, Baby Boomers, Generation X, and the Silent Generation.¹⁰

² See “CEC IEPR Commissioner Workshop on Centering Equity and Environmental Justice Throughout CEC Efforts,” CEC, July 20, 2022, available at: <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2022-integrated-energy-policy-report-update-0>.

³ *Ibid.*

⁴ Based on internal SoCalGas employee data.

⁵ *Ibid.*, SoCalGas data.

⁶ *Ibid.*, SoCalGas data.

⁷ *Ibid.*, SoCalGas data.

⁸ See “Sempra 2021 Corporate Sustainability Report,” Sempra Energy, May 2022, p. 114, available at: https://www.sempra.com/sites/default/files/content/files/node-report/2022/sempra_sustainability-report_2021_5.18.22.pdf.

⁹ Sempra Energy is the parent company of two utilities, SoCalGas and San Diego Gas & Electric (SDG&E).

¹⁰ See “Diversity, Equity, and Inclusion at SoCalGas,” SoCalGas, 2022, available at: <https://www.socalgas.com/careers/diversity>.

To support an equitable energy transition, the CEC's equity and environmental justice framework should include a robust job quality analysis that monitors labor market changes and their effects on working conditions and well-being of employees. The CEC should consider the following attributes: 1) the skill sets necessary for the clean energy jobs of the future; 2) what skill gaps exist with the current workforce; 3) the number of jobs that will be created, measured against the number of jobs that will be displaced; 4) the longevity and potential career trajectory of new clean energy jobs; and, 5) the quality of jobs in terms of pay, benefits, and whether the jobs will be unionized.

The proposed job analysis should assess jobs that will support a clean fuels network including infrastructure maintenance and operations; construction of new infrastructure, such as hydrogen pipelines; administrative positions that will support maintenance and operations; and other positions that will likely require the same skill sets needed and employed today by SoCalGas' utility workforce. As a result, the talents of California's diverse and skilled workforce can be an asset that can evolve to the needs of a transitioning energy system. Inclusive and strategic workforce development must be at the forefront of policymaker agendas to realize an equitable transition.

Conclusion

We offer these comments to contribute to the CEC's efforts towards achieving California's decarbonization goals while maintaining reliability, resiliency, and affordability of our energy system. Successfully meeting California's decarbonization goals must include consideration of how current energy jobs will be maintained and adapted to a carbon neutral future. It is in the public interest to maintain high quality jobs to avoid unemployed or underemployed workers and maintain the well-being of the wider economies and communities that these jobs support. SoCalGas looks forward to continuing collaboration with the CEC and sister agencies and contributing to the discussion of these topics and helping to shape an energy future that is both decarbonized and equitable for all Californians. Thank you for your consideration of our comments.

Respectfully,

/s/ Kevin Barker

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