



Building Decarbonization
Coalition Presents:
*Long-Term Gas Planning Proceeding
Webinar Series*



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California Community
Choice Association

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Clean Power**



**TerraVerde
ENERGY**

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BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Greenbank Associates



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the **Energy
Coalition**

SPAN.10

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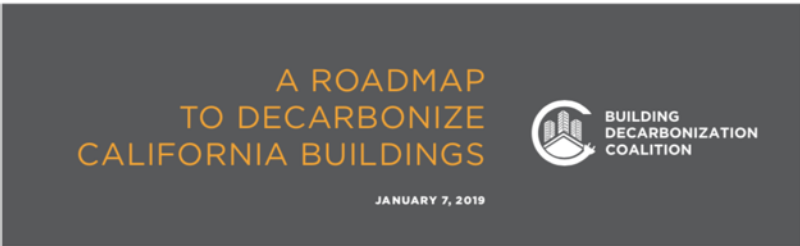



ReplaceNow

pickmysolar



BRADFORD WHITE
WATER HEATERS

Figure 1: Decarbonization Targets Within the Building Sector

	R		Commercial
New Buildings	20 B		Zero Emissions ing Code
Retrofits	%		vels from the overall : om building sector om building sector om building sector
<ul style="list-style-type: none"> •Increase the space heating from 50 to 100 % in 2030. •Increase the water heating from 10 to 100 % in 2030. 		  	mps for space 2025 and 100 % in mps for water 2025 and 100 % in

Roadmap Goals

Goal 1: Build customer, builder, contractor and policy-maker awareness and interest in decarbonization.

Goal 2: Ensure that customers receive a good value from adopting building decarbonization measures.

Goal 3: Ensure that building decarbonization provides a better value to builders and contractors than fossil-fuel heating.

Goal 4: Prepare supply-chains and ensure delivery agents are ready to meet rising demand for carbon-free building technologies with a quality product.

Goal 5: Align Policy to meet other goals.

About this webinar series

This BDC Webinar Series will introduce participants to the main issues addressed in the California Public Utilities Commission's long-time gas system planning proceeding (R.20-01-007), and teach best practices in participating in proceeding discussions.

This proceeding is designed help California plan its gas infrastructure needs as it meets its carbon emissions reductions goals.

- *Seven webinars scheduled from 11 am-12 pm on Wednesdays from October 14 to December 16, 2020*
- *Details of other webinars in this series are at <https://bit.ly/BDCGasWebinars> (case sensitive)*

Coming gas proceeding webinars

- **The Utility Perspective on California's Gas and Electrification Evolution**
 - Nov. 11 – [Register](#)
 - Speakers: Hannah Kaye, Policy Product Manager at PG&E, and Erica Bowman, Director of Resource & Environmental Planning and Strategy at Southern California Edison
- **What California Can Learn From Other States About Long-Term Gas Planning**
 - Nov. 18 – [Register](#)
 - Speakers: Mark Kresowik, Eastern Region Deputy Director at the Sierra Club; Alice Napoleon, Electric System Policy Analyst at Synapse Energy Economics; and Edward Yim, Energy Policy Advisor at Washington, DC Department of Energy and Environment
- **How to Achieve an Equitable Gas Transition**
 - Dec. 2 – [Register](#)
 - Speakers: Mad Stano, Senior Legal Counsel, The Greenlining Institute

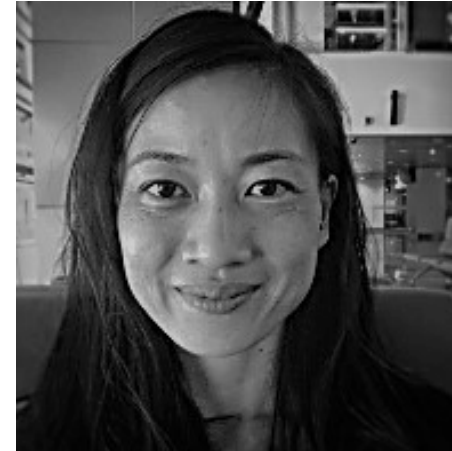
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Webinar Logistics

