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21-IEPR-05 RNG Coalition Comments on IEPR Commissioner Workshop on Hydrogen

Dear Commissioners McAllister and Gunda,

The Coalition for Renewable Natural Gas (RNG Coalition) offers the attached comments in response to the 2021 Integrated Energy Policy Report (IEPR) Commissioner Workshop on Hydrogen to Support California's Clean Energy Transition held by the California Energy Commission on July 28, 2021.

The RNG Coalition thanks the Commissions for its efforts in advancing these topics in this IEPR cycle and working toward adopting a framework for gas infrastructure which will enable California to achieve economy-wide carbon neutrality. We look forward to working with CEC and other stakeholders in the finalization and implementation of the 2021 IEPR.

Sincerely,

Vincent Morales Manager of Legislative and Regulatory Affairs Coalition for Renewable Natural Gas T: 916.588.3033 | vincent@rngcoalition.com RNGCoalition.com

Additional submitted attachment is included below.

August 11, 2021

J. Andrew McAllister, Lead Commissioner for the 2021 IEPR Siva Gunda, Lead Commissioner for the Natural Gas Track California Energy Commission 1516 Ninth Street Sacramento, California 95814



Re: Docket no. 21-IEPR-05 – IEPR Commissioner Workshop on Hydrogen to Support California's Clean Energy Transition

Dear Commissioners McAllister and Gunda,

The Coalition for Renewable Natural Gas (RNG Coalition)¹ offers the following comments in response to the 2021 Integrated Energy Policy Report (IEPR) Commissioner Workshop on Hydrogen to Support California's Clean Energy Transition (Workshop) held by the California Energy Commission (CEC or Commission) on July 28, 2021.

Given the significant opportunity for renewable gases—both biomethane and hydrogen—to serve as a decarbonization strategy, our industry looks forward to achieving additional greenhouse gas (GHG) reductions and other environmental benefits in pursuit of a decarbonized economy in California.² While the overall effort to adapt the gas system to help achieve carbon neutrality is a broad one,³ we thank the Commission for the detailed attention paid to the opportunity presented by renewable hydrogen at the Workshop.

About the RNG Coalition and the RNG Industry

The RNG Coalition is the trade association for the RNG industry in the United States and Canada. Our diverse membership is comprised of leading companies across the RNG supply chain, including recycling and waste management companies, renewable energy project developers, engineers, financiers, investors, organized labor, manufacturers, technology and service providers, gas and power marketers, gas and power transporters, transportation fleets, fueling stations, law firms, environmental advocates, research organizations, municipalities, universities, and utilities. Together we advocate for the sustainable development, deployment, and utilization of renewable gases, so that present and future

¹ <u>http://www.rngcoalition.com/</u>

² Either by 2045, in line with Governor Brown's *Executive Order B-55-18 to Achieve Carbon Neutrality*: <u>https://www.ca.gov/archive/gov39/wp-content/uploads/2018/09/9.10.18-Executive-Order.pdf</u> or sooner, per Governor Newsom's recent direction to examine accelerating that goal in CARB's Scoping Plan process. See: <u>https://www.gov.ca.gov/2021/07/09/governor-newsom-holds-virtual-discussion-with-leading-climate-scientists-on-states-progress-toward-carbon-neutrality/</u>

³ The RNG Coalition has long emphasized that our goal is not to oppose other alternatives that may help to accomplish the changes needed to meet the State's ambitious climate goals—including electrification where appropriate. We believe that renewable gases and other decarbonization strategies must not dogmatically be pitted against each other and that, in fact, many strategies must work synergistically together to achieve carbon neutrality.

generations have access to domestic, renewable, clean fuel and energy in California and across North America.

The Renewable Gas industry (both biomethane and hydrogen) is nascent relative to other renewables industries but has shown extraordinary growth in recent years, driven by policies designed to promote environmental and economic goals—including but not limited to clean air, improved waste management, increased job development, energy independence, and resource diversity.

Renewable gases have the potential to significantly contribute toward achieving California's climate change goals, provide a cost-effective opportunity to help decarbonize existing natural gas infrastructure, and drive economic development. It would be a fantastic outcome if, in this IEPR cycle, the CEC could develop a clear vision on how to deploy and use renewable gases in conjunction with other necessary decarbonization strategies that may reduce overall demand for conventional natural gas.

Hydrogen Derived from Biomass Feedstocks Is Appropriately Classified as Green Hydrogen, When Such Simplified Classifications are Necessary

We thank the Commission staff for recognizing in their presentation⁴ at the workshop that hydrogen derived from biomass is most appropriately classified as "green hydrogen," when such simplified colorbased classification is necessary. Unfortunately, such color-based classification systems for hydrogen have been the subject of some significant confusion in California legislative circles⁵ this year and we respect the efforts that technical agencies, such as CEC, make to provide clarity on such issues.

We believe that the strong environmental performance of hydrogen derived from biomass—in many but not all instances—can be demonstrated through proper lifecycle accounting (LCA) that fully captures greenhouse gas emissions (and other impacts) associated with gathering of feedstocks, production methods, end use, etc. of such hydrogen.

Methods of creating biomass-derived hydrogen can coexist with other methods of hydrogen production, including pathways that involve electrolysis of hydrogen using renewable power, and are likely to be an important enabling pathway toward achieving carbon neutrality and simultaneously reducing other significant environmental impacts in the forest and agricultural sectors.⁶ The Commission should ensure that all methods of producing hydrogen that can contribute toward carbon neutrality are allowed to

https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220SB18#

⁴ See slide 7 of the CEC staff presentation from the workshop. <u>https://efiling.energy.ca.gov/getdocument.aspx?tn=239050</u>

⁵ We agree with the Senate Environmental Quality Committee Staff's 4/28/21 analysis of Senate Bill 18 (Skinner), which states that, "In hydrogen technology, or in any complicated topic, simplified jargon is only as useful as it is accurately understood. For instance, if two parties discussing green hydrogen each had a different definition of 'green hydrogen' in mind, and each believed they were in agreement, the use of the term 'green hydrogen' would become more of an obstacle than an asset to clear communication." See:

⁶ LLNL, *Getting to Neutral: Options for Negative Carbon Emissions in California*, Baker et al., January, 2020, Lawrence Livermore National Laboratory (LLNL) <u>https://www-</u>gs.llnl.gov/content/assets/docs/energy/Getting to Neutral.pdf

compete on a level playing field through policies that recognize the full LCA benefits and disbenefits of hydrogen supply chains.

Conclusion

Renewable gases, including biomethane and hydrogen, will be needed to reach the state's greenhouse gas reduction goals. Moving swiftly to begin the use of renewable gases will allow alignment with the major studies outlining full decarbonization of California and create significant momentum toward reaching the state's goal of achieving 40% of 1990 levels economy-wide reduction in GHG emission by 2030 and carbon neutrality by 2045 or sooner.

The RNG Coalition thanks the Commissions for its efforts in advancing these topics in this IEPR cycle and working toward adopting a framework for gas infrastructure which will enable California to achieve economy-wide carbon neutrality. We look forward to working with CEC and other stakeholders in the finalization and implementation of the 2021 IEPR.

Sincerely,

/S/

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