

CHARLOTTESVILLE CITY COUNCIL
Work Session on Gas Decarbonization
March 26, 2024 at 5:00 PM
CitySpace, 100 5th Street NE

The Charlottesville City Council met on Tuesday, March 26, 2024, in a work session to review and discuss a Gas Decarbonization Study update. Mayor Juandiego Wade called the meeting to order at 5:04 p.m. with all Council members present: Natalie Oschrein, Michael Payne, Vice Mayor Brian Pinkston, Lloyd Snook, and Mayor Juandiego Wade.

City Manager Sam Sanders introduced the work session topic and turned the presentation over to Utilities Director Lauren Hildebrand.

Ms. Hildebrand provided an overview of the Charlottesville Gas Utility system, which was established in 1876, and is one of three municipal natural gas utilities in Virginia.

Kristel Riddervold, Office of Sustainability Director, reviewed the global and local climate context of human activity effects on the climate.

Ms. Hildebrand presented the timeline for the Decarbonization Study, with the following items completed: Kick-off and Project Plan; Review of Regulations, Laws and Codes; Energy Efficiency Evaluation; and Methane Emissions Assessment. System Modeling is in progress before development of the final report. She provided detailed results and trends from a residential energy survey and key legal considerations for gas utility changes, which are codified in the City Charter and in the Virginia Code.

Councilors had questions about legalities of decommissioning a gas utility. City Attorney Jay Stroman reiterated the legal provisions stated by Ms. Hildebrand, specifying that the sale of public utilities requires referendum. He stated that he would research the topic and follow up. Mr. Payne stated that he was not interested in pursuing decommissioning the utility but wanted to focus on disincentivizing new gas hookups by the City.

Regarding a proposed ban on new natural gas connections, Ms. Hildebrand stated that per the Dillon Rule, authority must be expressly granted to the locality by the State, and that no city in Virginia has implemented a new gas connection ban. New connection bans are being challenged in other states (Berkeley, CA ruling). A ban would require changing City Code, and she noted that there has been a decline in requests for new connections. The City stopped marketing natural gas in 2018.

Eileen Courier, a consultant with Black & Veatch, presented the Energy Efficiency Evaluation and

Methane Leak Assessment. Recommendations from the Energy Efficiency Evaluation were:

- Adjust high-efficiency appliance rebate program to encourage high-efficiency natural gas appliance technologies
- Offer more tailored incentives to target customer segments and expand eligibility of existing programs
- Utilize lessons learned from large utilities in marketing and stakeholder engagement
- Consider expanding building envelope incentives & evaluate oil/propane to gas incentives

Recommendations from the Methane Leak Assessment were:

- Continue to complete leak surveys of the residential gas system every 3 years, which is more frequent than the required PHMSA 5-year interval
- Install Excess Flow Valves on service lines which shut when a service line is severed during excavation damage.
- Develop and implement preemptive pipeline and equipment maintenance or repair.
- Continue investing in the Public Awareness Program to prevent third-party excavation damage leaks, especially important in plastic systems
- Continue to emphasize the existing training and the Operator Qualification Program

Hua Fang, Black & Veatch consultant, provided an overview of emerging technologies and applications, which included renewable natural gas, green hydrogen, and blue hydrogen.

Energy efficiency evaluation recommendations were:

- Establish a new fee structure to disincentivize new gas connections – revenue source will fund the expansion of new Utilities' energy efficiency programs
- Develop a new weatherization program
- Evaluate existing rebates
- Partner with the Office of Sustainability to select annual carbon offset projects
- Increase the frequency of the Energy-Saving Trees Program (Spring and Fall)

Ms. Hildebrand announced that community listening sessions will occur in the Spring and Summer to hear from a variety of people, businesses and organizations.

Council recommended various resources to enhance community education about utilities and various other city services.

Mayor Wade adjourned the meeting at 7:29 p.m.

BY Order of City Council

BY Kyna Thomas, Clerk of Council