DATE: June 4, 2019

TO: City Council Members

FROM: Mayor James T. Butts, Jr.
Councilman Ralph L. Franklin, District No. 4

SUBJECT: Council Initiative – Resolution in Support of a Balanced Energy Solutions Approach that Maintains Local Decision-Making Authority and Resource Control to Achieve State Climate Goals

RECOMMENDATION:
It is recommended that the Mayor and Council adopt a resolution to support a balanced energy solutions approach that maintains local decision-making authority and resource control to meet the state’s climate goals.

BACKGROUND:
A proposal by the California Legislature last year would have required that all new buildings, built after 2022, be all-electric and would have required that existing buildings be retrofitted to be all-electric by 2030.

People and business owners want a say about what goes into their homes and/or businesses; however, some legislators are initiating a mandate to depend solely on electricity regardless of cost or the choice of its citizens.

An overwhelming majority of the public does not want to be forced to switch out their homes and businesses to all-electric appliances and equipment.

- Less than 10% of people would choose an all-electric home.
- 80% of voters oppose prohibiting the use of gas appliances, especially for cooking or if it increases their energy bills.
- And two thirds of Californians oppose eliminating the use of natural gas all together.

For the average homeowner, they must think about how much they must pay for electricity to cool their home in summer and how relatively little they would pay for natural gas to heat their home in winter. Imagine paying those high electric bills, year-round, because one is forced to heat, cook, and do everything else with electricity instead of with natural gas.

So, what is that cost? In addition to not allowing Inglewood residents to heat their homes, heat their water, cook their meals and dry their clothes economically and safely with natural gas, employers in the city would not be allowed to use gas to cook meals at restaurants, heat office buildings or maintain their industrial processes.
The economic stability of families and businesses could be threatened if homeowners were forced to replace their natural gas appliances – furnace, stove, water heater, dryer and more.

One thing that influences people’s thinking and their decisions is cost. It is already expensive to live in California and hardworking people are struggling to make ends meet and affordability is a real concern. If an electrification mandate is approved by state legislators and adopted by the voters, it is going to be one more regulation making it that much more expensive to live here. In addition to the costs of new appliances and equipment, many homes are not wired to handle the electric load from having all-electric stoves, space heaters, and water heaters in addition to their usual electric appliances.

- An upgrade to the wiring and electric panels may be required.
- The cost to retrofit a home and switch out natural gas equipment for electrical equipment may run in excess of $10,000.
- There may be higher recurring costs for energy per year.

Some people can afford the additional expense but the majority of people such as seniors living on fixed incomes, renters who inherit the costs of the increased expenses, people struggling with health care bills and young parents trying to save for a child’s education, simply cannot afford the additional expense.

If an Inglewood homeowner wants to use only electric appliances in their home, that’s a choice they can make now. However, virtually every home in Inglewood already has electricity and natural gas and this is the balance. Californians enjoy this balance, want this balance, and expect this balance to continue. They should not be forced to have only one source of energy.

**DISCUSSION:**
The trend is to de-carbonize all the buildings in California. This is an important goal and it can be reached without the disruption of converting buildings to all-electric. We need to use all of the resources available to us and not limit our options or put all our energy eggs in one basket. There are several viable and balanced energy solutions that need to be considered:

**Renewable Natural Gas (RNG)**
RNG is made in a process that takes food and green waste, as well as the waste from farms and sewers and converts it into natural gas. It can be used like traditional natural gas to cook food and heat homes. It is not a fossil fuel and, in fact, helps cut down on greenhouse gas emissions that would otherwise escape into the air. It is used today as a transportation fuel to reduce greenhouse gas emissions and clean the air. If a city bus has a CNG (Compressed Natural Gas) sticker on it, chances are that renewable gas is fueling that bus.

To help California meet its ambitious climate goals, the Southern California Gas Company (SoCal Gas) has committed to replacing 20 percent of our natural gas supply with renewable natural gas by 2030. So why 20 percent and not 100 percent?

Research shows us that replacing just one-fifth of California’s traditional natural gas with RNG would lower carbon emissions equal to converting all of our buildings to run on more expensive electric-only energy. We know that for most of our customers, affordability is a top concern and people deserve affordable clean energy options. Using RNG in buildings can be 2-3 times less expensive than any all-electric solution and there is no need for homeowners or renters to buy new appliances.
Power to Gas
California has a strong foundation in solar, wind, and hydro energy generation but we’re maxed out on hydro energy and have run up against a major limit with solar and wind; all of the electricity generated does not fit on our grid.

Power-to-Gas is another technology SoCal Gas is developing is to store renewable wind and solar energy for days or even months. This technology takes surplus solar and converts it into hydrogen and this converted solar and wind power can be stored in existing natural gas pipelines and used when the energy is needed – even months after the solar and wind power was first produced.

