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June 26, 2020

Anne Stausboll, Chair  
Mayor's Commission on Climate Change  
and Commissioners

RE: Mayors' Commission on Climate Change Draft Report - Electrification  
of New Construction

Dear Chair Stausboll:

I am writing on behalf of Plumbers & Pipefitters UA Local 447 regarding the draft report by the Mayors' Commission on Climate Change ("Mayors' Commission") by the Cities of Sacramento and West Sacramento, which includes Built Environment Recommendation #2, banning natural gas in all new construction by 2023. The Mayors' Commission has been holding a series of public meetings to consider a suite of actions the Cities can take to address climate change. The Mayors' Commission is preparing to adopt its draft report which includes the recommendation to ban natural gas by 2023 on June 29, 2020.

We urge the Mayors' Commission to hold off on this recommendation until the California Public Utilities Commission ("CPUC") completes its proceeding for a statewide plan for reducing natural gas use in California buildings. Sharply reducing or eliminating natural gas usage without a coordinated statewide plan would have significant unintended safety, equity and economic impacts, including increasing utility rates for consumers throughout the region. Given the 2023 target date for taking action, it is premature for the Cities to set a course of action at this time. The Mayors' Commission should instead recommend reconvening once the CPUC completes its statewide plan in order to allow the Cities to identify the appropriate steps to implement that plan. A proposed ban on gas infrastructure in new construction also fails to take into account statewide efforts to transition to renewable gas (biomethane, hydrogen).

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There is no question that the natural gas system serving Sacramento and West Sacramento will look different in the future. But as we transition to a lower greenhouse gas (“GHG”) world, we must be careful to avoid putting the burden of the transition on those who can least afford it. The recent Phase 1 Gridworks Report provides a detailed analysis of the problem with an uncoordinated transition away from natural gas.<sup>1</sup> While there is consensus that natural gas usage must be reduced to meet GHG goals, it is already being reduced in a manner that will impose great cost burdens on those who cannot afford it and on industry for which there is no technical alternative (processes that require very high heat).

House by house, neighborhood by neighborhood, or even city by city elimination does not solve the problem. If we simply eliminate natural gas from new construction, that will gradually reduce the amount of natural gas used in the Cities, but will not change the fixed costs of the natural gas system that must be recovered by PG&E. The same distribution pipeline network will still exist in the City, with the same costs to repair and maintain it. With less gas flowing but the same total costs for the distribution system, gas rates must go up. This means that those who cannot afford the upfront costs to switch their gas space and water heating to electricity will have higher bills. As more switch to electricity, the gas rates for those remaining will go even higher.

To address the issues highlighted in the Commission’s draft report, the CPUC began a rulemaking (R.20-01-007) this past January to analyze these problems and create a coordinated and equitable statewide plan. This is not a simple process. There are two basic parameters over which the CPUC has to model the future gas system in the State of California: the geographic range of the distribution system (i.e., do we retire large sections so as to dramatically reduce fixed costs) and the future fuel (i.e. forms of renewable gas (biomethane, hydrogen) or electricity). The ultimate pathway needs to take into account effects on prices, safety, workforce, local air pollution, and equity. To avoid committing to a path that will hurt low-income residents of both Cities and shift costs and burdens to the residents of neighboring cities and counties, we should avoid committing to a path of a complete ban on gas infrastructure on new construction until California has a statewide plan to manage the transition without hurting the most vulnerable among us.

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<sup>1</sup> [https://gridworks.org/wp-content/uploads/2019/09/CA\\_Gas\\_System\\_in\\_Transition.pdf](https://gridworks.org/wp-content/uploads/2019/09/CA_Gas_System_in_Transition.pdf).

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Rather than including Built Environment Recommendation #2 to ban natural gas in all new construction by 2023 in the Commission's report, we respectfully suggest that the Cities instead devote their resources into participating in the CPUC rulemaking and then turning back to development of local rules and ordinances once a coordinated statewide plan is adopted.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas A. Enslow", followed by a horizontal line extending to the right.

Thomas A. Enslow  
Kyle C. Jones

TAE/KCJ/ljl

cc: The Honorable Darrell Steinberg, Mayor, City of Sacramento- via web form  
The Honorable Christopher Cabaldon, Mayor, City of West Sacramento-  
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