



AB 1257

Report on the Role of Natural Gas in California

2014 IEPR Update Workshop on Electricity, Natural Gas and Transportation

California Energy Commission: Hearing Room A

June 23, 2014

Silas Bauer

Natural Gas Unit

Electricity Supply Analysis Division

sbauer@energy.ca.gov / 916-651-1229



Purpose of the Bill



AB 1257 (Chapter 749 of the 2013 statutes)

- Tasks the CEC with publishing a report that:
“identifies strategies to maximize the benefits obtained from natural gas, including biomethane, as an energy source”
- Ten topic areas
- Consult with the CPUC, State Water Resources Control Board, CAISO, ARB, Dept. of Conservation and DOGGR, to obtain input
- Report due by November 1, 2015



Ten Areas of Focus

1. NG as a **transportation fuel**
2. NG-fired generation as **part of a resource portfolio** including **CHP**
3. NG as a **low-emission resource**, including **potential zero and near-zero GHG emissions**, and **biogas** options
4. NG optimized as an **end use energy source for efficiency** in heating, water heating, cooling, cooking, engine operation, and optimization of appliances for these uses
5. The need for long-term policy to ensure adequate **infrastructure and storage**, maintaining or enhancing **pipeline and system reliability**
6. The role of NG in the development of **zero net energy (ZNE) buildings**



Cross Cutting Topics



7. Methods by which the **electric and natural gas industries can facilitate implementation** of any of these strategies
8. Optimizing the methods by which the pursuit of these strategies can facilitate **jobs development** in the private sector, particularly in distressed areas
9. Optimizing the methods by which **state and federal policy** can facilitate any of the proposed strategies
10. Evaluating the **economic and environmental costs and benefits of proposed strategies, including life-cycle greenhouse gas emissions** based on:
“authoritative, peer-reviewed, and science-based analysis or in consultation with the State Air Resources Board”



Tentative Report Work Plan

- What are We Working on Now?
 - Using feedback from today's workshop and docketed information to complete the AB 1257 portion of the 2014 IEPR Update
- Workshops
 - **IEPR Transportation Workshop**
 - Today
 - **Combined Heat and Power (CHP)**
 - July 14 (Coordinated by Electricity Analysis Office, outside of IEPR)
 - **Fugitive methane emissions and life-cycle GHG emissions**
 - Fall or Winter 2014 - coordinate with numerous ongoing methane leakage studies
 - **ZNE buildings, efficiency, and appliances**
 - Early 2015 workshop
 - **NG infrastructure, storage and pipeline safety**
 - Early spring 2015 workshop
 - **Draft AB 1257 Report Workshop**
 - Summer 2015





AB 1257 Report Draft Schedule

- Draft Reports
 - Early Summer 2015: First draft report
 - Summer 2015: Draft Report Workshop
 - Early Fall 2015: Revisions
 - By November 1, 2015: Final Report Published





IEPR Coordination

- 2014 IEPR Update on transportation
 - IEPR will include AB 1257 update on NG as a transportation fuel
 - Collaboration between the Fuels and Transportation Division and the Electricity Supply Analysis Division (NG Unit)
- 2015 IEPR
 - IEPR will include update on all AB 1257 topics
 - Collaboration among many divisions





Takeaways from Pre-Workshop Discussions

Topics to be Covered Today

- Significant opportunities in **heavy duty vehicle and freight sectors**
- Environmental impact of NG vs. other fuels to be determined by measures of **fugitive methane emissions**
- **Biogas** can lower the overall emissions of NG
 - The market in CA is still developing
- NG Vehicles could address **emissions targets** in the state
 - South Coast Air Quality Management District (SCAQMD)
 - San Joaquin Valley Air Pollution Control District



Stakeholder Participation

- Strongly encouraged to docket economic and environmental costs and benefit research
- Strongly encouraged to enter comments into the public record during these workshops





Questions



Silas Bauer | sbauer@energy.ca.gov | 916 651-1229