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SoCalGas President Maryam Brown on Meeting State's GHG Reduction Goals

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*VX News spoke with **Maryam Brown**, president of the Southern California Gas Company, who shared her insight into the impacts of shelter-in-place policies on commercial and residential gas consumption as well as the company's role and progress on decarbonizing California's energy supply. Emphasizing the benefits of decarbonizing, rather than decapitalizing existing gas infrastructure, Brown points to innovations in hydrogen and biomethane technology as the carbon-negative keys to help drive the state achieve its climate goals faster, cleaner and more cost effectively.*

Given the current economic and financial challenges, elaborate on the opportunities for protecting, leveraging, and repurposing existing infrastructure to address affordable energy service—including electric generation, grid resilience, and reliability; as well as gas service for industrial and commercial uses, and for home heating and cooking—while also achieving climate goals.

There is no question, COVID-19 took away a lot from us. But it also highlighted the critical need for a 21st Century energy system, especially in times of crisis. In fact, the need for a reliable, resilient and affordable energy infrastructure network is more important than ever.

“We hope to continue working with state legislators and regulators to ensure SoCalGas has all the resources necessary to meet California's GHG reduction goals, while delivering increasingly decarbonized energy service to our customers.” —Maryam Brown

Why? Because the world changed overnight. Millions of people are newly unemployed, and state and local governments are furloughing employees. So, affordability has always been most important to our customers, and now it's going to have to become a priority for policymakers as well.

We are hopeful that as the Governor's Task Force vigorously pursues important goals – like climate change—it does so in a realistic way with affordability playing a vital role in that realism.

With new and independent research out this year from the Lawrence Livermore National Labs, and last year from the former Energy Secretary Ernest Moniz, among others, two things are clear:

First, our gas pipeline system is critically important to achieving an integrated 21st Century Energy System. And second, there is no way to reach California's ambitious climate goals—like getting to

carbon-neutral—without carbon-negative fuels, including renewable natural gas and hydrogen. Let me expand on that.

According to a [recent Lawrence Livermore National Laboratory study](#), to reach the state's carbon neutrality goal by 2045, we must reduce current levels by 125 million ton of CO2 per year, 80 percent of which can be accomplished by capturing methane from organic waste and putting it back into our pipeline system for customer use.

Much of the infrastructure to support green gases already exists. SoCalGas alone has 100,000 miles of resilient underground pipes that can be leveraged to deliver renewable natural gas (RNG). RNG solves a big methane emissions problem particularly for California's dairy industry.

The State's ARB [inventory](#) shows that over 85 percent of the methane-to-atmosphere problem is derived from the state's agriculture industry and waste systems.

Capturing methane and putting it to beneficial use not only reduces GHG emissions but will also create much needed post-COVID-19 green jobs. Building projects that divert organic waste from dairies, landfills, agriculture, forests and wastewater generates family-supporting jobs in construction, manufacturing, equipment maintenance and repair, engineering services, and environmental consulting services related to these projects.

Finally, we believe utility infrastructure can and should be leveraged because it is extremely land and capital-intensive. SoCalGas is looking for ways to repurpose our existing infrastructure and help the state achieve its climate goals faster, cleaner and more cost effectively; it's why we are so excited about the prospect of repurposing our existing gas pipeline system to store and distribute renewable hydrogen to help displace traditional fossil fuels for all our customers.

If we are truly driving for net-zero GHG emissions, California needs to decarbonize, not decapitalize, its gas infrastructure network.

Presently in Congress, some members are advocating for renewed infrastructure investment *at-scale* as a way to bridge our way out of this COVID-caused economic crash. What should be in such an infrastructure bill that advances a new, environmentally sustainable, infrastructure paradigm?

Both the Federal and state governments have an important role to play to ensure a 21st Century Energy System becomes a reality in this country. Technologies to support renewable energy, RNG, Hydrogen, fuel cells and Carbon Capture Utilization and Storage all exist today. So, any forward-looking infrastructure bill should include support for clean energy infrastructure and should not limit that infrastructure investment to a one-size-fits-all approach.

From a clean energy independence perspective, achieving our objectives will require both investment and favorable government policy. This means adopting Federal Tax Policies to help promote and incubate emerging technologies at scale. Congress should also introduce infrastructure bills to support renewable gases, promote investment in hydrogen production facilities, dedicated hydrogen pipelines, hydrogen storage, CCUS, as well as direct air capture.

