

Support Senate Bill 527 to save Californians money

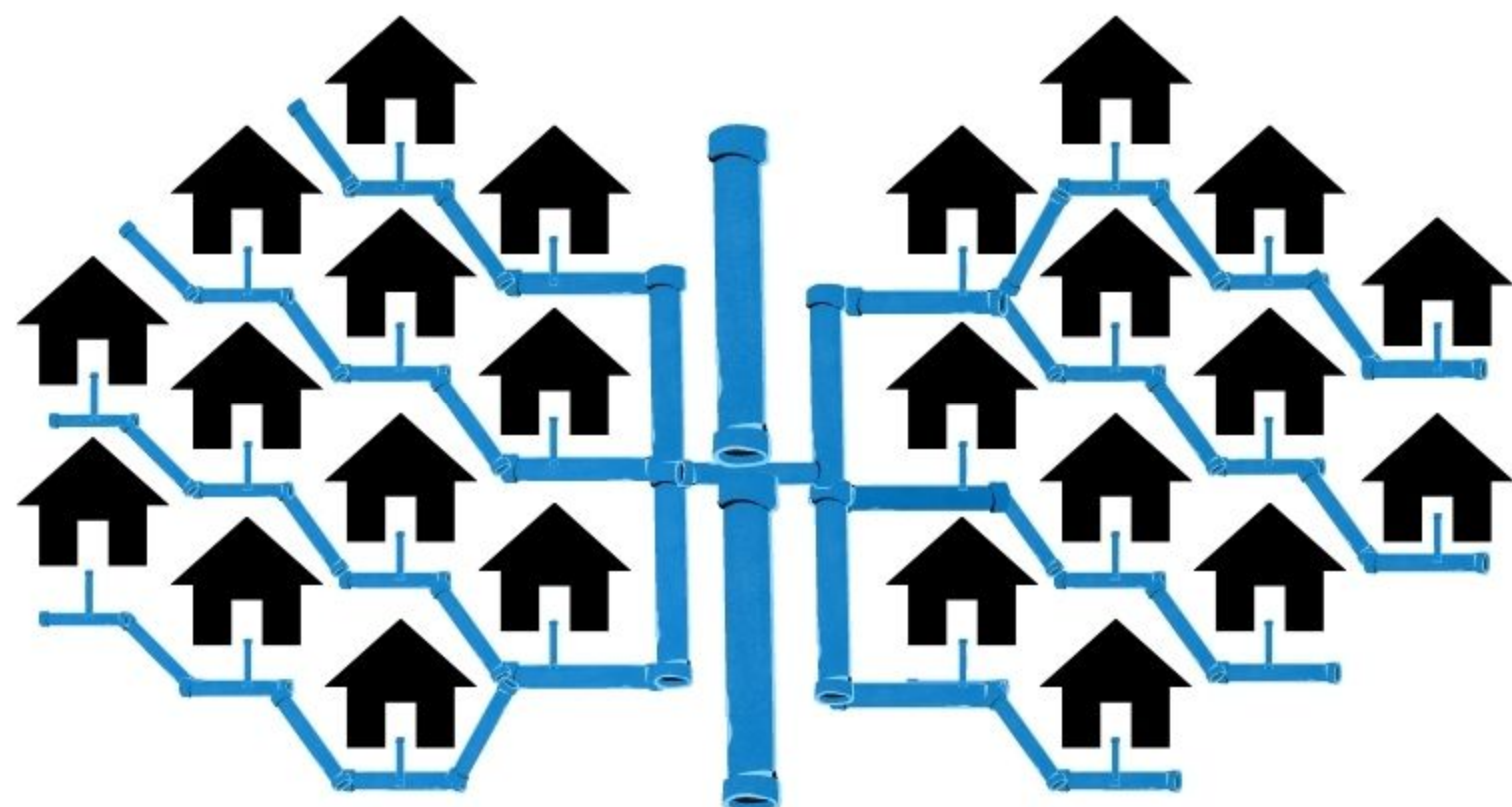
The **Neighborhood Decarbonization Pilot Program** for Affordable, Clean Heat

As Californians voluntarily electrify their home space and water heating using plentiful federal, state, county, local and utility incentives, fewer customers will be left paying for the costs of the fossil gas pipeline system. Those remaining are much less likely to have the means to buy new appliances, such as lower-income and fixed income households, small businesses, and renters.

