

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Establish
Policies, Processes, and Rules to Ensure
Safe and Reliable Gas Systems in
California and Perform Long-Term Gas
System Planning.

Rulemaking 20-01-007
(Filed January 16, 2020)

**OPENING COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON
THE PRELIMINARY SCOPE FOR ORDER INSTITUTING RULEMAKING**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

February 26, 2020

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The Center for Energy Efficiency and Renewable Technologies respectfully submits these Opening Comments on the Preliminary Scope for Order Instituting Rulemaking (R.) 20-01-007 filed on January 16, 2020, with a “date of issuance” of January 27, 2020. These Opening Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and Ordering Paragraph 7 of R.20-01-007 (OIR).¹

**I.
OVERVIEW**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California. CEERT is a partnership of major private-sector clean energy companies. CEERT designs and fights for policies that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT is working toward building a new energy economy, including cutting contributions to global warming and reducing dependence on fossil fuels.

¹ By Ordering Paragraph 7, R.20-01-007 established the due date for these Comments as being “no later than 30 days after the issuance of this order.” (R.20-01-007, Ordering Paragraph 7, at p. 26.) The “Date of Issuance” of R.20-01-007 was January 27, 2020, making the 30th day thereafter today, February 26, 2020.

CEERT has long advocated before the Commission for increased use of preferred resources and for California to move towards a clean energy future. As relevant here, CEERT has been a party and actively participated in multiple Commission proceedings with a focus on reduced reliance on natural gas to meet California’s energy needs and climate change goals. These proceedings include R.16-02-007 (Integrated Resource Planning (IRP)), as well as the previous rulemakings on Long Term Procurement Planning (LTPP) (i.e., R.12-03-014; R.13- 12-010) and utility applications local capacity needs (i.e., A.19-05-016).

II.
CEERT COMMENTS ON PRELIMINARY SCOPE FOR R.20-01-007

CEERT strongly supports the launch of the OIR, especially its goal to “implement a long-term planning strategy to manage the state’s transition away from natural gas-fueled technologies to meet California’s decarbonization goals.”² Of further significance on this point, the OIR makes clear that its purpose is to address “operational issues in Southern California,” including those specific to SoCalGas, to improve the reliability of natural gas service in California and to do so in a manner that achieves “California’s decarbonization goals.”³ Among other things, the OIR specifically states that “Track 1B: Market Structure and Regulations” of the OIR is to “identify and evaluate opportunities for mitigating the risk that gas supply shortages pose to electric reliability and market prices.”⁴

On this point, both this Commission and the California Energy Commission (CEC) have continuously found that, as an example, zero carbon resources, such as gas demand response and other distributed energy resources, can serve as a means of mitigating the reliability risks specifically identified in the OIR for Track 1B and have done so not only with respect to

² R.20-01-007, at p. 2.

³ OIR, at p. 2.

⁴ OIR, at p. 16.

Southern California Gas Company (SoCalGas),⁵ but also now Pacific Gas and Electric Company (PG&E). Thus, in Decision (D.) 19-09-025, the Commission, in recognizing the role that customers can play in curtailing their gas use when supplies are low,⁶ required PG&E, as part of its “Natural Gas Storage Strategy,” to implement “a Gas Demand Response program” to “allow customers to voluntarily curtail load, giving PG&E more options to operate its system while reducing unwanted service disruptions”⁷

Unfortunately, the issues identified for “Track 1B: Market Structure and Regulations” in the preliminary scope for the OIR at page 19 do not provide for any consideration of the role that zero carbon resources, such as demand response and other distributed energy resources, can play in reducing or mitigating natural gas usage. For this reason, CEERT strongly urges the Commission to add to or the preliminary scope for the OIR as follows:

(1) “Track 1B: Market Structure and Regulations” (page 19):

Add Issue 4 (shown in bold): “***Should the Commission direct natural gas utilities to identify and establish demand response or other zero carbon resource programs that can mitigate operational risks, improve reliability and affordability of gas service, and achieve decarbonization goals?***”

(2) “Track 2: Long-Term Natural Gas Policy and Planning”:

Modify Issue 1.b. (shown in bold): *For each Time Horizon, during which gas demand is expected to decline, how does the commission ensure that the gas utilities maintain safe and reliable gas systems at rates that are just and reasonable, **including consideration of***

⁵ See, e.g., Commission Resolution G-3541, at pp. 2-4; Draft 2019 Integrated Energy Policy Report (IEPR), issued on November , 2019, at pp. 152 – 153, 160. In the Draft IEPR, the CEC confirms that “[e]nergy reliability remains challenging because of the pipeline outages and capacity reductions on the SoCalGas system” and that recommended “mitigation measures implemented over the past four years” should continue, including “demand response programs” with the Commission and the CEC working together to “develop strategies for replacement energy resources that ensure electricity reliability in Southern California....led by advances in ...distributed energy resources such as demand response...” (*Id.*)

⁶ D.19-09-025, at p. 296.

⁷ D.19-09-025 at p. 35.

programs to advance reliance on zero carbon resources to improve the reliability, affordability, and efficiency in gas consumption and reduce peak gas system capacity requirements in a manner that also achieves the State's decarbonization goals.

**III.
CONCLUSION AND REQUEST FOR PARTY STATUS.**

CEERT appreciates this opportunity to provide these Opening Comments on the preliminary scope of R.20-01-007 (OIR) and requests that the above additions or changes be made to the preliminary scope. In addition, pursuant to Rule 1.4(a)(2)) of the Commission's Rules of Practice and Procedure and Section 7 of R.20-01-007,⁸ by filing these responsive comments to the OIR, CEERT requests confirmation of its party status, with the following individual to be listed as the appearance for CEERT on the Party Service List for R.20-01-007:

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Respectfully submitted,

February 26, 2020

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⁸ R.20-01-007, at pp. 23-24.