

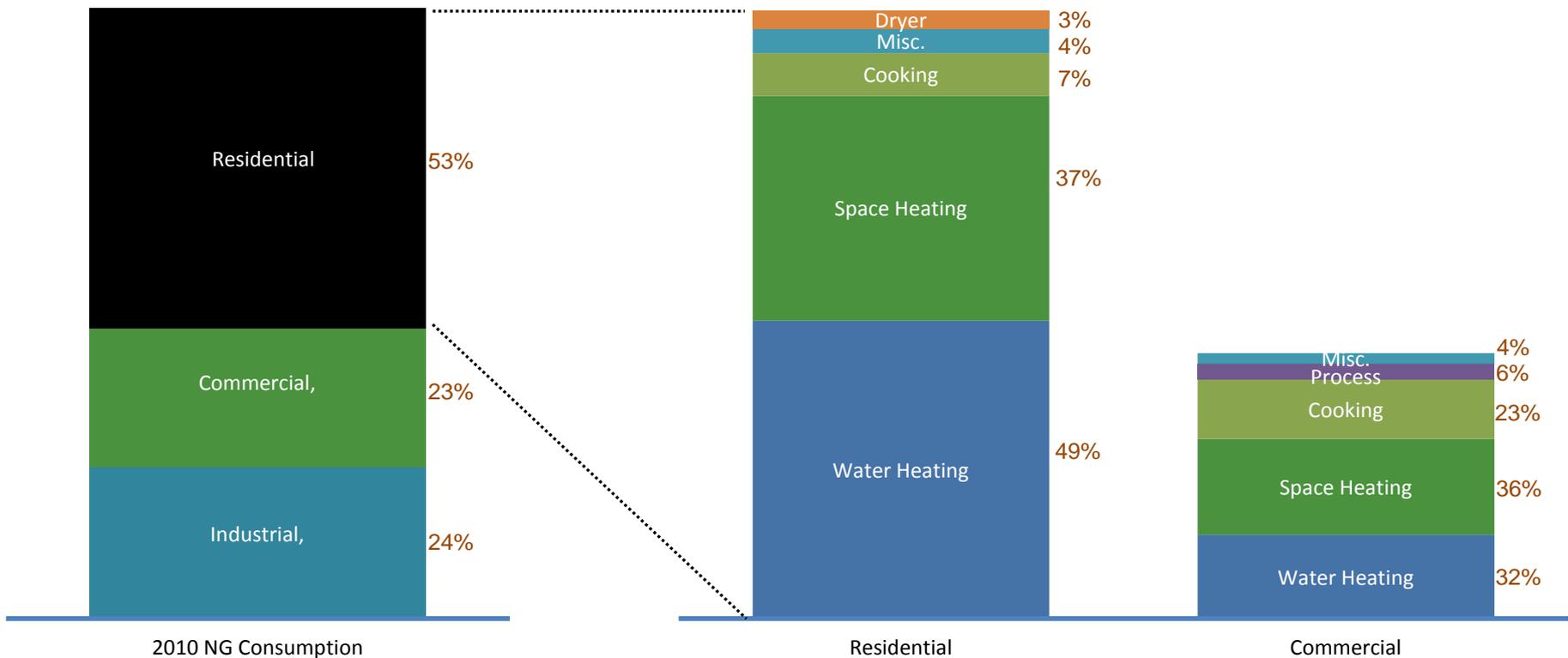
# Gas Utility Presentation

ARB Workshop on Gas Allowances  
Allocation

June 3, 2013

# Natural Gas Consumption in IOU Service Territories

- For Residential and Commercial customers, consumption is concentrated in water heating, space heating, and cooking; uses that meet basic needs.



