

# CALIFORNIA ENERGY COMMISSION (CEC) DECOMMISSIONING CALIFORNIA'S GAS PIPELINES

To most accurately represent the scope of this project and concepts related to a data-driven tool development for prioritizing gas pipeline decommissioning, this factsheet contains technical language that best characterizes the relevant scope and concepts. The project team members will make ourselves available to provide any clarification on information in this factsheet.

### FREQUENTLY ASKED QUESTIONS

### 1. What is the CEC Mindful Decommissioning project?

The California Energy Commission (CEC) has funded the DNV and UCLA teams to conduct this research project to collect and visualize data that can help to develop a scalable, systematic approach to screen for promising candidate decommissioning sites within the state's distribution gas pipelines. (The scope of this project does not include gas transmission pipelines nor production facilities or sites.)

### 2. What kind of data is being collected?

The Mindful Decommissioning team is collecting data based on factors such as physical condition of pipelines, gas network characteristics, energy resilience, costs of decommissioning to customers, how energy, health and economically burdened communities will be affected, and how to decommission safely and equitably, among many others.

#### 3. How will the data be used?

The team will use the research data to build a mapping tool that can geospatially (visually) rank the pros and cons of gas decommissioning across different geographical regions of the state.

### 4. Why include communities in this effort?

Engaging our communities and stakeholders to increase understanding of impacts and benefits of decommissioning on environmental justice and energy equity is a priority for this project. It is also very important to gain community and stakeholder feedback to validate the relevant data. The project is currently in progress and is set to end in 2025, at which time the goal is to deliver a final version of the tool to the state.

## 5. Why are we talking about strategic decommissioning of gas pipelines?

The role of natural gas in California's energy system is changing as the state strives toward a clean energy future. Over the next 25 years, state and municipal laws concerning greenhouse gas emission reductions will result in the replacement of gas-fueled technologies and will reduce the demand for fossil natural gas (CPUC, 2020). Without proper management, these transitions will impose challenges not only to customer affordability, but also to gas system planning, operations and maintenance, and safety.

### 6. What are the major concerns that are taken into consideration with gas line decommissioning?

"The prospect of significant reductions in retail customer demand for natural gas creates a planning imperative. With fewer customers and less natural gas demand, the cost of natural gas for remaining retail customers is expected to rise and could become unsustainable, particularly for low-income customers, unless system costs that are recovered through rates can also be reduced over time (Gridworks, 2019; Aas, et al. 2020)".

There are two critical concerns that disadvantaged communities may face as a consequence of decommissioning. First, gas appliances such as furnaces and stoves will in many cases have to be replaced with appliances that run on electricity if those customers choose to decommission. In some cases, older homes may also need upgrades to their electrical service to accommodate the increased load. Disadvantaged and lower-income households are typically less able to afford these replacements than higher-income households. Second, as the number of gas customers decreases, there will be fewer people paying to maintain the gas system. This could lead to increasing gas utility bills for customers who continue to use gas. These two risks combine to put disadvantaged and lower-income households at risk for

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increasing gas utility bills because they may not be able to afford to replace their old gas appliances with electric appliances. These risks may be somewhat offset by home energy efficiency incentives and/or rebates. Other risks of decommissioning that will need to be managed during the transition include the impact of decommissioning lines on the gas network properties (how well the gas can flow through the pipeline to meet customer needs), and the impact on energy resilience (having access to energy in multiple forms).

### 7. How is the research team engaging communities about this project?

DNV will lead a Community Engagement and Energy Equity process that includes:

- Providing an online <u>Community Resource Hub</u> the Hub will be designed as a two-way communication tool between the DNV-UCLA team and community groups for purposes of this project. We are designing it to have: a resource library, a frequently asked questions (FAQ) section, a survey and response section, meeting and informational videos and notes, contact information and a help section. The site will have search and filter capabilities and a secure format to allow community groups to link to it on their own pages.
- Leading four community workshops to exchange ideas and develop a common understanding of impacts of decommissioning. Community engagement is critical to ensure that the tool being developed, and the resulting prioritization considers the factors most important to communities and captures all aspects of equity.
- Obtaining input from other stakeholders such as cities, Community Choice Aggregators (CCAs), Regional Energy Networks (RENs), Investor-Owned Utilities (IOUs) and others who may represent community interests.

### 8. How will decommissioning gas lines affect my household/business?

If your home or business currently relies on gas for heating, cooking, water heating, laundry, or other purposes, gas decommissioning would mean transitioning to alternative energy sources. This could involve converting your appliances to electric or switching to other delivered fuel sources. Some appliances may be adapted to work with alternative energy sources, while others may require full replacement. Fuels such as renewable natural gas or hydrogen may replace natural gas in difficult-to-decarbonize sectors, including some industries.

### 9. How will decommissioning gas pipelines impact energy prices in the area and my utility bill?

The decommissioning of gas lines in California could potentially have an impact on energy prices in the state, but the extent of this impact would depend on various factors and the broader energy landscape. These factors include supply and demand, negotiations between the utilities and regulatory agencies about what rates they can charge, and state and federal policy decisions that can make financial aid available for households and business to convert from gas-using to electricity-using appliances. Analysis of energy price impacts due to decommissioning is being considered as part of the DNV/UCLA Mindful Decommissioning study.

#### 10. What is "obligation to serve"?

Utility services such as gas and electric are considered a vital public need, and therefore utilities are obligated to provide service to any member of the community who requests it, without discrimination. For this reason, decommissioning is being considered within the context of communities seeking to accelerate their transition to clean energy. For as long as customers on the network are choosing to use gas, and the pipelines are still serving gas, there is, at the moment, an obligation for the utilities to provide that gas to the customer.

### You can learn more about the gas decommissioning effort in California through a short list of references below.

- The CEC's Gas R&D Program invests in technologies and solutions that help the gas sector support California's energy and environmental goals
- Strategic Pathways and Analytics for Tactical Decommissioning of Portions of Natural Gas Infrastructure
- Strategic Pathways and Analytics for Tactical Decommissioning of Portions of Gas Infrastructure in Northern California
- Mindful Decommissioning: A Data-Driven Tool for Prioritizing Strategic Gas
   Asset Decommissioning | CEC (energizeinnovation.fund)
- Staff Proposal on Gas Distribution Infrastructure Decommissioning Framework in Support of Climate Goals
- California Natural Gas Pipelines (Detailed) Map
- CPUC Gas Infrastructure Equity Workshop
- CPUC Webinar on Natural Gas 101 and Policies for a Just Transition

#### CEC Mindful Decommissioning Community Resource Hub www.mindfuldecommissioning.dnv.com

\*\*This Resource is here for you to access throughout the project. You can review information on the Project, including updates, workshop presentations, notes and recordings, links to related efforts in California. You can also provide feedback and request accommodations for any needs, such as language translation, technology, ccessibility etc. If you require translation of any resource provided, please complete an Accommodations Request

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