

# Philadelphia Gas Works (PGW)

## Low Carbon Pathways Questions & Answers

### 1. What is the purpose of PGW's Low Carbon Pathways Study?

Philadelphia Gas Works (PGW) remains dedicated to leading Philadelphia's clean energy future. PGW's Low Carbon Pathways Study will assess a variety of long-term strategies for best balancing emissions reductions with affordability, safety, and reliability for PGW customers. PGW selected Environmental Resources Management, Inc. (ERM), a leading sustainability consulting firm, to help with this study. The Low Carbon Pathways Study will explore a range of options as representative examples for comparison and to establish a foundation for future decision making.

While PGW is striving for the greatest emission reductions possible, it must also weigh the affordability impacts on its customers and the City overall, including total costs, customer rates, and cost per unit of emissions reduced.

### 2. What is PGW's remaining community engagement for this study, and how will PGW respond to public questions?

PGW hosted the first community engagement meeting on the Low Carbon Pathways Study on June 3, 2026. PGW's materials and video recording from its presentation at this meeting are posted on its sustainability webpage: [pgworks.com/sustainability](https://pgworks.com/sustainability). PGW accepted public written comments for the two weeks after that meeting, through June 17. These comments are also publicly posted on the sustainability webpage. PGW will host a second community engagement meeting on August 12 to share the latest project developments and accept additional public input, including written comments after the meeting, before finalizing the study in the fall.

It is PGW's goal to be responsive to public comments and questions as the study is developed, including through this Q&A.

### 3. Will the Low Carbon Pathways detail the plan for how PGW will support the City of Philadelphia's 2050 carbon neutrality goal? What benchmarks will be set from now to 2050?

PGW is supporting the City by evaluating the various pathways for the City to potentially achieve its carbon neutrality goal, their costs, customer impacts, and risks. PGW must first understand the options, their benefits and drawbacks, before selecting and committing milestones and possibly ratepayer funds to any specific plans.

Also, it's worth noting that the specific initiatives included in the pathways may not all be feasible under current legal and regulatory frameworks, which are not controlled by PGW. Future policy changes and several layers of formal approvals, beyond PGW's direct control, would likely be needed. This analysis is not included within the scope

of this study. Again, this study is not meant as an actionable plan, but a comparison of potential pathways to inform future decision-making.

Additional information on PGW's current and historical emissions reduction targets and achievements is available within its Greenhouse Gas (GHG) Emissions Reduction report, on the [pgworks.com/sustainability](https://pgworks.com/sustainability) webpage.

#### **4. How does PGW approach its infrastructure planning to control costs and avoid over-building? Does PGW consider opportunities to repair in-place, rather than fully replace natural gas infrastructure?**

PGW's infrastructure planning and main replacement is governed and monitored by the Pennsylvania Public Utility Commission. PGW's plan is first and foremost driven by safety and reliability concerns, and worst-case scenario planning. This approach is designed to ensure that PGW does not have to reduce service during the most frigid days of winter (risking customer safety and reliability) to its customers who rely on it for their critical, life-sustaining heating and cooking needs.

PGW's planning also includes (1) ensuring its system is right-sized, and (2) controlling costs to protect customer affordability. PGW has and continues to evaluate opportunities to reduce the physical/actual size of mains during main replacement, repair rather than replace mains when possible, and abandon mains when they are no longer needed.

Also, unlike most investor-owned utilities, PGW does not earn profits on its capital investments. PGW is owned by the City of Philadelphia; its rates are set based on cash flow needs to operate the utility. PGW's only guiding principles, informing all work including main replacement, is ensuring safe, affordable, reliable, and sustainable service for its customers.

#### **5. Does PGW account for gas leaks inside buildings that occur behind the meter?**

PGW has and continues to calculate natural gas emissions, including from customer meters, based on Federal guidance through the Environmental Protection Agency's (EPA) Greenhouse Gas Reporting protocols. PGW uses these protocols in calculating its Greenhouse Gas Inventories, also posted on the sustainability webpage. Additional information on this reporting is available on page 4-4 of PGW's most recent GHG Inventory Report for calendar year 2024. PGW intends to continue calculating its GHG emissions, and will be tracking emerging research and updated Federal protocols for identifying and accounting for gas leaks.

Additionally, routine maintenance of natural gas appliances is important for ensuring equipment performance, energy costs, lifetimes, and addressing any natural gas leaks within the appliances. PGW offers several customer equipment programs, including energy efficiency programs and the PGW Parts & Labor Program.

#### **6. How does the 2021 Diversification Study tie into the Low Carbon Pathways?**

The 2021 PGW Diversification Study was a useful starting point that informed the development of PGW's Low Carbon Pathways Study. For instance, PGW is currently finalizing its geothermal feasibility study, as recommended by the Diversification Study. The Low Carbon Pathways Study also similarly includes electrification, hybrid electrification, networked geothermal, and decarbonized gas options. The Low Carbon Pathways Study builds upon and updates some of the analyses within the Diversification Study, based on more recent contexts including current energy supply, demand, and cost forecasts.

**7. What programs does PGW currently have that reduce GHG emissions, and is PGW considering any new programs including any support for switching customers away from natural gas?**

PGW has several ongoing programs across its operations and continues to identify new opportunities to further reduce methane and carbon dioxide emissions. PGW's primary program for reducing emissions from its own operations is the Main Replacement Program, an accelerated effort to replace cast iron mains and unprotected steel services, improving safety and reducing sources of methane leaks.

PGW helps customers lower their gas usage and energy bills through a mix of energy efficiency programs, including Home Comfort, Low-Income Multifamily Efficiency program, residential and commercial equipment rebates, small business assessments, smart thermostats and low-income smart thermostats, and energy saving kits. These programs also have an impact on reducing GHG emissions. With respect to fuel switching, PGW does not have authority to use funds from gas customers' rates to switch or convert existing customers from natural gas to electric.

Visit [pgworks.com/sustainability](https://pgworks.com/sustainability) to learn more about all of PGW's current programs to reduce emissions and its progress to-date.

**8. How does natural gas investment/expansion support a low carbon pathway future for PGW and a carbon neutral future for Philadelphia?**

PGW is committed to leading Philadelphia's clean energy future and driving long-term emission reductions throughout the City. PGW's Low Carbon Pathways Study is evaluating pathways (and resulting impacts) for reducing PGW customers' emissions.

Natural gas has been a primary driver of reducing U.S. emissions and has enabled ever-greater levels of renewables to be reliably integrated into the energy grid.

Regions like New England, which have constricted natural gas operations, have struggled to meet winter demand and in turn had to use dirtier and higher emitting fuels like coal and heating oil to meet demand, increasing emissions significantly.

The reliability of natural gas is essential to achieving the nation's climate goals and, because of the abundance and affordability of natural gas, it is fueling the reduction in carbon emissions for all.

**9. How is PGW considering public health and air quality impacts in the Low Carbon Pathways Study?**

Similar to the 2021 PGW Diversification Study, the Low Carbon Pathways Study does not include a comprehensive assessment of air quality and public health impacts, as this would require focused air chemistry and transport analyses.