



# AMERICAN PUBLIC GAS ASSOCIATION

November 12<sup>th</sup>, 2020

Submission via email: [climatechange@state.co.us](mailto:climatechange@state.co.us)

Re: Greenhouse Gas Pollution Reduction Roadmap

Dear Governor Jared Polis and Members of the Climate Cabinet:

The American Public Gas Association (APGA) is pleased to respond to the request for comments to the *Greenhouse Gas Pollution Reduction Roadmap*. APGA is the trade association for approximately 1,000 communities across the U.S., including 8 in Colorado, that own and operate their retail natural gas distribution entities. Public gas systems are not-for-profit and locally accountable to the citizens they serve. They provide safe, reliable, and affordable energy to their customers and support their communities by delivering fuel to be used for cooking, clothes drying, and space and water heating, as well as for various commercial and industrial applications.

APGA members are good stewards of the environment, evidenced by the way they maintain and operate their utilities, and they recognize that natural gas can provide energy affordably and reliably to all Americans, in addition to proven environmental benefits. Natural gas has been a big driver behind our country's declines in carbon emissions, and the existing pipeline infrastructure should continue to play an integral role in reducing greenhouse gas (GHG) emissions.<sup>1</sup> The responses provided below elaborate on these points, and APGA hopes you will take them into consideration in your progress with the *GHG Pollution Reduction Roadmap* (Roadmap).

## 1. Colorado's Community-Owned Gas Utilities Are Unique

Colorado's eight community-owned natural gas utilities are governed locally by city councils or utility boards. The services provided and rates charged are unique to each community, and their operations reflect local input and values. Unlike for-profit, corporate natural gas companies, community-owned gas utilities are not-for-profit entities, and they are in the business of providing public service, not selling commodities. They are committed to maintaining affordable energy costs for their neighbors, including low-income families, seniors, and other vulnerable communities. They put people over profits by reinvesting in the reliable and secure infrastructure in the cities and towns they serve, which delivers the energy those residents need and prefer at an affordable price.<sup>2</sup> Typically, these community-owned gas systems are much smaller than their investor-owned counterparts, and the public gas utility employees are local, focused on serving their neighbors. In fact, with the notable exception of Colorado Springs, 7 of the 8 public gas utilities in Colorado average service to just less than 2,000 meters (the Town of Aquilar serves less than 230).

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<sup>1</sup> American Gas Association, "Implications of Policy-Driven Residential Electrification," <https://www.aga.org/research/reports/implications-of-policy-driven-residential-electrification>

<sup>2</sup> Woodland, O'Brien, and Scott, "New Homeowner Energy Preference Survey," <https://www.energysolutionscenter.org/>.

As Colorado moves forward with GHG reduction policies, APGA requests that the unique operating characteristics of public gas utilities are taken into account, and we urge you to work with our member communities to find local solutions, avoiding one-size-fits-all mandates that usurp local control.

## **2. Colorado's Community-Owned Gas Utilities Ensure Energy Resiliency**

Energy supplied by Colorado's community-owned gas utilities plays a critical role in ensuring energy resiliency in the communities they serve. A recent report by the Natural Gas Council reveals:

The operational characteristics of the natural gas transportation network, in combination with the physical properties of natural gas, effectively minimize the likelihood and severity of service disruptions. In the rare event of a disruption, impacts are typically localized and brief. History demonstrates that disruption of firm pipeline transportation and/or storage services resulting from severe weather events are extremely rare.<sup>3</sup>

The value of such a reliable energy supply network is best displayed at the various military installations in Colorado served by a community-owned natural gas utility. Energy availability is not negotiable at these facilities, and natural gas is a key component in ensuring the operational capabilities and resiliency of these bases. Also, reliable natural gas is needed for Colorado households. Natural gas generators provide numerous families with a dependable source of power when electricity is unavailable.

A trustworthy and diverse energy supply is critical to both national and domestic security, and we urge the state to be mindful to protect Colorado's energy resiliency through the continued utilization of natural gas.

## **3. Colorado's Community-Owned Gas Utilities Deliver Affordability**

Natural gas is a key component in maintaining affordability in the communities served by Colorado public gas systems. Currently, consumers pay relatively low prices for the direct use of natural gas for their cooking, home or water heating, and clothes drying needs. The Department of Energy (DOE) recently published its "2020 Representative Average Unit Costs of Energy," acknowledging electricity is \$38.28 per million Btu, and natural gas is \$10.13 per million Btu.<sup>4</sup> A study also shows households with all-electric appliances pay almost \$900 a year more than those that have the traditional mix of natural gas and electric homes.<sup>5</sup>

The comparable affordability of natural gas is a key tool in addressing the social equity concerns posed by household energy burdens.

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<sup>3</sup> Natural Gas Council, "Natural Gas: Reliable and Resilient." <http://naturalgascouncil.org/wp-content/uploads/2019/04/Natural-Gas-Reliable-and-Resilient.pdf>

<sup>4</sup> Department of Energy, "Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy," <https://www.federalregister.gov/documents/2020/08/14/2020-17803/energy-conservation-program-for-consumer-products-representative-average-unit-costs-of-energy>

<sup>5</sup> American Gas Association, Implications of Policy-Driven Residential Electrification, <https://www.aga.org/research/reports/implications-of-policy-driven-residential-electrification/>

A recently released report by the American Council for an Energy-Efficient Economy (ACEEE) noted:

“energy insecurity — the inability to meet basic household energy needs over time — is gaining attention as a major equity issue. Examining energy burden gives an idea of energy affordability and which groups could most benefit from energy justice and energy affordability policies and investments.”<sup>6</sup>

ACEEE’s report further highlighted that low-income, Black, Hispanic, and Native American households are the demographics most impacted with higher energy burdens. Therefore, Colorado should not discount natural gas as a key resource in decreasing energy burden. Ensuring Coloradans have access to the energy needed to heat their homes or water needs to be a focus of this Roadmap, especially in light of the necessity for equity and justice.

#### **4. Colorado’s Community-Owned Gas Utilities Play an Important Role in a Low Carbon Future**

RNG is pipeline-compatible, ultra-clean, and low-carbon. It is derived from the breakdown of organic wastes and can be processed to be used in existing natural gas infrastructure interchangeably with geologic natural gas in homes and businesses. Hydrogen has the capability to be blended with natural gas or possibly used exclusively; both have decreased emissions. In the future, blended hydrogen or hydrogen exclusively may be safely utilized in homes, businesses, and commercial applications. RNG and hydrogen can provide balanced energy solutions, helping Americans lessen environmental impacts, all while still using the existing, safe, and resilient infrastructure. By preserving the natural gas infrastructure of today, Colorado’s public natural gas utilities can be a critical partner in delivering the low carbon fuels of tomorrow, ensuring sustainable energy for many years to come.

APGA would like to reiterate that our members in Colorado are committed to providing reliable and affordable energy, while protecting the environment and with minimal disruption to consumer choice. As the state pursues its work on the Roadmap, APGA requests consideration of the unique operating circumstances of Colorado’s public gas utilities and encourages the continued utilization of their valuable infrastructure and experienced workforce in achieving the state’s clean energy goals.

Respectfully submitted,



Dave Schryver  
President & CEO  
American Public Gas Association

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<sup>6</sup> American Council for Energy-Efficient Economy, “How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burdens across the U.S.