- Everyone is muted.
- Please ask your questions via chat and we will ask speakers to answer at the end of remarks.
- This webinar is being recorded.
- Members of the Coalition can access the recording, slide deck, and other resources on the Members-Only website.
 - To learn more about membership and how to access this recording and other decarb benefits, visit www.buildingdecarb.org or reach out to Ashleigh at Ashleigh@buildingdecarb.org

Today's speakers

- Katie Wu, Director, Gridworks
- Michael Colvin, California Energy Director, Environmental Defense Fund



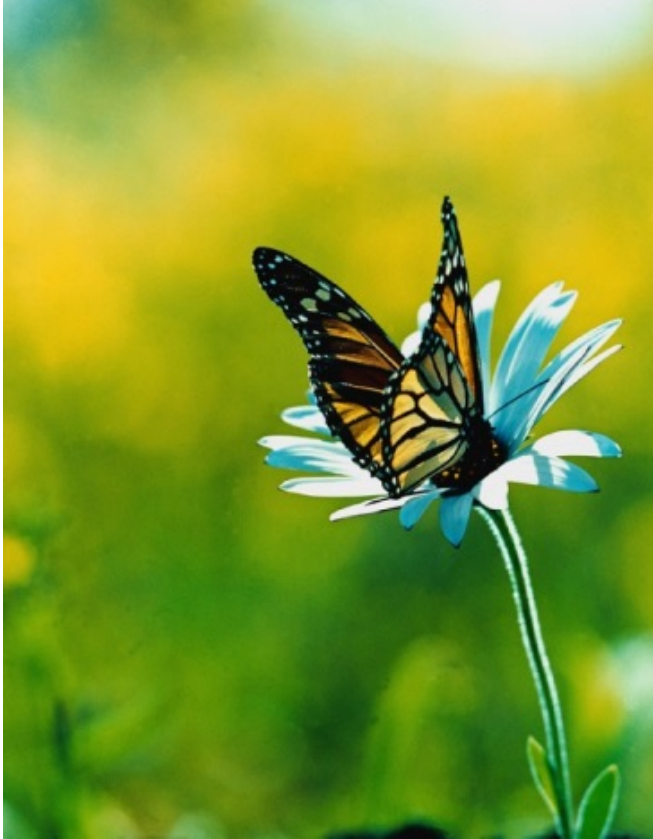


Managing the Transition - Proactive Solutions for Stranded Asset Risk in California

October 28, 2020

About Environmental Defense Fund

Guided by science and economics, we tackle urgent threats with practical solutions




EDF is a 501(c)(3) nonprofit organization.

Our people: We're one of the world's largest environmental organizations, with more than two million members and a staff of over 700 scientists, economists, policy experts, and other professionals around the world. We have over 400,000 active members in California.

Our values: We believe prosperity and environmental stewardship must go hand in hand. We're optimists, because we have seen our ideas make a huge difference. And we build strong partnerships across interests to ensure lasting success. See more on our [mission and values](#).

Our focus: We achieve results by finding solutions that benefit people while protecting natural systems.

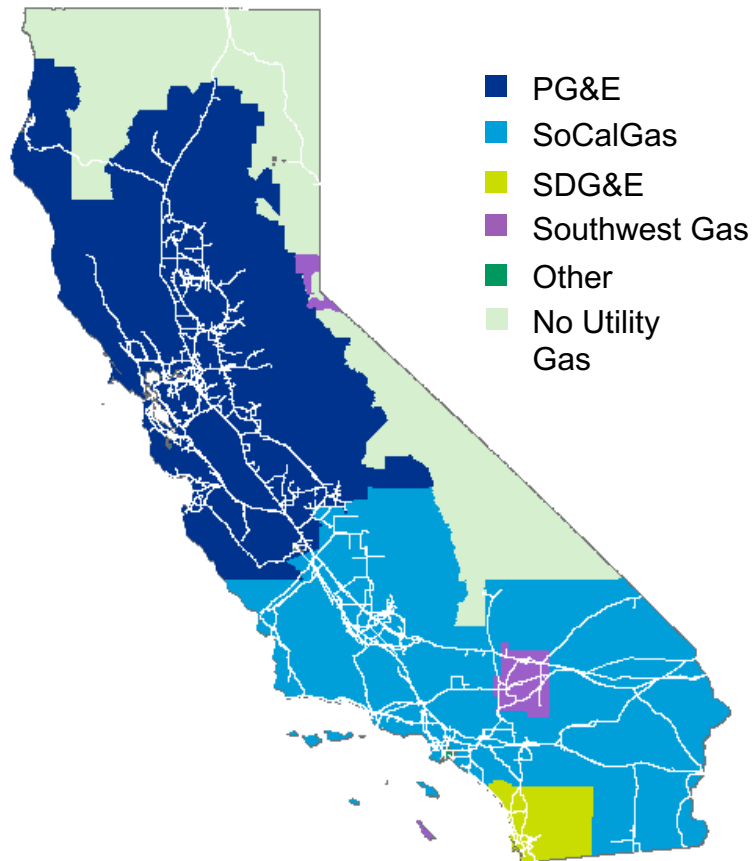
Why Decarbonize?

