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# Gas R&D Program Proposed FY 2024-2025 Budget Plan

CEC Staff Presentation to DACAG January 19, 2024



### Gas R&D Program Background

- \$24 million annual budget to advance gas-related technology innovation and research
- Supports state energy policy
- Benefits gas ratepayers
- Supports collaboration and co-funding opportunities











## **Developing Initiatives**





#### **Informed by:**

- Gas R&D authority
  - State policy
  - CPUC Resolutions
- Emerging research trends
  - Roadmaps and strategies
  - CPUC and CEC proceedings
  - Discussions with stakeholders
- Equity

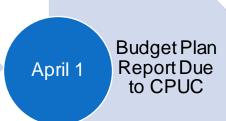


### **Key Dates**





- CEC + CPUC Discussion
- Public Workshop
- DACAG Discussion





#### FY2024-2025:

- Workshop 12/15/2023
- DACAG 1/19/2024

FY2023-2024: Pending CPUC Resolution



### **Developing Initiatives**

#### FY2023-2024 Proposed Initiatives

- 1. Gas System & Safety:
  - Hydrogen Leakage Mitigation
  - Detect and Reduce Fugitive Emissions (added based on DACAG feedback)
- 2. Building Decarbonization: Indoor Air Pollutant Exposure
- 3. Entrepreneur Development
- 4. Leveraging Cost Share Opportunities



#### Proposed Research: FY2024-2025

Framed around decarbonization, safety, cost reduction, and equity:



Gas Decommissioning



Gas System Safety



Renewable Generation



Clean Renewable Hydrogen Distribution



**Building Decarbonization** 



## Support Equitable, Safe, and Cost-Effective Decarbonization of California's Gas System

**Purpose:** Leverage existing data streams and fieldwork to understand gas end use, end users, and decarbonization pathways, including decommissioning, for diverse needs & contexts

- Analyze changing gas use patterns to inform forecasting, infrastructure planning, resilience
- Assess conversion benefits, costs, and risks distributionally across energy users, to support equity improvements
- Illuminate ways to facilitate uptake of fossil gas alternatives





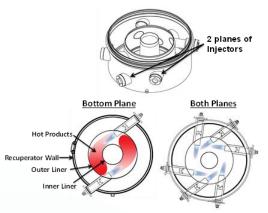




#### Fuel-Flexible Distributed Power Generation

**Purpose:** Enable prime movers to use variable renewable fuel blends while meeting performance, cost, and low-emission targets

- Demonstrate advanced technologies to promote decarbonization
- Develop advanced sensors and control systems to achieve ultra-low emissions
- Demonstrate safe and reliable performance











## Innovations for Cost-Effective Operation & Maintenance of Critical Infrastructure During the Gas Transition

**Purpose:** Develop non-intrusive inspection and monitoring technologies for gas transmission pipelines and underground gas storage

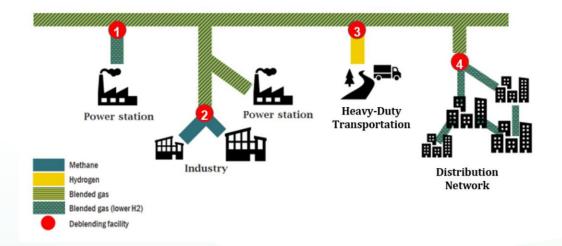
- Continuous monitoring helps with prompt intervention and proactive maintenance
- Non-intrusive technologies prevent disruptions to gas facility operations
- Reduced maintenance costs passed on as savings to gas ratepayers





**Purpose:** Develop hydrogen separation technologies and assess their role in supporting the targeted and equitable deployment of hydrogen blending in existing gas pipeline infrastructure

- Mitigate risks of systemwide hydrogen blending by managing H2/gas concentrations
- Enable potential use of existing gas infrastructure to decarbonize challenging sectors using H2
- Reduce potential costs of upgrades to support systemwide blending





# **Networked Geothermal District Heating Study**

**Purpose:** Analyze technological advancements and feasibility for leveraging geothermal resources for networked heating in buildings

- Explore the potential to leverage deeper geothermal resources (~1,500 meters) for heat
- Identify opportunities for colocation of difficultto-decarbonize building types, existing district heating systems, and resource availability
- Evaluate the risk for induced seismicity





### **Advancing Equity**

## CPUC Resolution: Coordinate with the DACAG and disadvantaged community stakeholders to administer the program equitably

- Current CEC Practices
  - Streamline grant application & administration process
  - Provide preference points to proposals that support under-resourced communities
  - Discuss Budget Plan with DACAG or DACAG members
  - Notify organizations (CEJA & APEN) regarding the Budget Plan workshop



#### **Questions to DACAG:**

- What additional or revised approaches would be effective for ensuring equitable program administration?
  - Additional report outs and discussions with DACAG?
  - Individual, targeted meetings with stakeholders?
  - Roundtable discussions with stakeholders?
  - Suggested stakeholders?
- Feedback on research initiatives:
  - How to center equity considerations?
  - Suggested use cases or opportunities?
  - Are there any concerns?
  - Are there other priority areas that the Gas R&D Program should consider?



## Thank you!