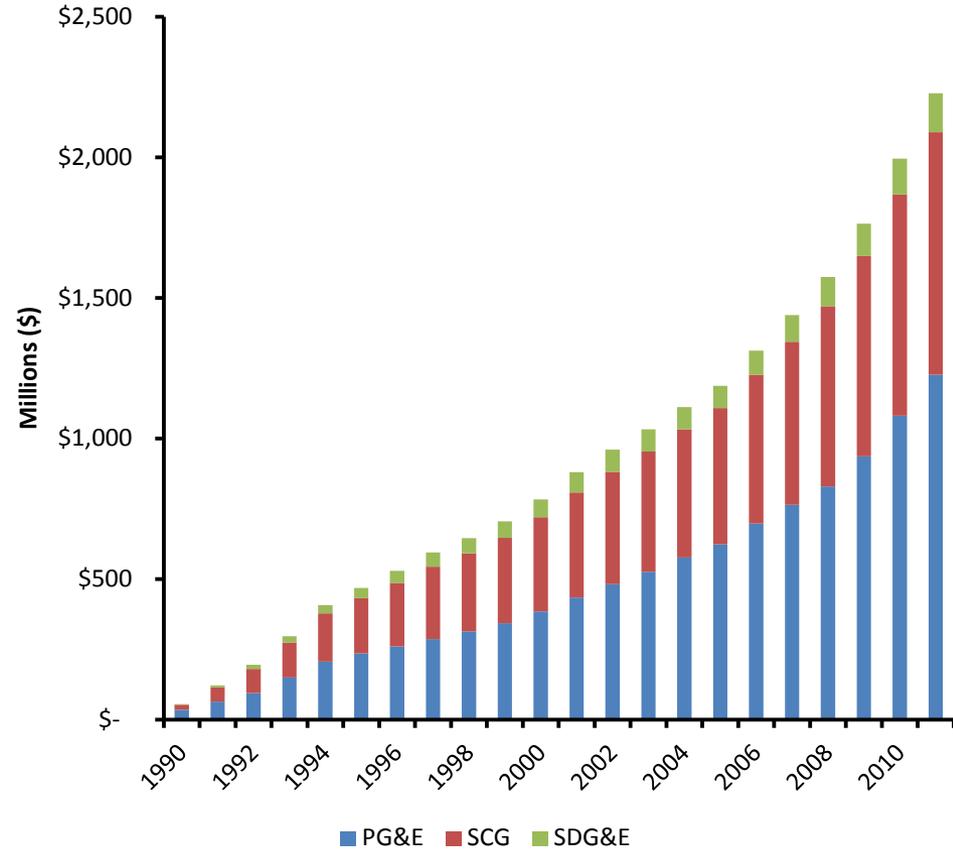
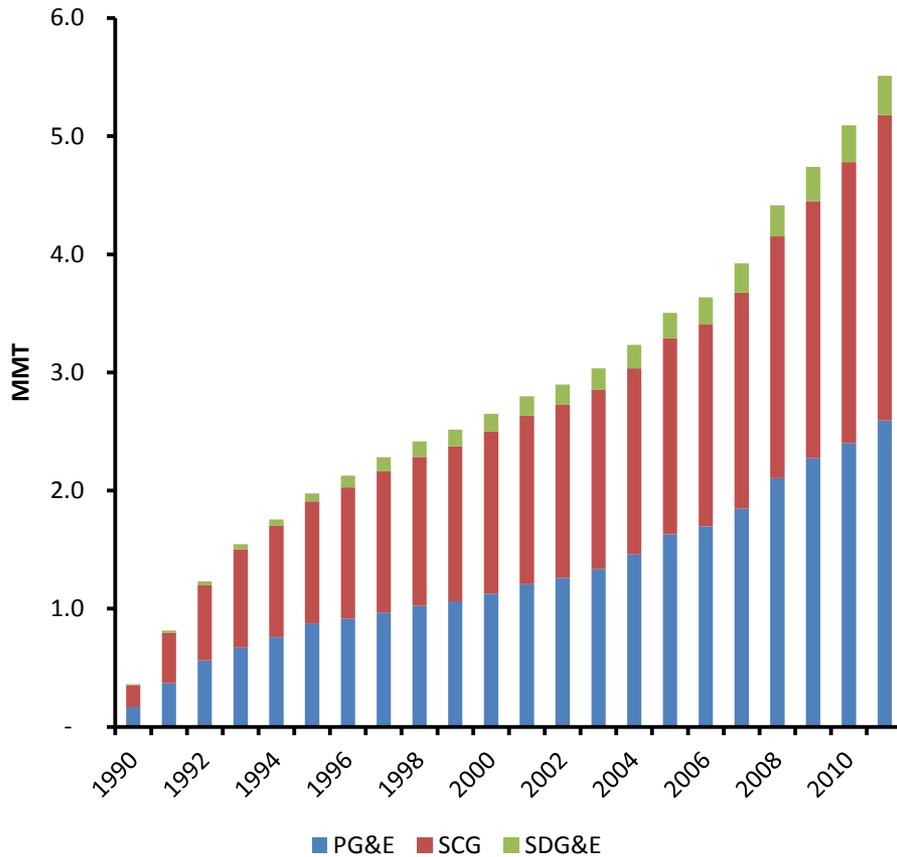
Source: CEC data, 2010 California Residential Appliance Saturation Survey, and 2006 California Commercial End-Use Survey.

