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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.

**OPENING COMMENTS OF THE PUBLIC ADVOCATES OFFICE
ON THE GAS CORPORATIONS' PROPOSED DECARBONIZATION ZONES**

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I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits these opening comments pursuant to the *Administrative Law Judges' Ruling on Designating Priority Neighborhood Decarbonization Zones* (Ruling) issued on June 5, 2025. The Ruling requested the Gas Corporations, defined as Pacific Gas and Electric Company (PG&E), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), and Southwest Gas Corporation (Southwest Gas), deliver their recommendations for priority neighborhood decarbonization zones in their service territories.¹

Senate Bill 1221 (SB 1221) added Public Utilities Code Sections 660–666,² regarding neighborhood decarbonization zone pilot projects.³ SB 1221 required California's gas utilities to map their distribution systems and identify future pipeline replacement projects on July 1, 2025,⁴ and sets forth four criteria the Commission shall consider when designating priority neighborhood decarbonization zones (PDZs) by January 1, 2026.⁵ On July 21, 2025, the Gas Corporations submitted their respective

¹ *Administrative Law Judges' Ruling on Designating Priority Neighborhood Decarbonization Zones* (Ruling), at 2.

² Subsequent statutory references are to the Public Utilities Code unless otherwise indicated.

³ Senate Bill 1221 (Min), Stats. 2024, ch. 602.

⁴ Public Utilities Code (Pub. Util. Code) § 661.

⁵ Pub. Util. Code § 662(a) provides:

On or before January 1, 2026, in a new or existing proceeding and following recommendations from each gas corporation and the opportunity for public comment, the commission shall designate priority neighborhood decarbonization zones. In designating the zones, the commission shall consider factors that include, but are not limited to, all of the following:

- (1) Presence of disadvantaged or low-income communities in high-temperature climate zones or low-temperature climate zones that disproportionately lack cooling or heating.
- (2) Presence of environmental and social justice communities as defined in the commission's Environmental and Social Justice Action Plan.
- (3) Availability of supportive local government or community partners.
- (4) Concentration of gas distribution line replacement projects identified in the map submitted pursuant to Section 661.

recommendations on how the Commission should designate PDZs. Cal Advocates submits the following comments regarding the Gas Corporations' recommendations:

- The Commission should not permit the Gas Corporations to define their PDZs as every foreseeable gas pipeline project; and
- Southwest Gas's PDZ Map reveals a need for additional features in the next version of the Gas Corporations' PDZ Maps to promote later successful pilot project prioritization and selection.

II. DISCUSSION

A. Gas Corporations Should Not Define PDZs as Every Foreseeable Gas Pipeline Project

In their respective recommendations, the Gas Corporations seem to express concern that designating PDZs too early given the many open issues still to be resolved in this proceeding could result in the removal of potentially viable pilot projects from consideration. Southwest Gas described the steps it took to winnow its list of all possible pipeline replacement projects to "171 applicable projects"⁶ given its interpretation of three of the four criteria in Section 662(a).⁷ Southwest Gas provided a link to new PDZ mapping information on its SB 1221 Map but warned that these initial selections are tentative and subject to change.⁸ SoCalGas and SDG&E's Joint Recommendations⁹ and PG&E's Opening Comments,¹⁰ however, do not provide additions to their SB 1221 maps or even attempt to restrict the number of projects based on the four criteria in Section 662(a). These utilities instead argue that the Commission must remain flexible by

⁶ *Recommendations of Southwest Gas Corporation (U 905 G) Regarding Administrative Law Judges' Ruling on Designating Priority Neighborhood Decarbonization Zones* (Southwest Gas Recommendations), July 21, 2025, at 2.

⁷ Southwest Gas' PDZ Map does not yet include input from Section 662(a)(3), discussed further in II.B.1.

⁸ Southwest Gas Recommendations, at 2.

