Gridworks’ mission is to convene, educate and empower stakeholders working to decarbonize electricity grids.
CONTRIBUTING GAS SYSTEM STAKEHOLDERS

PROBLEM STATEMENT

Given that gas delivery system throughput is likely to decline over time as part of meeting California’s GHG reduction goals at the lowest cost, how can the transition be designed and managed to avoid or at least mitigate any adverse impacts on:

a. Rates and the affordability of gas service for the remaining gas customers;
b. The gas workforce;
c. Public and worker safety and gas system reliability;
d. Low-income and disadvantaged communities; and
e. The broader state economy.

And, when should actions to avoid or mitigate adverse impacts be undertaken?
From a societal perspective, the least expensive path to achieving GHG goals... is the most expensive path from a gas ratepayer perspective.

**THE CHALLENGE**

Gas transition strategy needed for all scenarios, including:

- **Investing in Renewable Gas**
- **Accelerating Electrification**
- **Business as Usual**
THE CHALLENGE

If demand falls 40% residential rates start to increase rapidly

Rate change impacts not significantly different for high-, slower-, or delayed-electrification
RECOMMENDATIONS

1. Initiate interagency, **integrated long-term planning** for gas demand, infrastructure, and the transition of the delivery system.
2. Consider requiring **all new residential and commercial construction to be all-electric**.
3. Identify **alternatives to significant new investments** in the gas delivery system.
4. Anticipate and organize a **just transition for the gas delivery system workforce**.
5. Develop a comprehensive strategy to **ensure low-income and disadvantaged communities are empowered**.
6. Clarify that a gas utility’s “obligation to serve” could be met with alternative fuels.
7. Consider **aligning financial recovery** of new gas infrastructure investments with the time horizons determined in the integrated long-term gas infrastructure plan.
8. Consider **ratemaking adjustments** to cushion the impact of the transition on customers.
9. Explore **external funding** sources to recover gas transition costs from sources beyond gas utility customers.

**FIGURE ESI.** 2050 Gas Rate Reductions Resulting from Proposed Solutions

*Source: E3*