- Climate Change
 - Cleaner Air
 - High quality jobs
 - New homes are more affordable
 - Homes are more comfortable, modern
- 

That all sounds great, so what's the catch?

- 1) Can all of California decarbonize?
 - 2) What about the stuff left in the ground?
- 

CA Gas System



Residential



Industry




Commercial

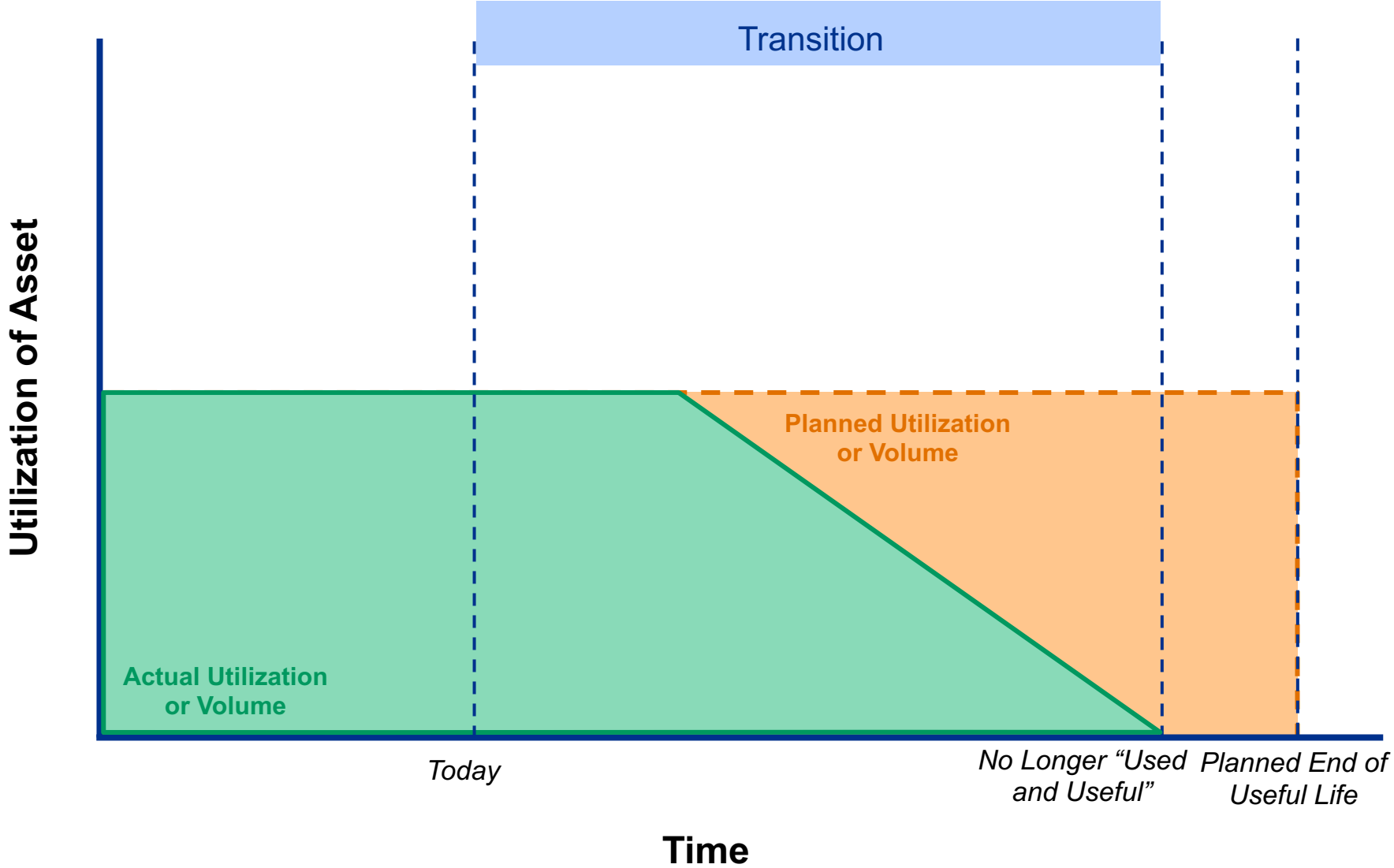


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Gas Consumption (bcf)

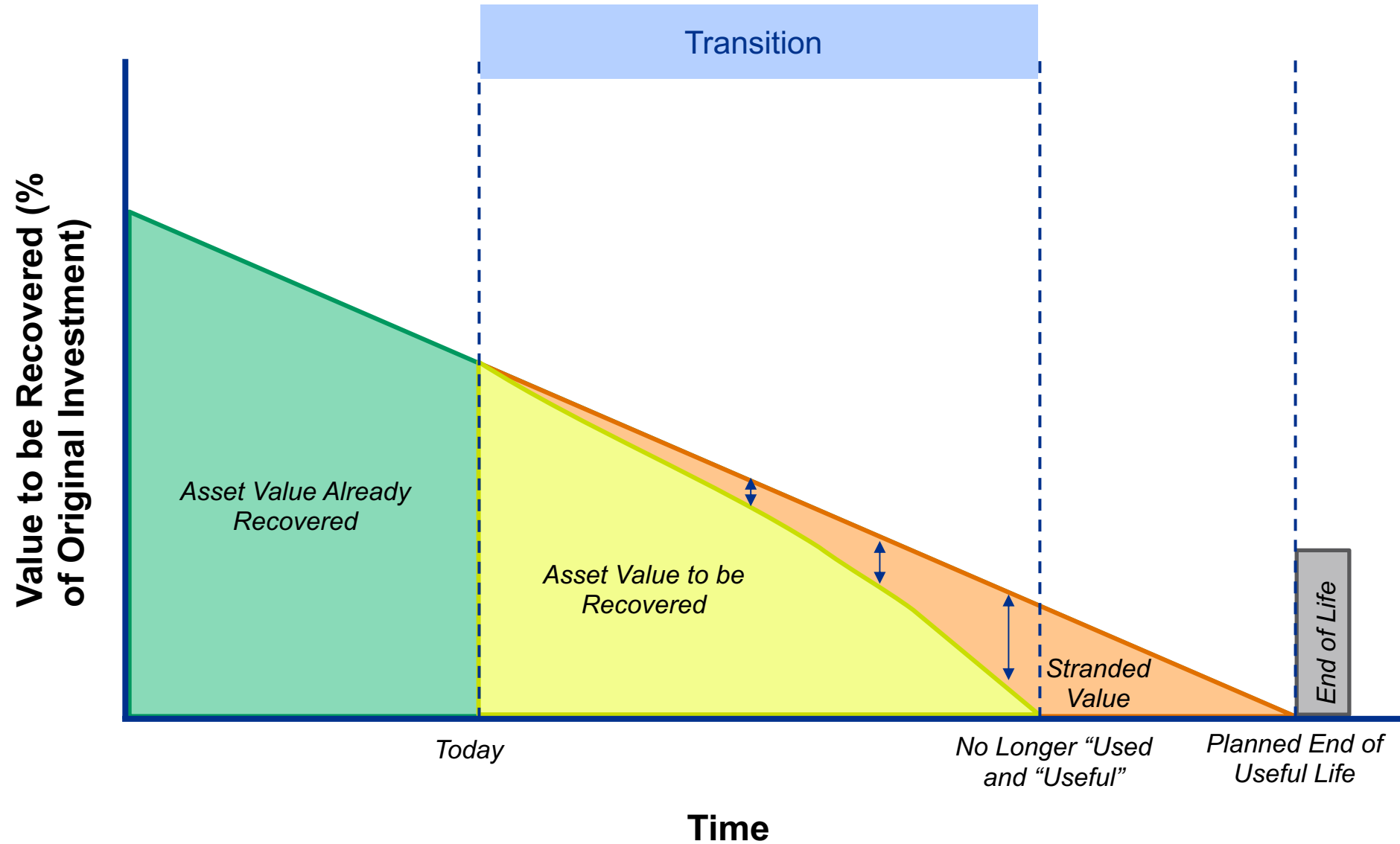
“Used and Useful”

