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PG&E Comments on 2022 IEPR Scoping Order

Additional submitted attachment is included below.



Licha Lopez CEC Liaison State Agency Relations 1415 L Street, Suite 280 Sacramento, CA 95814 (202)903 4533 Elizabeth.LopezGonzalez@pge.com

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California Energy Commission Vice Chair Siva Gunda Docket Number 22-IEPR-01 715 P Street Sacramento, CA 95814

Re: Pacific Gas and Electric Company Comments on the Draft Scoping Order for the 2022 Integrated Energy Policy Report Update (Docket Number 22-IEPR-01)

Dear Vice Chair Gunda,

Pacific Gas and Electric Company (PG&E) appreciates the California Energy Commission (CEC)'s efforts to continue building on previous analyses of the state's efforts to decarbonize California's energy system while ensuring that the benefits are equitably distributed.

PG&E supports the proposed 2022 Integrated Energy Policy Report (IEPR) update and the three major topics that this IEPR update will address, and we appreciate the opportunity to participate in this important dialogue with the CEC and other state agencies and the communities we are privileged to serve. This letter offers some comments on the section related to Topic 1: Establishing a Framework to Center Equity and Environmental Justice Throughout CEC Efforts, as well as two comments on the role of natural gas.

1- Establishing a Framework to Center Equity and Environmental Justice Throughout CEC Efforts:

• At PG&E, we take seriously our responsibility to understand and respect the needs of our neighbors, including low-income communities and Black, Indigenous, and other people and communities of color. The perspectives of historically marginalized communities are critical to California's climate policies given that these communities are expected to be negatively impacted by climate-driven hazards disproportionate to the impacts on other communities.

Guided by our Environmental Justice Policy, first established in 2001 (<u>PG&E Environmental</u> <u>Justice Policy (pge.com)</u>. PG&E has collaborated with and supported community-based organizations involved in the AB 617 process and the current California Air Resources Board (CARB) Scoping Plan Update, in which the CEC has also been involved. Additionally, we are partnering with community-based organizations in designated disadvantaged and/or vulnerable communities as a critical element of our multi-year Climate Vulnerability Assessment. We look forward to the CEC efforts to strengthen its engagement with environmental and social justice (ESJ) stakeholders in the 2022 IEPR Update Scoping Order.

- PG&E recommends financial support to the implementation of inclusion and participation. The CEC should provide grants and contracts to community-based organizations that work in and with environmental justice communities to support collaborative efforts to engage these communities. Funding should be for the duration of the program and be enough to compensate these organizations adequately for their time and efforts.
- PG&E encourages the CEC to consider including recommendations on how to equitably engage communities and stakeholders for input on policies and programs, including direct recommendations to Investor-Owned Utilities (IOUs) and other regulated entities in its 2022 IEPR Scoping Order. This should include direct feedback and recommendations from environmental justice stakeholders.
- PG&E looks forward to the 2022 IEPR Scoping Order development and recommends that the
 process build on the equity-focused Environmental Social Justice Action Plan and related policies
 established by the California Public Utilities Commission (CPUC), including efforts to remove the
 current regulatory barriers to enable effective community engagement. In addition, PG&E
 recommends that definitions be established with broader agency involvement to ensure
 consistency across regulatory bodies.
- PG&E has a cross functional team dedicated to advance topics of equity in PG&E's business
 practices, including expanding access to clean energy programs and enabling a fair transition
 from our existing energy sources to a cleaner energy future. PG&E offers to work collaboratively
 with the CEC and other state agencies, and with ESJ and other stakeholders involved in the 2022
 IEPR to ensure environmental and social justice considerations are integral to the final product.

2- Addressing Emerging Topics:

The CEC proposes to include the role of hydrogen in California's clean energy future in the 2022 IEPR. PG&E recommends that the Scoping Order also include the role of renewable natural gas and synthetic methane in the transition to a zero-carbon future, as well as the role of carbon capture and sequestration in transformation of California's clean energy future.

- Renewable natural gas and synthetic methane are already interchangeable with the existing natural gas system. These two low-carbon or carbon-neutral fuels can be used in the short-term to decarbonize the natural gas system while we continue to evaluate hydrogen blending in the existing natural gas system. Synthetic methane can allow for the transformation of captured carbon dioxide that would otherwise be emitted into the atmosphere (e.g., from anaerobic digestion of dairy manure, etc.) and transform the captured carbon into an energy carrying fuel that can be used to decarbonize the natural gas system.
- The path to a zero-carbon future should be two-fold: We should find resources that are already carbon-free and make existing processes carbon neutral. Making existing processes carbon neutral requires capturing the carbon and either transforming it into a valuable product, such as

carbon fibers, and/or sequestering it underground. Both solutions will contribute toward California's clean energy future.

We appreciate the CEC sharing the 2022 IEPR Scoping Order and the opportunity to provide PG&E's perspective on it. Please do not hesitate to contact me if you have any questions.

Sincerely,

/s/ Licha Lopez