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SoCalGas Comments on IEPR Building Decarbonization

Additional submitted attachment is included below.

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June 8, 2021

The Honorable J. Andrew McAllister
The Honorable Siva Gunda
California Energy Commission
Docket Unit, MS-4
Docket No. 21-IEPR-06
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: Comments on Building Decarbonization

Dear Commissioners McAllister and Gunda:

Southern California Gas Company (SoCalGas) appreciates the opportunity to provide public comments on the California Energy Commission (CEC) Integrated Energy Policy Report (IEPR) Commissioner Workshop on Building Decarbonization held May 25, 2021. We observe that the workshop was highly informative regarding both the opportunities and challenges for meeting the imperative to reduce building emissions and appreciate this forum during which national, regional, and local viewpoints on reducing building emissions were openly shared. These forums allow a broad array of stakeholders to coordinate and collaborate, which is necessary to facilitate reaching carbon neutrality at the scale and pace climate science demands. Developing and implementing the necessary emission reduction measures requires careful planning and investments, and continued engagement with stakeholders and communities regarding opportunities and concerns. Our comments are brief and by which we seek to bring new facts to bear on the challenge.

Specifically, we suggest that the CEC and stakeholders review and consider a recent 2021 Joint Study led by the New York City Mayor's Office of Sustainability and the City's two major energy companies, Con Edison and National Grid.[1] The Joint Study's modeling and analytic support was provided by ICF, the Energy Futures Initiative (EFI), and Drexel University. This study provides

[1] New York City Mayor's Office of Sustainability, Con Edison, and National Grid, *Pathways to Carbon-Neutral NYC: Modernize, Reimagine, Reach,* April 2021. Available at https://www1.nyc.gov/assets/sustainability/downloads/pdf/publications/Carbon-Neutral-NYC.pdf.

an in-depth sector-specific analysis of the City's energy supply and demand through 2050, including the identified potential costs. It also confirms that the path forward necessitates the use of every available and cost-effective technology at the City's disposal, including further innovations in long-duration and seasonal storage, geothermal districts, hydrogen blending, and carbon dioxide removal, to achieve carbon neutrality by 2050. (Access to the Joint Study is found in the Appendix).

The 2021 Joint Study analyzed three pathway scenarios to evaluate the opportunities, risks, and tradeoffs for advancing programs and policies promoting energy efficiency, electrification, and renewable electricity and gas. Each pathway is projected to reduce emissions by at least 80 percent by 2050, and the diversified pathway, which relies on electrification, renewable natural gas (RNG), and hydrogen, could take the emissions reductions beyond 90 percent. In all scenarios, the City will also need to develop a framework to consider limited amounts of high-quality carbon offsets to neutralize its hardest-to-reduce emissions. The total costs include investments for anticipated new construction, as well as costs that would need to be made in any circumstance over the next 30 years to fuel vehicles and buildings, and to replace old vehicles and building equipment. Further costs analysis will be required as more information is available, given the uncertainty of projecting 30 years into the future.

While the Joint Study found that carbon neutrality is achievable, it also points to additional steps the City could take, such as energy efficiency improvements to more than 900,000 buildings and electrification of heating and hot water in up to 642,000 buildings. Additionally, a transition to low-carbon fuels, such as RNG and hydrogen, could be needed to leverage the network for the remaining gas needs, along with rapidly increasing building energy efficiency and electrification. The City would also need a massive switch to renewable power generation, as well as a significant adoption of energy storage to help meet demand for electricity when solar and wind are not producing. Without management, peak demand for power could more than double by 2050 during the winter. That would require upgrades and expansions of the electric grid, which would increase costs. But the Joint Study also found that several technologies, including managed electric vehicle charging, dual-fuel heat pumps, and aggressive energy efficiency offer opportunities to shave peak electricity demand and limit the increase to 30 percent.

We respectfully suggest that the Joint Study is informative to California and the CEC's ongoing assessment of actions and policies to decarbonize buildings. Among other things, the Joint Study reaffirms the indispensable role of increasingly decarbonized molecules, delivered by the gas grid, as a core element of decarbonization strategies. This includes across various sectors including within the built environment. We are *not* suggesting that urban New York City is analogous for achieving climate policy imperatives in California; nonetheless, we suggest that the need for and role of decarbonized molecules delivered through the gas utility system as a core enabler of decarbonization is broadly applicable. We appreciate the opportunity to comment on the IEPR Building Decarbonization Workshop and will shortly file comments on the draft Building Decarbonization Assessment being prepared pursuant to Assembly Bill 3232 in Docket No. 19-

DECARB-01 on Friday, June 11. As those comments are specific to the State's building decarbonization activities, we will post the comments to this docket as well.

Respectfully,

/s/ Kevin Barker

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cc: The Honorable Patty Monahan, CEC Commissioner
The Honorable Clifford Rechschaffen, CPUC Commissioner

Appendix

The Pathways to Carbon Neutral NYC: Modernize, Reimagine, Reach Report (Joint Study) was commissioned by the NYC Mayor's Office of Sustainability (MOS), Con Edison, and National Grid. Drexel University, the Energy Futures Initiative (EFI), and ICF supported this effort.

The Joint Study is New York City's most comprehensive decarbonization analysis to-date. It highlights that achieving carbon neutrality is possible with today's technologies and will require shifting investments across all sectors to maximize emissions reductions. The Joint Study is available at: *https://www1.nyc.gov/assets/sustainability/downloads/pdf/publications/Carbon-Neutral-NYC.pdf*.