- In order to recover infrastructure funds from its customers, utility needs to demonstrate:
 1. Asset is providing physical service (**used**)
 2. Without asset, costs would be higher or the quality of service would be lower (**useful**)
- 

Overview of “Used and Useful”



Overview of Stranded Value



Targeting Electrification

Source: E3

UNTARGETED ELECTRIFICATION (No retirements)



TARGETED ELECTRIFICATION (Targeted retirements)



Mixed fuel house
(Natural gas and electric)

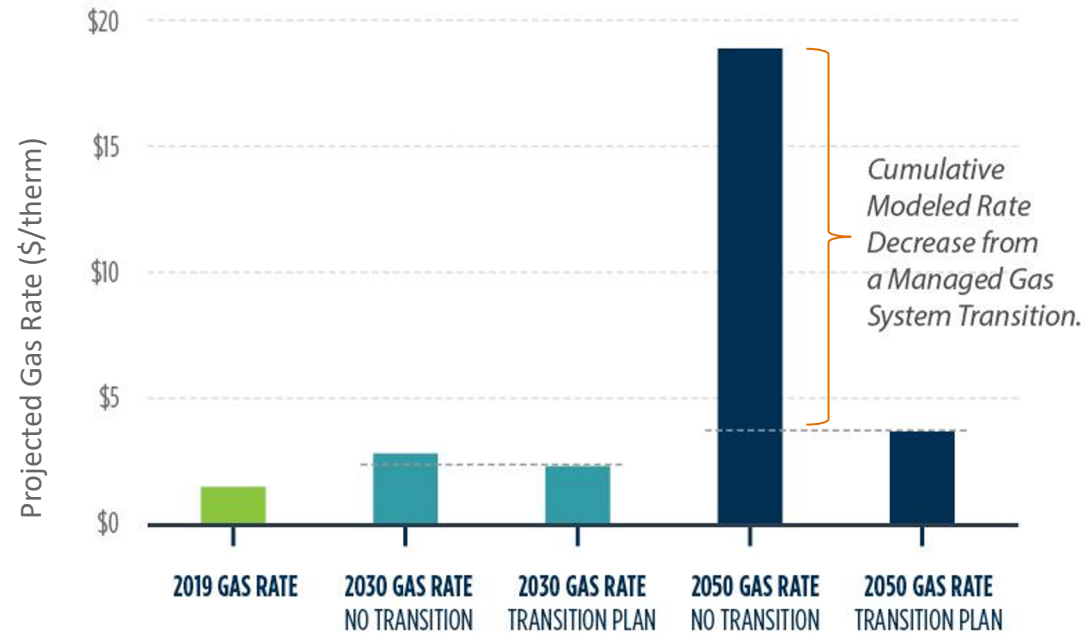


All electric house

Managed Transition Required

Without a managed gas transition, projected gas rates in 2050 are 5x more than they could be with a managed transition plan

Source: E3



Some Concluding Thoughts

- Approximately 1/3 of Californians cannot afford their utility bill – so we need to ensure reasonable rates
- Rate increases are not universally felt – 5% change means a lot when considering affordability
- We need a massive amount of new investment in clean energy infrastructure to meet our 2045 goals
 - Ratemaking is generally reliable and gives investors confidence which in turn lowers risk premium – affordable
- Changes to ratemaking to EXISTING infrastructure can be different than FUTURE investments
- Think about societal and equity impacts of ratemaking – not all customers are the same

Recommendations

- We need to develop adoption strategies for a variety of building stock
 - Renters
 - Middle Income
- Role for high integrity alternative fuels for when electrification is not possible
 - Short term vs Long Term
 - Res vs. Non-Res
- How do we “learn” and not “overpay” – iteration comes at a price



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Contact

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Learn more about the series and BDC's advocacy action plan for the Gas Proceeding

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Learn about membership with the BDC

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Building Decarbonization Coalition Presents

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