Is SoCal gas on track to achieve 20 percent Renewable Natural Gas (RNG) in its supply by 2030? Does that include just biomethane, or does it also include hydrogen as a renewable gas? Lastly, what is the current status of power-to-gas technology; will it be ready to fill any gap by 2030?

We are on track to meeting the interim 5 percent RNG goal in our supply by 2022, thanks in large part to transport policy under the LCFS (low-carbon fuel standard). RNG has begun flowing into SoCalGas'

pipelines from dairy digesters located in Pixley, California, as well as from green waste and food waste sources around the state.

Currently, all our CNG stations are being supplied by RNG and there is a significant amount of additional RNG going to transportation over our system. We are presently in the engineering and design stages for four dairy biomethane projects in California, with a target date of interconnection in Q4 2020 or Q1 2021.

Additionally, SoCalGas together with many stakeholders including the Environmental Defense Fund (EDF) have reached an agreement on an RNG program that will allow customers to opt-in to buying RNG for their homes and small-to-medium-sized businesses in the same way many utility customers could opt-in to purchase renewable electricity two decades ago under the 1998 California Renewable Portfolio Standard legislation, which also helped drive down the cost for solar and wind power.

And on the hydrogen front, SoCalGas has been working hard to advance this energy powerhouse, which we believe is a “game changer.” In addition to partnering with NREL and UCI on [green hydrogen demonstration projects](#), we are working with other California utilities and state regulators to develop system standards and operating protocols for injecting hydrogen into the existing pipeline system to preserve system safety and to protect the integrity of end-user equipment.

Following the renewable electricity roadmap, our next step is to seek adoption of a Renewable Gas Standard for California. While several states have already adopted RNG Standards, including Colorado and Oregon, Senator Hueso has been an incredible champion for us, having sponsored two bills supporting adoption of RNG.

Given COVID-19, what mix of energy and utility policies – immediate, bridge, & long-term – are needed to advance California’s climate-resilient goals?

Frankly, we need everything on the table in order to achieve California’s ambitious climate change goals including renewable electricity, renewable gases and even electrification where it makes sense.

But right now, it is simply too soon to be choosing winners and losers in reducing GHG emissions, given what is at stake for our state and our nation. There have been any number of studies done, including one by former Energy Secretary Ernest Moniz published out of his think tank last year, which [reported that](#), while renewable investments in solar and wind have gotten us this far, they simply cannot get us across the finish line.

Achieving California’s carbon neutrality objectives means clean, decarbonized molecules *and* electrons working together to drive down emissions and give consumers options to meet their energy needs.

We also believe having two interconnected energy systems – electric and gas – enhances energy reliability and resilience. Along with earthquakes, California’s new normal includes climate change driven natural disasters such as wildfires, along with their attendant electricity outages stemming from utility Public Safety Power Shutoffs (PSPS).

With electricity and gas demand plummeting— and local government budgets in deep distress as a result of shelter-in-place—how might current economic circumstances alter how utilities engage with public partners going forward?

I am not sure if the current circumstances really “alter” how we at SoCalGas partner with public partners. We have always seen ourselves as integral to the fabric of Southern California and really every part of our 22,000 square mile service territory. And because many of our employees live and work in the

communities in which they serve, we are quick to adopt ways to offer support, particularly to those in need.

While the COVID-19 crisis is rather an extreme example, we immediately went to work to identify ways to support our public sector customers. These efforts included enhancing energy efficiency programs, as well as continuing to engage and collaborate through existing local government partnerships, while delivering programs that consider their new challenges.

We also increased outreach to our public partners to make sure they were aware of SoCalGas' customer assistance programs and are actively sharing information to help their constituents save energy and money. Through newsletters, social media and other communications channels, we are broadening the reach of and participation in these programs, as well as advising municipalities about suspension of our service disconnections.

Finally, we increased awareness of our CARE assistance program, which offers income-qualified customers 20 percent off their natural gas bill, bill payment assistance through the Gas Assistance Fund, and energy-efficient home improvement services at no-cost. I think I can speak for everyone on our team when I say how proud we are to be serving communities throughout California on the front lines as an essential infrastructure provider.

Elaborate on how you see both the commercial and industrial sectors of our economy adjusting their energy use to a new normal.

We will have to see how this crisis affects all our customer sectors as we are still evaluating what the long-term trends will be from this experience. But I think it is safe to say that the world-wide fiscal effects of this pandemic will undoubtedly have long-lasting impacts on the state's commercial and industrial sectors.

