

June 26, 2020

To: Mayor's Climate Commission
From: Brian Shobe, Sacramento Resident

Re: Commission Meeting #9, Agenda Item #3 – Adoption of Final Report

Dear Commissioners,

Although I write you in my personal capacity as a Sacramento resident, I write you as someone who has over a decade of experience as an advocate for local, state, and federal policies that are good for small food and farm-related businesses, community food security, and the climate.

I enthusiastically support the Commission's final report and recommendations. I have attended all but one of the Commission meetings and participated in one of the technical advisory committees, so can personally attest to how grounded these recommendations are in the expertise and input of so many community leaders and subject matter experts, including yourselves.

However, I strongly encourage the Commission to accelerate its recommended timeline for enacting an all-electric new construction ordinance to 2021. Contrary to the misguided and self-serving misinformation being spread by a few businesses whose profits are tied to natural gas, an all-electric new construction ordinance will benefit all Sacramento residents and the vast majority of Sacramento businesses in the following ways:

- 1) **Promotes Affordable Housing Production:** Building all-electric can save \$5,000 in capital costs for new single-family homes and \$2,000 for multifamily homes. [1]
- 2) **Energy Bill Savings for Residents & Businesses:** SMUD estimates >\$400 annual energy bill savings for all-electric new homes and >\$600 annual energy bill savings for existing homes. This results in a lifetime of savings even after considering the cost of conversion from gas. [2] Building electrification also puts a downward pressure on electricity rates, which benefits all residents and businesses.
- 3) **Achieves GHG Reductions in the Most Cost-Effective Manner:** The California Energy Commission concluded that building electrification offers the most promising path to achieving GHG reduction targets in the least costly manner. [3]
- 4) **Enhances Public Safety & Energy Resilience:** Unlike gas cooking, electric cooking has no open flames, no risk of gas leaks, and does not emit carbon monoxide. Moreover, a natural gas pipeline catches fire every four days in the United States and results in an explosion every eleven days, an injury every five days, and a fatality every twenty-six days. [4] By electrifying our city and gradually de-activating our natural gas infrastructure, we can protect both residents and first responders. Finally, contrary to opponents' claims, electrification improves energy resilience, considering that: natural gas infrastructure takes longer to safely turn back on after utility shutoffs; new gas water and space heaters are inoperable without electricity; and all-electric appliances can more easily be set up to use backup power sources like generators or batteries.

5) **Avoids the Costs of Stranded Assets:** PG&E supports local governments' call for all-electric new construction because it wants to avoid investments in new gas assets that might later prove underutilized, become stranded assets, and result in more extreme cost shifts to the dwindling number of customers paying to maintain an expensive natural gas system infrastructure. [5]

6) **Increases Investments in Our Local Economy, Including Incentives for Businesses and Low-income Households:** Every dollar that we shift from natural gas use (84% of which is imported into the state) to electric energy in SMUD territory will result in more revenue going to our community-owned, not-for-profit electric utility, and is therefore more likely to circulate in our local economy. [6] SMUD is nationally-recognized for its innovative incentive programs, and plans to invest \$1.5 billion in electrification and energy efficiency incentives over the next 20 years, including targeted programs for electrifying low-income households. [7] For context, that's 19 times more than the City of Sacramento's Covid-19 relief grant from the federal government.

7) **Health is Wealth:** Sixty percent of homes that have gas stoves exceeded the US EPA's definition of clean air. [8] Children living in a home with gas cooking have a significantly increased risk of having asthma. [9] According to a 2010 study by Rand Health, between 2005-2007, there were 182 hospitalization events at the UC Davis Medical Center resulting from air pollution, which cost a total of \$1.9 million. [10] This figure only counts the cost of hospitalizations – the worst-case scenarios – at *one* of the area's hospitals!

8) **The City Has Plenty of Ordinance Examples to Choose From:** Over thirty California jurisdictions have passed electrification ordinances, which the City of Sacramento and West Sacramento can easily model theirs after and adopt.

In sum, an all-electric new construction ordinance will help our region build more affordable housing, save residents on their energy bills, increase investments in our local economy, improve public safety and health, and avoid the costs of stranded assets. And we have ordinances from 30 cities in California to learn from and adopt!

So why wait? The time is now!

Brian Shobe

Sources:

[1] Energy and Environmental Economics (April, 2019). Residential Building Electrification in California: Consumer economics, greenhouse gases and grid impacts.

[2] SMUD Staff Presentation on Electrification (6/23/2020)

[3] California Energy Commission. 2018 Integrated Energy Policy Report Update, Volume II.

[4] Mall, A. Pipeline Incident Statistics Reveal Significant Dangers (January, 2019). Natural Resources Defense Council Expert Blog.

[5] PG&E Staff Presentation on Electrification (6/23/2020)

[6] Building Decarbonization Coalition Presentation (6/23/2020)

[7] SMUD Integrated Resource Plan (April 2020)

[8] Logue JM, Klepeis NE, Lobscheid AB, Singer BC (2014). Pollutant exposures from natural gas cooking burners: a simulation-based assessment for Southern California.

[9] Weiwei Lin, Bert Brunekreef, Ulrike Gehring, (2013). Meta-analysis of the effects of indoor nitrogen dioxide and gas cooking on asthma and wheeze in children.

[10] Romley JA, Hackbarth A, and Goldman, DP (2010). The impact of air quality on hospital spending. RAND Corporation, TR-777-WFHF.