\* Miscellaneous includes pools, spas, cooling, and other small uses.

\* Industrial includes usage for entities for which the IOUs are the point of regulation.

# The IOUs have achieved significant natural gas savings

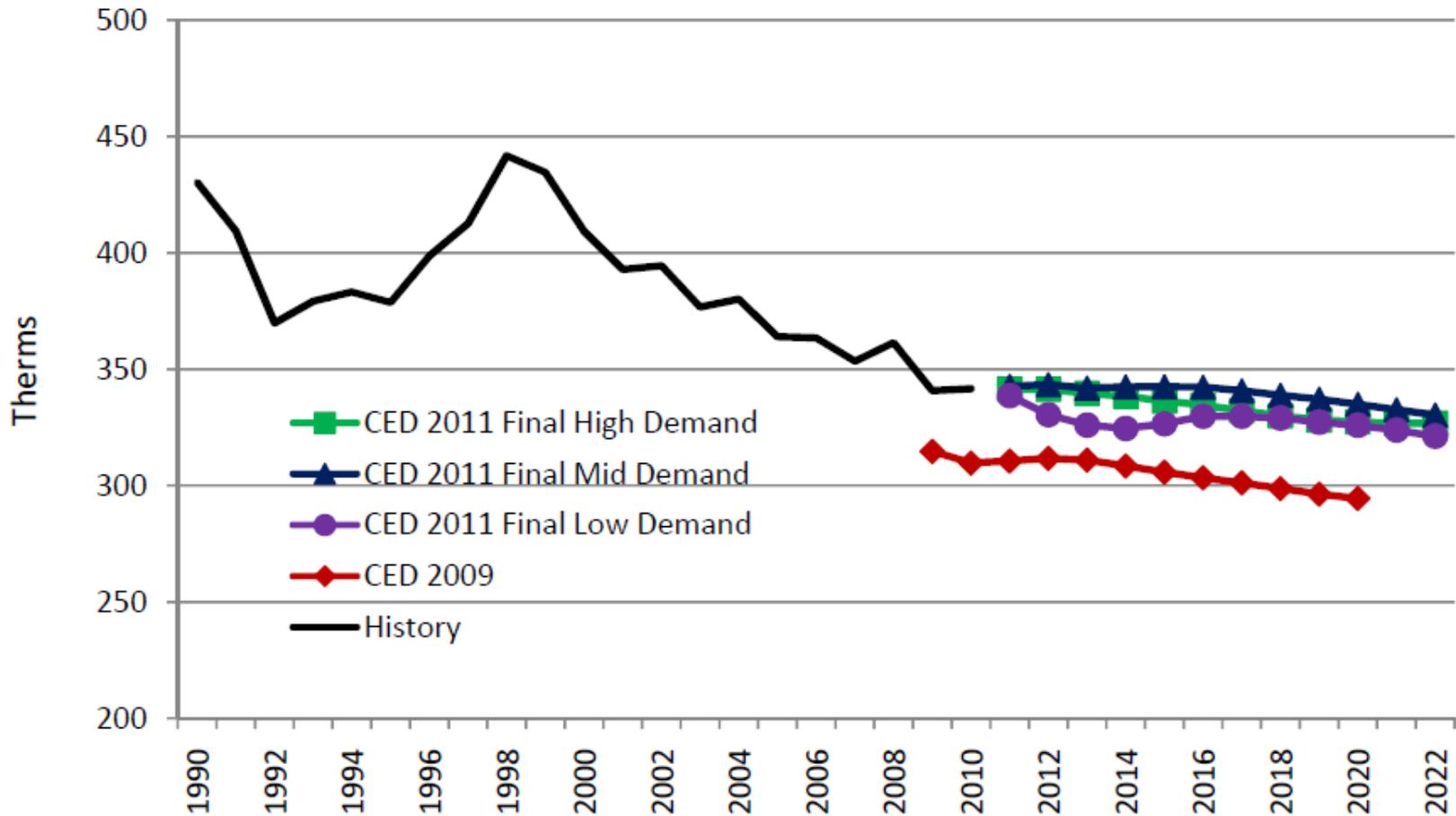
- Cumulative savings and spending from 1990 - 2011



Source: IOU and low income reported annual savings and spending.