⁹ *Joint Recommendations of Southern California Gas Company (U 904 G) and San Diego Gas & Electric Company (U 902 G) on Administrative Law Judges' Ruling on Designating Priority Neighborhood Decarbonization Zones* (Joint Recommendations), July 21, 2025.

¹⁰ *Opening Comments of Pacific Gas and Electric Company (U 39 G) on Administrative Law Judges' Ruling on Designating Priority Neighborhood Decarbonization Zones* (PG&E Opening Comments), July 21, 2025.

defining the PDZ as the totality of possible pipeline replacement projects in their respective SB 1221 Maps.¹¹ ¹²

To justify their recommendations, SDG&E, SoCalGas, and PG&E argue that unresolved issues related to Section 663 leave enough uncertainty at this stage in the proceeding to warrant designating their current SB 1221 foreseeable gas projects as PDZs. SoCalGas and SDG&E argue that:

While at some point in the course of implementing SB 1221 and advancing neighborhood decarbonization zone pilot projects it may be necessary and appropriate to limit or prioritize candidate projects geographically, the Joint Utilities advise that this prioritization should not occur prior to establishing the program itself.¹³

The ‘program’ to which SoCalGas and SDG&E refer is the “voluntary program to facilitate the cost-effective decarbonization of priority neighborhood decarbonization zones...” first described in Section 663(a).¹⁴ PG&E similarly argues for the Commission’s flexibility in PDZ designation, given “Sections 662(b), 451.9(c) and 663(a) and (b) that retain the Commission’s broad flexibility to review and approve SB 1221 pilot projects using its traditional criteria for determining reasonable, cost-effective and non-discriminatory rates and services.”¹⁵ Even Southwest Gas, which followed the

¹¹ “PG&E’s opening comments recommend that the Commission exercise the flexibility provided by the statutory requirements and legislative intent of SB 1221 to designate *all* foreseeable SB 1221 pipeline projects on the utilities’ SB 1221 maps as priority neighborhood decarbonization zones under Public Utilities Code 662(a).” PG&E Opening Comments, at 1-2.

¹² Joint Recommendations, at 2-4.

¹³ Joint Recommendations, at 3.

¹⁴ Pub. Util. Code 663(a) provides:

On or before July 1, 2026, in a new or existing proceeding, the commission, in consultation with the state’s gas corporations, shall establish a voluntary program to facilitate the cost-effective decarbonization of priority neighborhood decarbonization zones, not to exceed 30 pilot projects across the state and affecting no more than 1 percent of each gas corporation’s customers within their service territory. A pilot project where a gas corporation obtains the consent of 100 percent of property owners with natural gas service within the pilot project boundary shall not count toward the 30 pilot project limit.

¹⁵ PG&E Opening Comments, at 1.

Ruling's directive to include an additional PDZ Map, echoes this sentiment in its recommendations.¹⁶

As all stakeholders are aware, SB 1221 requires the Commission's designation of PDZs to be completed by January 1, 2026, while resolution of Section 663 issues must occur by July 1, 2026. Thus, the issue of restricting the universe of total gas pipeline projects to a smaller cohort of **priority** neighborhood decarbonization zones must be resolved before stakeholders can meaningfully comment on important Section 663 issues such as cost allocation, cost-effectiveness criteria, methodologies for pilot project prioritization and selection, and measuring customer consent for potential projects.

To this end, the Commission should reject the notion that a utility's SB 1221 Map's foreseeable pipeline project layer is sufficient basis to designate a PDZ. As there is little time left for both the Commission and stakeholders to have a substantive input on Section 662 issues, the Commission should also require:

- SoCalGas, SDG&E, and PG&E to engage with Section 662(a) criteria and provide stakeholders initial PDZ Maps to analyze and critique; and,
- The Gas Corporations to update their initial, July 1, 2025 SB 1221 Map to include additional data requested by stakeholders in PG&E's May 2025 meet and confer sessions,¹⁷ including but not limited to information useful for future cost-effectiveness calculations and to minimize stranded asset risk.