Right now, it is hard to predict if this health crisis will permanently change energy demand, especially for manufacturing businesses whose workforce cannot perform their work remotely. Fortunately, gas, water and electric utilities in California have responded well and are operating in much the same manner from a service standpoint as before the pandemic.

And while many commercial and industrial companies in Southern California have taken an incredible hit, I believe SoCalGas can and will play an important role in helping them get back on their feet if we work together.

As for SoCalGas, millions of Californians have been staying at home, and with temperatures much cooler than the prior year, our residential gas consumption for last month averaged about 40 percent higher than normal.

Nevertheless, I directed staff to provide me with gas usage information by customer sector with an expectation that our commercial and industrial gas demand will be lower and will likely remain so for quite some time.

While there were undoubtedly gas demand reductions in other sectors, I'm pleased to report that SoCalGas was able to manage residential customer gas demand with no service interruptions.

As our state and country emerge from this pandemic, preserving customer choice and ensuring energy affordability and reliability will be even more critical for many California businesses. So, we hope to continue working with state legislators and regulators to ensure SoCalGas has all the resources necessary to meet California's GHG reduction goals, while delivering increasingly decarbonized energy service to our customers.

Despite COVID-19, we remain laser-focused on our mission – to be the cleanest gas utility in North America and I am very proud to be leading this compassionate, professional team of people during the most serious global health crisis in modern history.

And lastly, provide a brief overview of how SoCal Gas has been impacted by COVID-19—i.e. your company leadership role in the response and your outlook on a recovery?

As you might imagine, we have been laser focused on the safety of our customers, employees and community, as well as the reliability of our gas system, under this new COVID-19 paradigm.

SoCalGas understands this is a very challenging time for us all. In response to this pandemic, SoCalGas set up an Incident Command (IC) Structure over eight weeks ago to manage through this crisis. At this time, almost every executive at SoCalGas is now engaged in the IC process in one way or another, full time.

We are essentially running our entire business from this IC structure. While this is an evolving situation, I am very proud of our team's efforts to adapt to the COVID-19 pandemic and to the directives from the federal, state, and local governments, which have really caused essential service providers like us to change the way we operate.

Currently, about one half of our employees are working from home and the remaining half are working in the field. And while 40 million Californians have been ordered under the Governor's Executive Order to 'stay at home' for nearly two months, there have been no natural gas supply shortages for homes, businesses or to gas-fired power plants that generate electricity – and I'm very proud of that.

Governor Newsom deserves a lot of credit for quickly issuing the "Stay-at-Home" order, and for quickly identifying our business and other California utilities as an Essential Energy Infrastructure, critical to the health and well-being of our customers.

Now that doesn't mean that it's business as usual. Like many in our state and around the country, we have had some big issues to solve around securing personal protective equipment and adapting our work particularly our field crews to meet new safety protocols. So, like many essential service providers, we had to make some common-sense adjustments for the safety of our workforce and the public.

For example, our field crews are still making essential and emergency service appointments, including reports of suspected natural gas leaks, carbon monoxide checks, gas meter turn-ons, natural gas outages and pilot re-lights. And it's important to mention our collaboration with our Labor Union on all the above has been very strong and the dialog very open and honest with a focus on safe and reliable customer service

Operationally, things have been going very well in terms of customers getting what they need service-wise and we've also suspended service disconnections until further notice. This means no residential or small business customer will have their natural gas turned off due to non-payment.

Recognizing communities throughout our service territory need immediate relief, we are working hard to do our part. So last month, SoCalGas announced a \$1 million donation to nonprofit organizations within our service area to support the region's workforce, feed the hungry, and provide bill assistance to customers most affected by the COVID-19.

In addition, the Sempra Energy family of companies – including our sister utility, San Diego Gas and Electric, and the Sempra Energy Foundation – are stepping up with roughly \$7 million to those in need during this crisis.

Locally, SoCalGas' efforts are aimed at helping the most vulnerable in our community that might have been laid off and those unable to feed themselves and their families during this challenging time. We are also leveraging an existing program managed by the United Way to focus support on our customers who may be facing hardships as well as supporting the American Red Cross Los Angeles Region in their efforts to serve meals to LAUSD students affected by school closures.

Although we cannot predict when this global health crisis will end, everyone at SoCalGas is committed to doing the right thing by meeting the needs of our customers while also performing the work required to maintain our system so that families and businesses have access to safe, reliable and affordable energy services during these challenging times and beyond.