

**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Building)
Decarbonization.) Rulemaking 19-01-011

**OPENING COMMENTS OF THE AMERICAN PUBLIC GAS ASSOCIATION ON
ORDER INSTITUTING RULEMAKING REGARDING BUILDING
DECARBONIZATION**

The American Public Gas Association (“APGA”) appreciates the opportunity to submit its opening comments on the Order Instituting Rulemaking (OIR). These comments provide information that may be useful to the California Public Utilities Commission (“Commission” or “CPUC”) in its effort to consider alternatives that could lead to the reduction of greenhouse gas (GHG) emissions associated with energy use in buildings.

I. DESCRIPTION OF APGA

APGA is the national, non-profit association of publicly-owned natural gas distribution systems, with over 740 members in 37 states. Overall, there are approximately 1,000 publicly-owned natural gas distribution systems in the United States. Publicly-owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the citizens they serve. They include not only municipal gas distribution systems, but also public utility districts, county districts, and other public agencies that have natural gas distribution facilities. Public gas systems range in size from Philadelphia Gas Works which serves approximately 500,000 customers to the city of Red Bird, Oklahoma which serves 38 customers.

Public gas systems are an important part of their community. Our members' employees live in the communities they serve and are accountable to local officials (and their friends and neighbors).

II. COMMENTS

Natural gas is the cleanest, safest, and most useful of all fossil fuels. It is also domestically produced, abundant and reliable. The inherent cleanliness, reliability, and affordability of natural gas, a growing domestic supply, and superior wells-to-wheels efficiency of natural gas equipment means that substituting gas for other fuels will reduce the emissions of greenhouse gas (GHG) and other air pollutants that produce smog and acid rain. For these reasons, it is both reasonable and logical to assume that natural gas must play a foundational and essential role in the effort to reduce greenhouse gas emissions.

In the 1980s, America's natural gas utility industry served about 40 million residential and commercial customers; today, that number is almost 70 million. However, with technology advancements in natural gas appliances and equipment, consumption in this sector remains about the same. Today, we serve 75% more customers than forty years ago, but use the same throughput. This demonstration of significant and meaningful technology breakthroughs by the natural gas industry continues today.

One example of another natural gas breakthrough technology is renewable natural gas (RNG). Although RNG is natural gas, it is not a fossil fuel because it is derived from the

methane biogases emitted by decomposing food waste, farm waste, municipal wastewater, and other organic wastes. RNG is generated by using the waste streams associated with human activity and natural cycles, and its use can be more favorable to the GHG reduction effort than being just carbon neutral: across its lifecycle as it captures, removes, sequesters, and binds greenhouse gas already in the environment and atmosphere, RNG can be net-carbon negative.

If organic wastes are left to decompose on farm fields, in landfills or elsewhere, the methane biogases they generate are mostly released into the atmosphere, where they act as powerful a GHG. Instead of being naturally released into the atmosphere, these organic wastes and their associated biogases are captured and refined into RNG. California leads the nation in deploying this technology, and APGA urges the CPUC to develop policies that encourage more research and development into this particular net-zero emissions technology and foster rapid deployment of larger scale facilities.

APGA echoes the caution expressed by others in this docket that a one-track solution of electrification precludes an inclusive energy approach that can actually achieve the express goal of decarbonization. For example, in a report for Southern California Gas Company (SoCal), Navigant Consulting, Inc. estimates that the same GHG emissions reductions of total electrification can be achieved by gas appliances if 46% of building gas use comes from RNG by 2030. This equates to just 16% of total SoCal throughput coming from RNG by 2030, which is doable even with the current technologies. APGA respectfully suggests that the CPUC consider promulgating policies which allow for market-based solutions to achieve the legislative goal, and

they accommodate an inclusive energy strategy that offers opportunity for innovation. The natural gas industry has consistently delivered before, and we are confident we will do so again.

Utilizing renewable gas can also help reduce the strain on the electric grid, support energy resiliency and keep consumer costs down by eliminating the need for the replacement of appliances and retrofit of homes. Given that approximately 90% of the residential energy consumers in Southern California use natural gas for space and water heating, the costs associated with appliance replacements and home retrofits would be very significant.

IV. CONCLUSION

APGA appreciates the opportunity to provide to submit comments to the Commission on this proceeding.