



# AMERICAN PUBLIC GAS ASSOCIATION

April 4, 2018

The Honorable Al Muratsuchi, Acting Chair  
Assembly Committee on Natural Resources  
1020 N Street, Room 164  
Sacramento, CA 95814

**Re: AB 3001 (Bonta) – OPPOSE**

Dear Chair Muratsuchi:

The American Public Gas Association (APGA) strongly opposes Assembly Bill (AB) 3001 (Bonta), which would require all new buildings in the state to be “electric ready” beginning in 2022. This bill would deprive every Californian of their ability to choose what energy resources best meet their home and business needs. This bill unreasonably eliminates natural gas—one of the most popular energy resources for meeting home and business space and water heating needs as well as cooking. The bill is counterintuitive and simply will not achieve its stated purpose because forced switching to electric options in buildings and homes has a negative or small impact on carbon reduction targets.

The direct use of natural gas is the lowest cost energy delivered to homes and businesses and is the smallest contributor to greenhouse gas emissions for residential and commercial buildings. Eliminating Californians’ ability to choose what energy resource best fits their needs will increase their energy costs, lead to a less reliable energy system, and produce little or no environmental benefits.

APGA is in a unique position to offer testimony on this matter because of its members' close relationships to customers in their communities. APGA, the national association for municipal natural gas utilities, represents over 730 public gas systems across the country. Our members are not-for-profit retail distribution entities owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that own and operate natural gas distribution facilities in their communities.

Over the past 100 years, the use of natural gas in our homes and businesses has been a cornerstone to residential and commercial development and energy reliability. At the most basic level, municipal gas systems represent the views of American natural gas consumers. Our members serve homeowners, restaurants, schools, hospitals, small businesses and,

manufacturing and industrial facilities, all of which rely on affordable natural gas to heat their homes, buildings and water, cook their meals, dry their clothes, and fuel their businesses of all types. The use of natural gas appliances in homes and businesses frees up critical capacity and increases flexibility for the local energy infrastructure while lowering costs, improving overall efficiency, and reducing emissions. Natural gas appliances reduce the strain on the electricity grid while minimizing the need for the construction of additional generation plants and transmission lines.

We believe Californians should have the right to choose the energy and appliances they use in their homes and businesses, and we believe there are better, more cost-effective ways to clean our air and protect the environment. As the state continues to address air quality issues, we would like to remind everyone of the most abundant, clean energy being used today—the direct use of natural gas in our homes and businesses. Every day natural gas is being used by 177 million people across this country to heat the house, provide hot water, dry clothes and cook meals.

Choosing clean energy sources should not mean abandoning natural gas appliances. Pursuing clean energy should include looking for ways to reduce energy consumption, utilizing the current energy infrastructure in the most efficient way and planning for our energy future in a way that protects consumer options, balances their energy needs, and ultimately ensures our energy infrastructure is secure and economical for future generations.

California is facing unprecedented affordability issues: the costs of housing, transportation, and energy are all on the rise. Everyday Californians are finding it difficult to provide for their families and make ends meet. Forcing all new buildings to be electric-only will place more financial hardship on many Californians, particularly low-income families. Today, one in three households faces challenges in paying their energy bills. It is therefore unreasonable to expect that everyone can switch out their appliances without facing financial hardship. Replacing appliances also may require an upgrade to both the electric panel and wiring, at great additional cost to the home and business-owner. Californians who rent can expect to have these costs potentially passed along to them. Households that use all-electric appliances pay almost \$900 a year more than mixed-fuel homes.

In addition, the legislation would move the state's energy infrastructure system to an all-eggs-in-one-basket scenario, jeopardizing energy reliability and security while dramatically increasing costs to consumers. Should blackouts occur due to natural or man-made causes, California residents will be completely without energy for cooking or space and water heating. It hardly seems prudent for the state to choose to eliminate all but one type of energy delivered to its residents.

History shows that "one-size-fits-all" policies that have failed. As energy providers, we do not believe in limiting what energy source consumers choose to heat their home, power their TV or drive to work. Ultimately, consumers are in the best position to choose what energy type is

best for them. Policies that reduce American consumers' choices will cost them today, tomorrow and in 2050.

Policymakers in California and in other jurisdictions need to promulgate and promote initiatives that acknowledge the substantial energy system reliability/resiliency benefits afforded consumers and society through natural gas end use.

For these reasons, we respectfully oppose AB 3001 and request your "NO" vote.

Sincerely,

A handwritten signature in black ink, appearing to read "Bert Kalisch". The signature is fluid and cursive, with the first name "Bert" and last name "Kalisch" clearly distinguishable.

Bert Kalisch  
President & CEO

Cc: Members, Assembly Natural Resources Committee