

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20M-0439G

IN THE MATTER OF THE COMMISSION'S GENERAL INVESTIGATION INTO RETAIL
NATURAL GAS INDUSTRY GREENHOUSE GAS EMISSIONS IN LIGHT OF STATEWIDE
EMISSION REDUCTION GOALS ADOPTED IN HOUSE BILL 19-1261.

**DECISION OPENING REPOSITORY
PROCEEDING; SCHEDULING
COMMISSIONERS' INFORMATION MEETING; AND
DESIGNATING HEARING COMMISSIONER**

Mailed Date: November 4, 2020
Adopted Date: October 7, 2020

I. BY THE COMMISSION

A. Statement

1. By this Decision, the Commission opens this non-adjudicatory administrative proceeding. This Proceeding will serve as a repository for presentations, comments, and other materials relating to the Commission's general investigation of retail natural gas industry greenhouse gas emissions in light of the statewide greenhouse gas emission reduction goals adopted in recent House Bill 19-1261.

2. The Commission intends to hold one or more Commissioners' Information Meetings on this topic to solicit information from subject matter experts. The first Commissioners' Information Meeting is scheduled for Thursday, November 5, 2020, at 9:00 a.m.

3. The Commission designates Commissioner Megan Gilman as Hearing Commissioner, pursuant to § 40-6-101(2)(a), C.R.S. Persons interested in participating are requested to file a notice of participation in this Proceeding by October 29, 2020.¹

B. Findings and Conclusions

4. House Bill 19-1261, codified at § 25-7-102, C.R.S., sets statewide goals to reduce 2025 greenhouse gas emissions by at least 26 percent; 2030 greenhouse gas emissions by at least 50 percent; and 2050 greenhouse gas emissions by at least 90 percent of the levels of statewide greenhouse gas emissions that existed in 2005. In addition to the statutory reductions, the statute explains that one of the purposes of the legislation is to “require the use of all available practical methods which are technologically feasible and economically reasonable so as to reduce, prevent, and control air pollution throughout the state of Colorado.”² This bill leaves open many of the specifics for how Colorado will attain these goals. While no specific requirements for the natural gas sector have yet been established, the Commission intends to investigate whether changes in natural gas use emissions could help meet the statewide goals.

5. Potential changes to the business model or scale of usage are of great consequence to the Commission in ensuring effective regulation of the natural gas sector. The Commission is responsible for regulation of several aspects of the retail natural gas industry in Colorado including rate setting, system safety and integrity riders, demand-side management programs, reliability of service, and gas pipeline safety. This market uncertainty and the relatively short timeline to make significant progress on the statutory greenhouse gas emission reduction goals makes it important for the Commission to obtain more information about

¹ Filing a notice of participation allows the participant to receive notifications through the Commission’s e-filings system.

² § 25-7-102(1), C.R.S.

potential impacts to utility systems and how those impacts may affect utility investments and the rates utilities charge Colorado customers.

6. Through this general investigation, the Commission seeks to obtain information regarding the following broad topics:

- The mathematical and scientific expectations for reductions of emissions from the retail natural gas sector or its customers;
- Options available to decarbonize retail natural gas and the high-level costs and benefits to gas and electric utilities for these options;
- Potential stranded assets and means to minimize stranded assets;
- Cost-effective means of maintaining system safety with a decrease in customer base or shift in business model;
- Potential impacts to low-income customers who remain on the system;
- Commission-approved actions that support compliance with greenhouse gas emission reduction targets;
- Relationship between utility requirements to serve and potential paths to robust greenhouse reduction;
- Availability, price, integration and timeline of renewable natural gas products, hydrogen, or other alternatives to reduce the carbon intensity of retail natural gas use;
- Potential for electrification of current natural gas loads, the associated costs, and the possible impacts on natural gas and electric utility operations;
- Potential improvements in the detection and mitigation of fugitive emissions;
- Historic gas utility customer greenhouse gas emissions and associated system and upstream emissions; and
- Potential steps the Commission can take now while long-term technological and regulatory changes are implemented.

7. By this Decision, the Commission schedules the first Commissioners' Information Meeting for Thursday, November 5, 2020, at 9:00 a.m. The Commissioners' Information Meeting will focus on establishing a base set of background information regarding retail natural gas industry greenhouse gas emissions in light of the statewide emission reduction goals. Topics

to be addressed include Colorado's statutory greenhouse gas reductions and the Governor's roadmap, the retail natural gas industry's potential help to meet statewide greenhouse gas emission reductions, relevant state agency rulemakings and expected timelines, and potential future pathways to meet Colorado's emission reduction targets. Expected presenters are officials from the Colorado Energy Office and the Air Quality Control Commission of the Colorado Department of Public Health and the Environment. In addition, we solicit written comments from members of the public. These written comments may address the general issues that the Commission is investigating or respond to any of the information presented at the Commissioners' Information Meeting.

8. The initial Commissioners' Information Meeting will be held using the web-hosted video conferencing service, GoToMeeting. To minimize the potential that the video-conference hearing may be disrupted by non-participants, the link and meeting ID or access code will be provided to the presenters by email before the hearing, and the presenters will be prohibited from distributing that information to anyone not participating in the hearing.

9. Information and directions on using GoToMeeting to attend the hearing is provided in Attachment A to this Decision. The Commission strongly encourages the presenters to test their ability to use GoToMeeting before the remote prehearing conference.

10. The Commission designates Commissioner Megan Gilman as Hearing Commissioner, pursuant to § 40-6-101(2)(a), C.R.S., to schedule, scope, and conduct this and potentially other Commissioners' Information Meetings and to collect and organize information received from participants into this Proceeding.

II. ORDER

A. The Commission Orders That:

1. This Proceeding is opened as a repository for presentations, comments, and other materials relating to the Commission's general investigation of retail natural gas industry greenhouse gas emissions in light of the statewide emission reduction goals adopted in recent House Bill 19-1261.

2. This Proceeding is designated as an administrative proceeding under 4 *Code of Colorado Regulations* 723-1-1004(b) of the Commission's Rules of Practice and Procedure.

3. The Commission designates Commissioner Megan Gilman as the Hearing Commissioner.

4. A Commissioners' Information Meeting is scheduled as follows:

DATE: Thursday, November 5, 2020

TIME: 9:00 a.m. until concluded, but not later than 12:00 p.m.

METHOD: By video conference using GoToMeetings at the link provided to presenters by email

5. The presenters shall not distribute the GoToMeeting link, and access or ID code to non-participants.

6. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
October 7, 2020.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOHN GAVAN

MEGAN M. GILMAN

Commissioners

CHAIRMAN JEFFREY P. ACKERMANN
ABSENT.