



# R.20-01-007 Track 2 Workshop 2: Gas Infrastructure

January 24, 2022 | 9:30 a.m. – 4:30 p.m. | Remote participation only

Remote Participation Link:

<https://cpuc.webex.com/cpuc/j.php?MTID=m223a8225abc6ef270805d1f4c977aef>

Toll Call-in: 1-415-655-0002

Meeting Access Code: 2497 283 3080 Event Password: GasPlanning2022

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**Workshop Purpose:** This workshop covers Scoping Memo questions 2.1(e)-2.1(k) of the Assigned Commissioner’s Amended Scoping Memo and Ruling, issued on January 5, 2022.<sup>1</sup> This workshop seeks to provide stakeholders with a common understanding of the issues, gather information, and seek feedback. Additionally, workshop participants may begin to develop possible future scenarios and suggest potential solutions.

**Intended Outcome:** Participants and attendees will have a better understanding of the facts upon which testimony, hearings (if needed), and briefs (if needed) will proceed. Energy Division staff will publish a workshop report in February summarizing the presentations and various discussions.

## WORKSHOP AGENDA

**9:30 – 9:50**

**Welcome**

Commissioner Remarks

Energy Division Staff Workshop Logistics

**9:50 – 10:30**

**Scoping Memo Question e:** What criteria should be used to determine which distribution lines should have the highest priority for proactive decommissioning?

- i. What pipeline-related characteristics should be considered when prioritizing distribution lines for decommissioning (e.g., age, safety condition, pipeline’s role in serving industrial (hard to electrify) load, extent to which it has been depreciated, location, customer density, pipe material such as Aldyl-A, proximity to a source of renewable gas)?
- ii. What community characteristics, such as designation as a DAC, should be considered?
- iii. What other criteria, if any, should be considered?
- iv. What goals should be considered when using these characteristics (e.g., cost savings, minimizing stranded assets, pipeline safety, net greenhouse gas reductions, environmental justice)?
- v. What non-pipeline alternatives should be considered?

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<sup>1</sup> The scope of Track 2 can be found in the Assigned Commissioner’s Amended Scoping Memo and Ruling here:

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M436/K692/436692151.PDF>

- vi. How should the direct and indirect costs of non-pipeline alternatives be compared to the cost of replacement? For example, are there avoided O&M and pipeline replacement costs for retiring distribution pipelines that could be estimated and incorporated into cost-effectiveness analysis?
- vii. If the Commission determines that a distribution pipeline should be decommissioned, what consideration should be given to customers who do not wish to stop their gas service?
- viii. What planning and procedures are necessary to ensure that there is sufficient local electric capacity available to reliably serve customers that move off the gas system?
- ix. Are there health and safety issues that need to be addressed from decommissioned distribution lines?
- x. What procedural mechanism should be used to proactively decommission distribution lines?

**Jessica Allison**, CPUC Energy Division  
**Qing Tian**, California Energy Commission  
**Mike Kerans**, Pacific Gas and Electric Company  
**Jina Kim**, California Environmental Justice Alliance

**10:30 – 10:50**

**Q&A**

**10:50 – 11:30**

**Scoping Memo Question f:** What infrastructure is needed to fulfill the needs of customers who are likely to remain on the gas system the longest, such as electric generators or difficult-to-electrify industrial users?

**Scoping Memo Question j:** how should the Commission consider the need for gas infrastructure that may be needed to serve new industrial gas customers in difficult to electrify sectors as part of the long-term gas system planning process?

**Jan Smutny-Jones**, Independent Energy Producers  
**Shayne Seever**, Vista Metals  
**Dr. Jack Brouwer and Dr. Jeff Reed**, University of California, Irvine  
**Chris DiGiovanni**, Pacific Gas and Electric Company

**11:30 – 11:50**

**Q&A**

**11:50 – 12:45**

**Lunch Break**

**12:45 – 1:25**

**Scoping Memo Question g:** What should be the role of existing natural gas storage facilities as a component of the gas utilities' infrastructure portfolio?

**Jason Dubchak and Toby McKenna**, Rockpoint Gas Storage  
**Marci Palmstrom**, Southern California Edison  
**Dr. Jane Long**, California Center for Science and Technology  
**Mark Pocta**, Cal Advocates

**1:25 – 1:45**

**Q&A**

- 1:45 – 1:55**                    **Stretch Break**
- 1:55 – 2:40**                    **Scoping Memo Question h:** How should the monopoly local distribution companies’ “obligation to serve all customers who want service” (see D.15-10-050, at 18) be defined, given the state’s decarbonization goals? What statutory and policy changes, if any, are needed to effectuate such a definition?
- Moderated by Jonathan Bromson, CPUC Legal Division**
- Michael Wara, Stanford Law School**  
**Deborah Behles, California Environmental Justice Alliance**  
**Justin Gundlach, New York University School of Law**  
**Ted Lamm and Ethan Elkind, University of California, Berkeley School of Law**
- 2:40 – 3:05**                    **Q&A**
- 3:05 – 3:25**                    **Scoping Memo Question i:** should the Commission require the achievement of certain milestones (e.g., replacement energy resources are built and operational) before a significant natural gas asset is derated or decommissioned to ensure energy reliability, equity, workforce planning, and other policy goals are maintained and/or achieved throughout this transition?
- Delphine Hou, California Independent System Operator**  
**Marci Palmstrom, Southern California Edison**
- 3:25 – 3:35**                    **Q&A**
- 3:35 – 3:55**                    **Scoping Memo Question k:** Should the Commission establish a mechanism for streamlined approval of cost-effective, time-sensitive zonal electrification? If so, what should this mechanism be?
- David Sawaya, Pacific Gas and Electric Company**  
**Michael Colvin, Environmental Defense Fund**
- 3:55 – 4:05**                    **Q&A**
- 4:05 – 4:25**                    **Final Comments and Q&A (Open to All)**
- 4:25 – 4:30**                    **Closing Remarks**  
Energy Division Staff

**Note:** It is expected that one or more CPUC Commissioners may attend and participate in the workshop. One or more advisors to the CPUC Commissioners, as well as other decision-makers, may also be in attendance. The agenda will be publicly noticed on the CPUC’s Daily Calendar 10 days in advance, so statements made at the workshop will not constitute a reportable *ex parte* contact. The workshop will be recorded. This agenda is subject to change.