# California per capita NG consumption has been falling

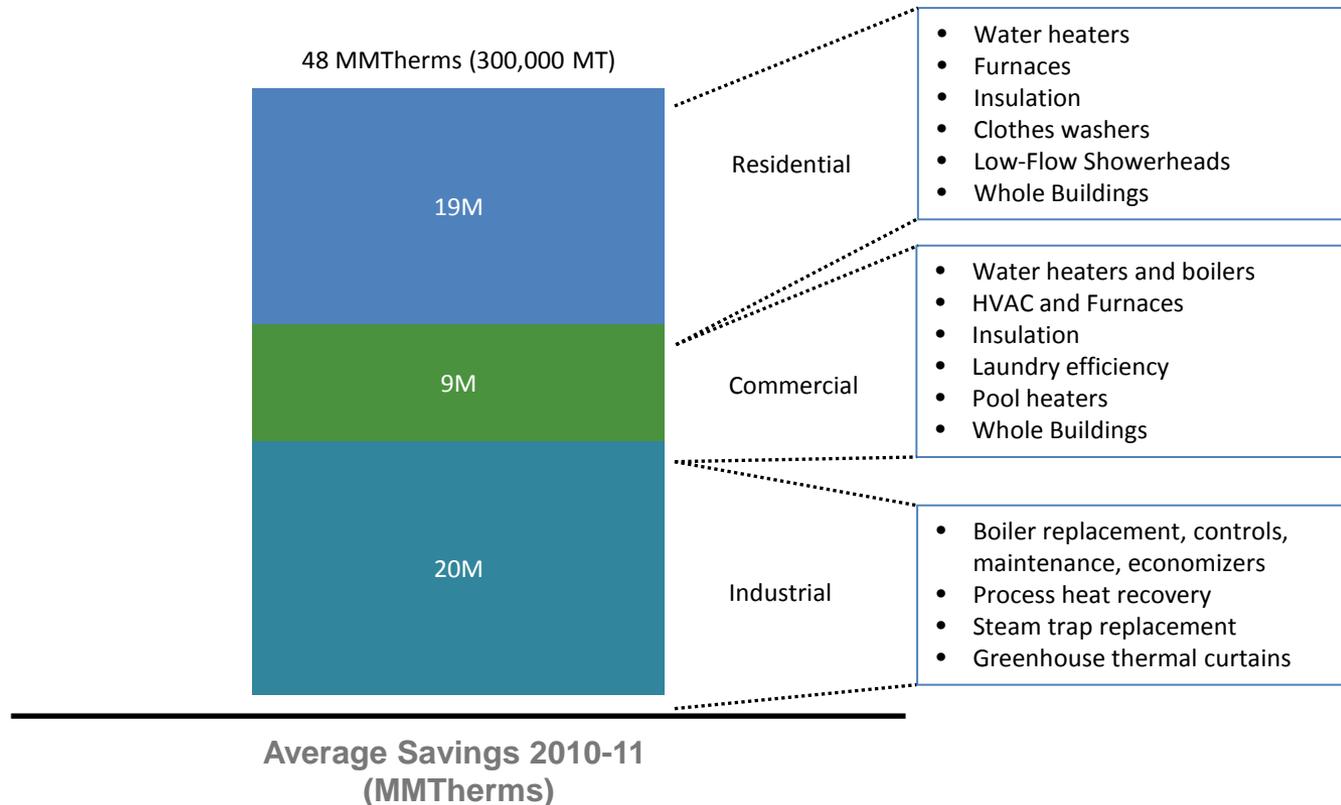
Statewide End-User Per Capita Natural Gas Consumption



Source: "California Energy Demand 2012-2022 Final Forecast," California Energy Commission, Demand Analysis Office, 2012.

# Natural Gas EE Savings (example year)

- NG EE savings of ~48 Million Therms per year, projections show a total of ~450 MMTherms or 2.3 MMTCO<sub>2</sub>e of savings from 2013 - 2020.



Source: IOU EE savings results for entities for which the IOUs are the point of regulation

# Joint Utility Approach

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- Full Administrative allocation in 2015 at 2011 historical baseline
- Annual reduction in allocation as cap declines
- Gas utilities equitably pass through cost of purchasing allowance shortfall to customers.
- Allows for timely and simple implementation.

# Questions

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