B. Future Iterations of Gas Corporations' PDZ Maps Should Include Additional Features to Promote Successful Pilot Project Prioritization and Selection

Cal Advocates appreciates that Southwest Gas, in contrast to its peer utilities, submitted a working online SB 1221 Map with spatial data in support of its

¹⁶ "Additionally, eliciting decarbonization zones recommendations at this juncture, long before potential pilot programs have been identified may be counterproductive insofar as viable projects could be unintentionally excluded." Southwest Gas Recommendations, at 3.

¹⁷ *Pacific Gas and Electric Company's (U 39 G) Response to Administrative Law Judges' Ruling Directing Pacific Gas and Electric Company to Serve and File a Factual Summary of Parties' Comments*, July 21, 2025, Attachment A.

recommendations for PDZs in its service territory.¹⁸ Utilizing Southwest Gas as an example, Cal Advocates presents below its recommendations on how all parties can constructively engage to improve the next iteration of the Gas Corporations' PDZ Maps. Cal Advocates' recommendations start with the four criteria set forth in Section 662(a) and discuss specific fields and data attributes that would be important for eventual pilot project prioritization and selection.

1. Section 662(a) Required Information for Commission PDZ Designation

Southwest Gas states its recommendations are tentative due to limited information available and time constraints, and in particular the difficulty in assessing support of local government or community partners (Section 662(a)(3)).¹⁹ In consideration of the other three factors, Southwest Gas mapped disadvantaged communities designated by CalEnviroScreen and statistics for foreseeable and potential gas distribution pipeline replacement projects per Census tract. Southwest Gas states that screening by these factors resulted in 171 applicable projects for priority decarbonization.²⁰

The Southwest Gas map therefore satisfies some, but not all, of the Ruling's directives. Southwest Gas neglected to visualize areas of available supportive local government or community partners. Southwest Gas recognizes that potential partners exist based on its experience with assistance programs such as the Low Income Home Energy Assistance Program. However, Southwest Gas's online map does not clearly locate where these assistance programs are – the map's "Disadvantaged Communities" feature layer seems to only categorize federal tribes or CalEnviroScreen designations. While time constraints may have limited Southwest Gas's ability in this instance to conduct outreach or similar efforts, such as surveying local governments or community-based organizations to gauge the level of support, Cal Advocates notes that community

¹⁸ Southwest Gas Recommendations, at 3.

¹⁹ All the Gas Corporations struggled to address Section 662(a)(3). *See* Southwest Gas Recommendations, at 2-3; Joint Recommendations, at 2; PG&E Opening Comments, at 3.

²⁰ Southwest Gas Recommendations, at 2.

engagement work is critical to electrification success and should be undertaken to the extent possible.²¹

Additionally, Southwest Gas did not thoroughly consider the presence of disadvantaged communities specifically in climate zones with disproportionate heating or cooling difficulties (Section 662(a)(1)) – this factor is distinct from straightforward identification of environmental and social justice communities (Section 662(a)(2)). Cal Advocates appreciates that there was limited time available for preliminary mapping but notes that through an iterative mapping Southwest Gas could review and include the following referenced resources.²² Cal Advocates recommends that Southwest Gas revise and refine its map with additional features that not only satisfy all Section 662 requirements but also facilitate public discussion in the next phase of decarbonization zone prioritization.

2. Specific Updates to Southwest Gas’s PDZ Map Beyond Section 662 Requirements

The following section makes several technical recommendations to improve the useability of the mapping information provided by Southwest Gas. In the Southwest Gas SB 1221 map, the “Potential Decarbonization Zones” layer’s attribute table has neither a method to uniquely identify specific zones²³ nor any data on foreseeable and potential replacement projects. Moreover, the PDZ map has no pipeline replacement project data.