Today, when too much solar and wind power are produced, SoCal Gas has to either turn off the power or pay other states to take it. This problem will only get worse if California moves to 100 percent clean electricity. While batteries are part of the solution, they don’t address long-term storage needs. Without long-term storage, California is expected by 2025 to waste enough renewable energy each year to power Los Angeles County for more than a month.

There is a lot of discussion about battery storage for our electrical grid. The cost of this storage capacity could be ~ $3 trillion based on projected battery costs. Assuming a horizontal buildout, land required for new energy storage and solar panels would be ~1600 square miles – almost four times the size of the city of Los Angeles.

Resiliency
The last point is resiliency. What do we do when electricity is turned off? The power companies have already told us weather can cause them to de-energize their system for safety reasons and this doesn’t include other equipment failures. If we are all-electric, how can we maintain critical functions? What about fires or 3rd party damages?

Natural gas generators could be the answer. They connect to your existing natural gas service and can automatically engage when the power goes out. Instant electricity. These are available right now for homes, hospitals, businesses, or even city hall.

SoCal Gas is working to advance these technologies, so they are readily available to help California achieve its ambitious greenhouse gas reduction goals. It’s not going to be easy. In fact, there is no clear path on how to get to carbon neutrality by 2045. And no one solution is going to do it. It will take all of us working together to re-imagine how California’s energy infrastructure can operate as one, integrated system that maximizes emissions reduction and minimizes waste. It will require an inclusive approach – one that is technology neutral, welcomes all ideas, considers all forms of energy and encourages and allows for continued innovation.

California has a large tool box of energy resources; solar, wind, electricity, natural gas, hydrogen and many new technologies. A balance, without limiting our choices to just one, is the solution.

This resolution will support the on-going pursuit of balanced energy solutions, including gas and electricity (not one over the other), to meet the climate goals mandated by the California Legislature without major disruptions, preserving “choice” by residents and businesses in the City of Inglewood, promoting energy resiliency and strengthening California’s economy while maintaining local control of
the energy needs of the City of Inglewood.

**PREPARED BY:**
Claudette Matthews, Council Assistant, District No. 4

**COUNCIL PRESENTERS:**
Mayor James T. Butts, Jr.
Councilman Ralph L. Franklin, District No. 4
RESOLUTION NO._____

A RESOLUTION OF THE CITY OF INGLEWOOD ADOPTING A BALANCED ENERGY SOLUTIONS APPROACH WHICH ALLOWS LOCAL DECISION-MAKING AUTHORITY AND RESOURCE CONTROL TO ACHIEVE STATE CLIMATE GOALS

WHEREAS, California’s energy policies are critical to reducing greenhouse gas emissions and reducing the impact of climate change on our citizens; and

WHEREAS, the state legislature and state agencies are increasingly proposing new legislation and regulations eliminating choice of energy by mandating technologies to power buildings and public and private fleets, including transit and long-haul trucking, as a strategy to achieve the state’s climate goals; and

WHEREAS, clean, affordable and reliable energy is crucial to the material health, safety and well-being of the City of Inglewood’s residents, particularly the most vulnerable, who live on fixed incomes including the elderly and working families who are struggling financially; and

WHEREAS, the need for clean, affordable and reliable energy to attract and retain local businesses, create jobs and spur economic development is vital to the City of Inglewood’s success in a highly competitive and increasingly regional and global marketplace; and

WHEREAS, the City of Inglewood’s residents and businesses value local control and the right to choose the policies and investments that most affordably and efficiently enable them to comply with state requirements; and

WHEREAS, building and vehicle technology mandates eliminate local control and customer choice, suppress innovation, reduce reliability and unnecessarily increase costs for Inglewood residents and businesses; and

WHEREAS, the City of Inglewood understands that relying on a single energy delivery system unnecessarily increase vulnerabilities to natural and man-made disasters, and that a diversity of energy delivery systems and resources contribute to greater reliability and community resilience; and
WHEREAS, the City of Inglewood understands the need to mitigate the impacts of climate change and is committed to doing its part to help the state achieve its climate goals, but requires the flexibility to do so in a manner that best serves the needs of its residents and businesses.

NOW, THEREFORE, BE IT RESOLVED that the City of Inglewood supports balanced energy solutions that provide it with the decision-making authority and resources needed to achieve the state's climate goals and supports proposed state legislation and regulation that retains local control by allowing all technologies and energy resources that can power buildings and fuel vehicles, and also meet or exceed emissions reductions regulations.

BE IT FURTHER RESOLVED that the City Clerk shall certify to the adoption of this resolution and the same shall be in full force and effect immediately upon.

Passed, approved and adopted this ___ day of _______________, 2019

CITY OF INGLEWOOD

By ____________________________

Mayor, James T. Butts

ATTEST:

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City Clerk, Yvonne Horton