

PUBLIC PARTICIPATION HEARING Designating Priority Neighborhood Decarbonization Zones

The purpose of these virtual Public Participation Hearings (PPHs) is to provide an opportunity for you to communicate directly with the California Public Utilities Commission (CPUC) on the designation of "priority neighborhood decarbonization zones" (decarbonization zones). Decarbonization zones are geographic areas where the CPUC may authorize the transition of some customers' natural gas service to cost-effective, zero-emission alternatives. Zero-emission alternatives are ways of providing gas customers with suitable substitute energy services that do not require new investment in gas distribution lines, such as, but not limited to, electrification.

We invite you to the PPHs on August 7, 2025, at 2:00 p.m. and 6:00 p.m. to share your perspective.

Background: Neighborhood Decarbonization Projects Directed by SB 1221

On September 10, 2018, Governor Brown established a policy for California to achieve carbon neutrality by 2045. On September 25, 2024, Governor Newsom signed Senate Bill (SB) 1221, which further advances the State's carbon neutrality goals by recognizing that cost-effective, zero-emission alternatives to pipeline replacement projects both reduce gas system costs and further California's efforts to reduce greenhouse gas emissions and improve air quality.

Cost-effective, zero-emission alternatives, such as zero-emission electric appliances, have become more advanced and more available in recent years, creating an opportunity for increased household adoption. SB 1221 authorizes the CPUC to approve up to 30 pilot projects to facilitate zero-emission alternatives at the neighborhood level as a full replacement for natural gas service.

Implementation of SB 1221

On September 26, 2024, the CPUC opened <u>Rulemaking (R.) 24-09-012¹</u> to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long-Term Gas System Planning. Within R.24-09-12, certain sections of SB 1221 are being addressed.

On April 18, 2025, the CPUC issued an <u>Assigned Commissioner's Ruling</u> directing gas utilities to submit a map of their gas distribution systems to the CPUC by July 1, 2025 that includes foreseeable pipeline replacement projects. In that same ruling, gas utilities were directed to map tribal boundaries² and disadvantaged communities within their service areas using CalEnviroScreen, a tool that measures environmental health in California communities.

SB 1221 also requires the CPUC to designate decarbonization zones on or before January 1, 2026. On June 5, 2025, the CPUC issued an <u>Administrative Law Judges' Ruling</u> directing gas utilities to file and serve recommendations for decarbonization zones in their service area. The CPUC will only approve pilot projects for decarbonization zones that receive consent from at least 67 percent of property owners with natural gas service in

Protecting California since 1911

The CPUC regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies.



¹ All filings on the docket card for this proceeding, including the April 18, 2025 Assigned Commissioner's Ruling and the June 5, 2025 Administrative Law Judges' Ruling, can be found at https://apps.cpuc.ca.gov/p/R2409012.

² The Native American Heritage Commission and the tribal representatives it designates can specify point locations of their choice for each non-federally-recognized tribe, since they do not have state-recognized boundaries.



the project boundary area. If a project is approved, the CPUC will relieve the gas utility of its obligation to provide natural gas service to the project area, to be replaced with a substitute energy service.

On June 6, 2025, the CPUC notified the Disadvantaged Communities Advisory Group (DACAG) of its effort to implement SB 1221 and the PPHs. The DACAG reviews CPUC programs and policies to ensure that disadvantaged communities, including tribal and rural communities, benefit. The CPUC is also working closely with the California Energy Commission and California Air Resources Board.

Where to Find Mapping Information and Proposals to Date

By July 1, 2025, gas utilities must submit maps of their gas distribution systems to the CPUC, including foreseeable pipeline replacement projects. By July 2, 2025, the CPUC will post links to the utility maps on a website dedicated to the implementation of SB 1221 at https://www.cpuc.ca.gov/industries-and-topics/natural-gas/SB-1221-implementation. By July 21, 2025, gas utilities must overlay these maps with recommended decarbonization zones.

Summary of Public Comments in This Proceeding's Docket

As of June 20, 2025, the proceeding's docket contained five public comments. Comments relevant to SB 1221 include recommendations that the public be allowed to download and use mapping data without restriction and that utilities use CalEnviroScreen in their maps. In addition, commenters state that the SB 1221 pilot projects are of urgent importance to equity communities and urge the CPUC to hold workshops in impacted communities and allocate resources to community-based organizations in these regions.

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How Can Your Voice Be Heard at the Hearing?

Date	Time	Details
August 7, 2025	2:00 p.m. 6:00 p.m.	Webcast: <u>www.adminmonitor.com/ca/cpuc</u> Join by phone: 1-800-857-1917 Public Passcode: 6032788# To make a comment, press *1 to be added to the speakers' queue

Other Ways To Participate

Subscribe to receive documents in R.24-09-012 at http://subscribecpuc.cpuc.ca.gov/.

Submit comments electronically to the CPUC using the "Add Public Comment" button on the "Public Comment" tab of the Docket Card for R.24-09-012 at <u>https://apps.cpuc.ca.gov/c/R2409012</u>. You can also review other public comments related to this rulemaking. The public may submit multiple public comments in this proceeding.

Contact the CPUC's Public Advisor at:

- Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
- Mail: CPUC's Public Advisor's Office, 505 Van Ness Avenue, San Francisco, CA 94102
- Email: <u>public.advisor@cpuc.ca.gov</u>

Please reference Rulemaking 24-09-012 in any communication with the CPUC.