²¹ For example, see work done by Gridworks in partnership with the California Energy Commission: *An Analytical Framework for Targeted Electrification and Strategic Gas Decommissioning: Identifying Potential Pilot Sites in Northern California’s East Bay Region* at <https://www.energy.ca.gov/publications/2024/analytical-framework-targeted-electrification-and-strategic-gas-decommissioning> and *Gas Decommissioning: Community Engagement in Potential Pilot Sites* at <https://gridworks.org/2023/02/gas-decommissioning-community-engagement-in-potential-pilot-sites/>

²² A cursory examination of available maps of excessive heating in California reveals the following promising resources for utilities to consider: California Environmental Protection Agency’s CalHeatScore at <https://calheatscore.calepa.ca.gov/>; California Natural Resources Agency’s California Heat Assessment Tool at <https://cal-heat.org/>; Cal Adapt’s Cooling Degree Days and Heating Degree Days at <https://cal-adapt.org/tools>; and UCLA’s How Heat Harms Health in Your Community Heat Map at <https://experience.arcgis.com/experience/4c158842b5c94857a06c3a85c7aa02de/page/Instructions>

²³ Instead of PDZ names, the PDZ attribute table reveals the OBJECTID column, which is more “backend” information referencing (presumably) the Census tract layer – this reference will likely not be clear to stakeholders unfamiliar with GIS.

At minimum, to be of any use in the prioritization and pilot project selection process, the PDZ maps should include the number of customers served in a given PDZ to ensure the PDZ pilot projects do not account for more than one percent of any utility's customers.²⁴ Cal Advocates recommends that Southwest Gas also includes the count of replacement projects and total pipeline mileage in each proposed PDZ – the pipeline mileage would help reduce issues that could result from double-counting projects that cross over Census tract borders. These data, already existing in the “Foreseeable and Potential Gas Distribution Pipeline Replacement Project” maps, are aggregated to Census tract level and replacement year. To make this useful it would be necessary to export and join it with the PDZ data. Finally, the PDZ map data should be downloadable (similar to how the other map layers can be exported) for further analysis and comparison with other utility PDZ data by the public.²⁵

The Southwest Gas web map includes the Integration Capacity Analysis (ICA) maps from Southern California Edison Company. None of the ICA maps seem to have attribute tables attached. The symbology for the circuits in ICA maps should be differentiated from each other and from other layers (for example, the transmission lines and Southwest Gas service territory border look the same). Understanding the ICA layers necessitates following a link hidden within the *User Guide*, and even then, what each differently colored circuit line represents can be unclear.²⁶ The *User Guide* itself is rather

²⁴ Pub. Util. Code § 663(a) requires the totality of pilot projects to affect “no more than 1 percent of each gas corporation’s customers within their service territory.”

²⁵ See *Assigned Commissioner’s Ruling Issuing Senate Bill 1221 Mapping Directions to Utilities Appendix A*, at 3-4.

²⁶ *Compliance Submission of Southwest Gas Corporation (U 905 G) on Assigned Commissioner’s Ruling Issuing Senate Bill 1221 Mapping Directions to Utilities* (Compliance Submission), July 1, 2025, Attachment A, *Southwest Gas Corporation Senate Bill 1221 Web Application User Guide* at 5. Cal Advocates’ comments refer to the publicly available version of the Southwest Gas PDZ map. However, three versions of the *User Guide* are available. In its July 1 Compliance Submission, (available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M571/K357/571357860.PDF>), Southwest Gas appends a copy of its publicly available *User Guide*. In its July 21 Southwest Gas Recommendations filing (available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M573/K391/573391907.PDF>), Southwest Gas provides a link to its map at <https://sb1221-swgashub.arcgis.com/>. This website shows two different ways to download the *User Guide* - a “User Guide” text hyperlink at top of site and a “User Guide” button

sparse. Cal Advocates recommends a more comprehensive data dictionary that elaborates more about each map layer's characteristics and explains attribute table columns. For example, in the “Foreseeable and Potential Gas Distribution Pipeline Replacement Project” layer, does the “Year 2035” column classify projects to be replaced in just the year 2035, or in 2035 and later years?

