

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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)

**RESPONSE OF THE GREEN HYDROGEN COALITION ON ADMINISTRATIVE
LAW JUDGE'S RULING DIRECTING PARTIES TO FILE COMMENTS ON STAFF
GAS INFRASTRUCTURE DECOMMISSIONING PROPOSAL**

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Green Hydrogen Coalition (“GHC”) hereby submits these comments on the *Administrative Law Judge’s Ruling Directing Parties to File Comments on Staff Gas Infrastructure Decommissioning Proposal* (“Staff Proposal”), issued by Administrative Law Judge (“ALJ”) Cathleen A. Fogel on December 22, 2022.

I. INTRODUCTION.

GHC is a California educational 501(c)(3) non-profit organization. GHC was formed in 2019 to recognize the game-changing potential of "green hydrogen" to accelerate multi-sector decarbonization and combat climate change. GHC's mission is to facilitate policies and practices that advance green hydrogen production and use across all sectors of the economy to accelerate a carbon-free energy future and a just energy transition. Our sponsors include renewable energy users and developers, utilities, and other supporters of a reliable, affordable green hydrogen fuel economy for all.

GHC appreciates the opportunity to comment on the Commission's Staff Proposal.¹ In general, GHC believes the Commission is correct in starting to determine an action plan for the future of California's gas pipeline infrastructure. The GHC appreciates Staff Proposal's focus on reliability and safety as well as the acknowledgment that hydrogen is an option for hard-to-electrify industries. As the state decarbonizes and invests in cross-sectoral electrification, the Commission is tasked with better understanding what type of gas pipeline investments will prove helpful in a rapidly changing energy landscape.

In the following sections, GHC provides its comments, which focus on the potential for zero-carbon fuels – namely green hydrogen – as a solution to repurpose the existing pipeline system to decarbonize California's hard-to-electrify sectors. Additionally, the GHC encourages the Commission to require gas utilities to develop a decarbonization plan with a ten-year outlook to address transitioning to 100% green hydrogen pipelines for hard-to-electrify sectors, where it is feasible, safe, and cost-effective. The comments below are structured based on responses to certain sections and corresponding questions outlined in the Staff Proposal.

II. COMMENTS.

Section 3: Criteria and Goals - 3.1.1.1 Questions for Parties

Q. 1) Do you recommend any changes to the five key goals proposed in Section 3?

While the GHC generally supports the key goals posed in Section 3, the GHC recommends amending goals four and five. In the case of goal four, the GHC contends that if the objective is to maximize and protect community impacts, the Commission will need to clarify its definition of “decommissioning.” While the Staff Proposal states that “decommissioning” refers to the retirement of infrastructure, the Commission has not specified whether the retired infrastructure

¹ See <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M500/K158/500158371.PDF>

must be removed or can be retired in place.² If “decommission” includes pipe removal, the GHC worries this could have unforeseen environmental and community impacts due to the excessive construction required to remove said pipelines. For this reason, the GHC cautions against treating pipeline retirement and pipeline removal as the same. To sufficiently uphold goal four, the GHC recommends that – before any “decommissioning” of pipelines – the Commission should conduct thorough research on abandonment approaches for pipeline retirement to ensure the selected approach provides the highest positive community impacts. Nevertheless, the GHC contends that, where possible, the Staff Proposal should be explicit about the differential impacts of pipeline retirement and removal.

Secondly, the GHC recommends amending key goal five: *“Supporting a smooth transition to a lower-gas-use society by saving the most costly or hard-to-decarbonize locations for last.”* GHC contends that this goal should be revised to emphasize a transition to eliminate its dependence on “fossil gas.” We argue that California will need zero-carbon fuels, such as green hydrogen, for hard-to-electrify customers. California cannot guarantee electrification for all sectors and, as a result, alternatives such as zero-carbon fuels will be needed in the future. The GHC maintains the Commission’s goals should reflect this reality. Additionally, the Commission should not delay or have a lower priority for transitioning hard-to-electrify fossil-gas users to zero-carbon alternatives. These hard-to-electrify sectors are “no-regrets” investments to transition fossil-gas pipelines to support 100% zero carbon pipelines for the use of green hydrogen today. Delaying this transition will only delay California’s decarbonization goals. For this reason, the GHC recommends this goal should be amended in the following way: *“Supporting a smooth transition away from fossil-gas-*

² Ibid. footnote 2. p.3

use society by prioritizing the repurposing or replacement of existing infrastructure to support zero-carbon alternatives for hard-to-electrify customers.”

Section 3.3 Other Characteristics - 3.3.2 Industrial Facilities and Biomethane

Q. 23) Should the presence of hard-to-electrify gas users and sources of biomethane on a pipeline lower its priority for decommissioning? Why or why not?

The GHC contends that a better question would be about “replacement” rather than “decommissioning” since some hard-to-electrify customers may not have the option to remove their fuel use if electrification is not an option. Inherent in the name, these customers are hard-to-electrify and, in some cases, cannot be electrified. Therefore, decommissioning their source of energy would be discriminatory and unjust. Instead, the GHC maintains that these customers should instead be prioritized to have their existing fossil-gas pipelines replaced with zero-carbon pipelines as they are no-regret investments. GHC contends that the Commission should not continue to allow fossil gas pipeline upgrades for these hard-to-electrify sectors – unless for immediate safety concerns, or if alternative fuels are inaccessible – but should begin requiring investment in pipelines and associated equipment for zero-carbon fuels such as green hydrogen.

Q. 27) How should the CPUC identify the set of pipelines and gas customers that should be expected to stay on the gas system using biomethane or other non-fossil fuels?

In the context of identifying the critical pipeline infrastructure needed for hard-to-electrify sectors, GHC requests that the Commission direct the gas utilities to develop a pipeline decarbonization plan ("plan") with a ten-year outlook to address transitioning pipelines for 100% green hydrogen for hard-to-electrify sectors where feasible, safe, and cost-effective. The plan should provide stakeholders with a comprehensive understanding of the overall decarbonization transition and allow the stakeholders to understand the transition's implications and requirements,

particularly in the near term. The plan's analytical approach should include the potential of increased green hydrogen demand to help drive decarbonization in other sectors such as maritime, aviation, and medium- and heavy-duty transportation. In addition, the plan should consider the following: fundamental physical requirements and technological options, economics, environmental justice impacts, sectoral impacts, a range of pathway options, and objective scientific-based findings. This plan should adopt a comprehensive statewide outlook that recognizes the intersection of electricity and green hydrogen for clean, firm, dispatchable generation and seeks to identify what pipeline infrastructure is needed for achieving decarbonization and reliability requirements.

III. CONCLUSION.

GHC appreciates the opportunity to submit these comments to this Staff Proposal and looks forward to working with the Commission and stakeholders in this proceeding.

Respectfully submitted,

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