III. CONCLUSION

Cal Advocates appreciates the opportunity to provide comments on the Gas Corporations' Proposed Decarbonization Zones and SB 1221 Maps. Cal Advocates recommends that the Commission require the following:

- The Gas Corporations should define their PDZs more narrowly than every foreseeable gas pipeline project on their current SB 1221 Maps;
- The Gas Corporations should update their initial, July 1, 2025 SB 1221 Maps to include the additional data identified by stakeholders;
- SoCalGas, SDG&E, and PG&E should address Section 662(a) criteria and provide stakeholders initial PDZ Maps to analyze and critique;
- Southwest Gas should update its SB 1221 Map and PDZ Map as shown in Appendix A, below.

Given the limited data provided for stakeholder review in the Gas Corporations' July 21 recommendations, Cal Advocates expects that its list of recommendations will evolve as the PDZ Maps continue to do so over the course of the next several iterations.

within the map application itself. The text hyperlink downloads a *User Guide* with page headers labeled “Confidential,” while the map button downloads a *User Guide* that is labeled “Confidential” on both the cover and page headers.

Respectfully submitted,

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APPENDIX A

Table 1: Summary of Cal Advocates Recommendations for Southwest Gas

Issue	Recommendations
Map does not show presence of disadvantaged or low-income communities in high-temperature climate zones or low-temperature climate zones that disproportionately lack cooling or heating	<ul style="list-style-type: none"> Check government and academic online resources, such as: <ul style="list-style-type: none"> California Environmental Protection Agency's CalHeatScore at https://calheatscore.calepa.ca.gov/ California Natural Resources Agency's California Heat Assessment Tool at https://cal-heat.org/ Cal Adapt's Cooling Degree Days and Heating Degree Days at https://cal-adapt.org/tools UCLA's How Heat Harms Health in Your Community Heat Map at https://experience.arcgis.com/experience/4c158842b5c94857a06c3a85c7aa02de/page/Instructions
Map does not show availability of supportive local government or community partners	<ul style="list-style-type: none"> Conduct outreach, such as surveying local governments or community-based organizations, to gauge the level of support Refer to past projects and work done by consultants and state agencies, such as California Energy Commission and Gridworks, on community engagement for gas decommissioning. See: <ul style="list-style-type: none"> <i>An Analytical Framework for Targeted Electrification and Strategic Gas Decommissioning: Identifying Potential Pilot Sites in Northern California's East Bay Region</i> at https://www.energy.ca.gov/publications/2024/analytical-framework-targeted-electrification-and-strategic-gas-decommissioning <i>Gas Decommissioning: Community Engagement in Potential Pilot Sites</i> at https://gridworks.org/2023/02/gas-decommissioning-community-engagement-in-potential-pilot-sites/
Map does not show data in potential decarbonization zones (PDZ) that public can download and analyze	<ul style="list-style-type: none"> Include number of customers served in PDZ polygons because pilot projects cannot account for more than one percent of any utility's customers Apply Census tract ID numbers as unique identifiers for PDZ polygons, so public users can join PDZ map layer with other Census tables Make independent PDZ map layer downloadable (exportable), similar to other map layers
Map does not show distinctive data in Integration Capacity Analysis (ICA) layer	<ul style="list-style-type: none"> Include ICA data from Southern California Edison Company in attribute tables Apply symbology for ICA circuits to differentiate from other map layers and data – note the customary “traffic light” colors for circuit loads when zooming in.
Map provides an incomplete and confidential version of <i>User Guide</i>	<ul style="list-style-type: none"> Connect both the website text hyperlink and “User Guide” button within the map application to the correct public version of <i>User Guide</i> Expand data dictionary to elaborate more on each map layer's characteristics, especially for the “Foreseeable and Potential Gas Distribution Pipeline Replacement Project,” “Potential Decarbonization Zones,” and “SCE ICA” layers Expand data dictionary to explain each map layer's attribute table columns, especially the for “Foreseeable and Potential Gas Distribution Pipeline Replacement Project,” “Potential Decarbonization Zones,” and “SCE ICA” layers