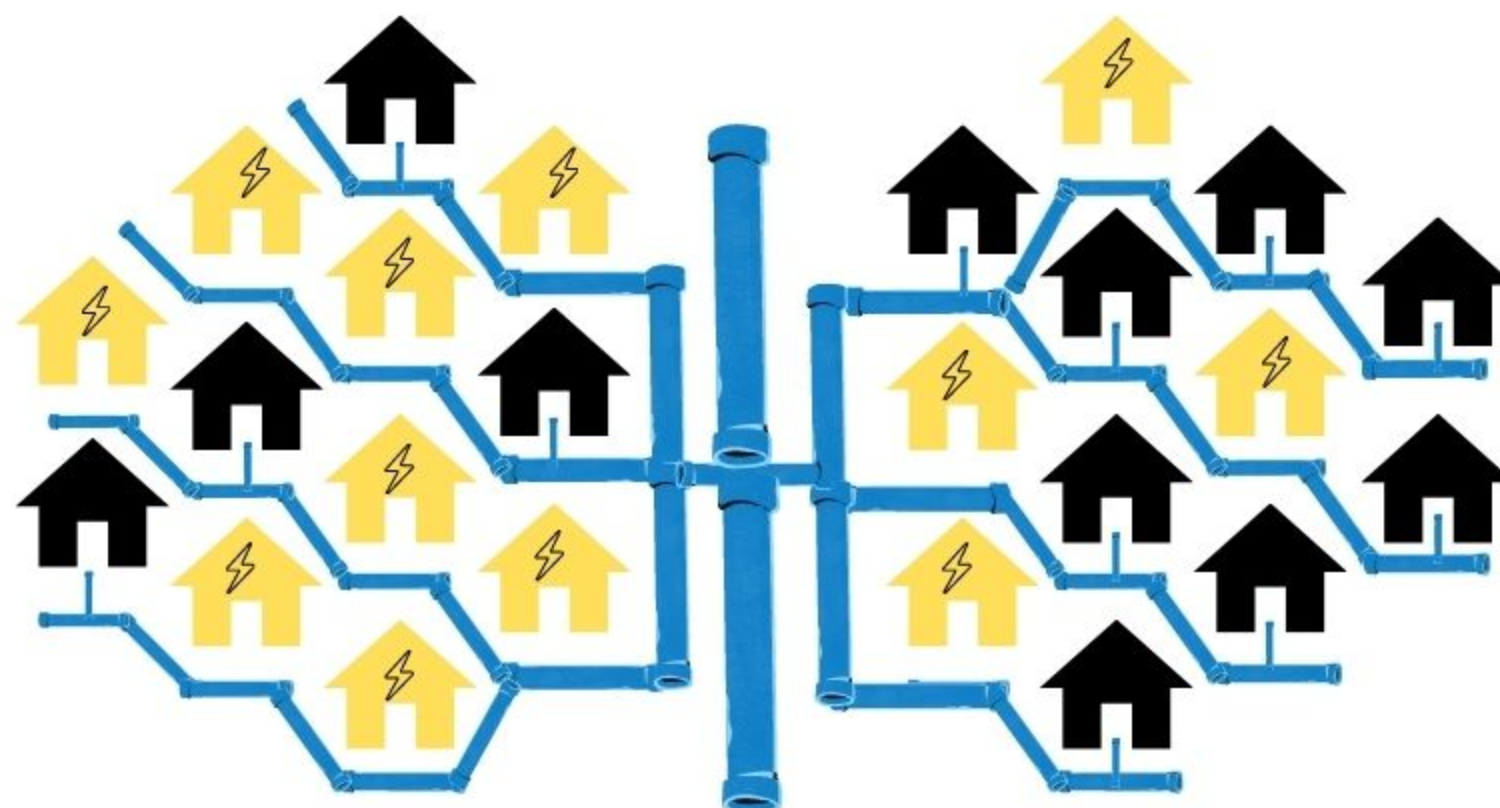
SB 527 is essential to a managed, equitable transition to clean buildings because it seeks to right-size the gas pipeline network with a shrinking customer base and direct electrification programs to the most vulnerable.

Example A: Status quo with geographically random electrification

Before: All homes are hooked up to gas pipelines, paying off \$500 million via monthly gas bills for infrastructure

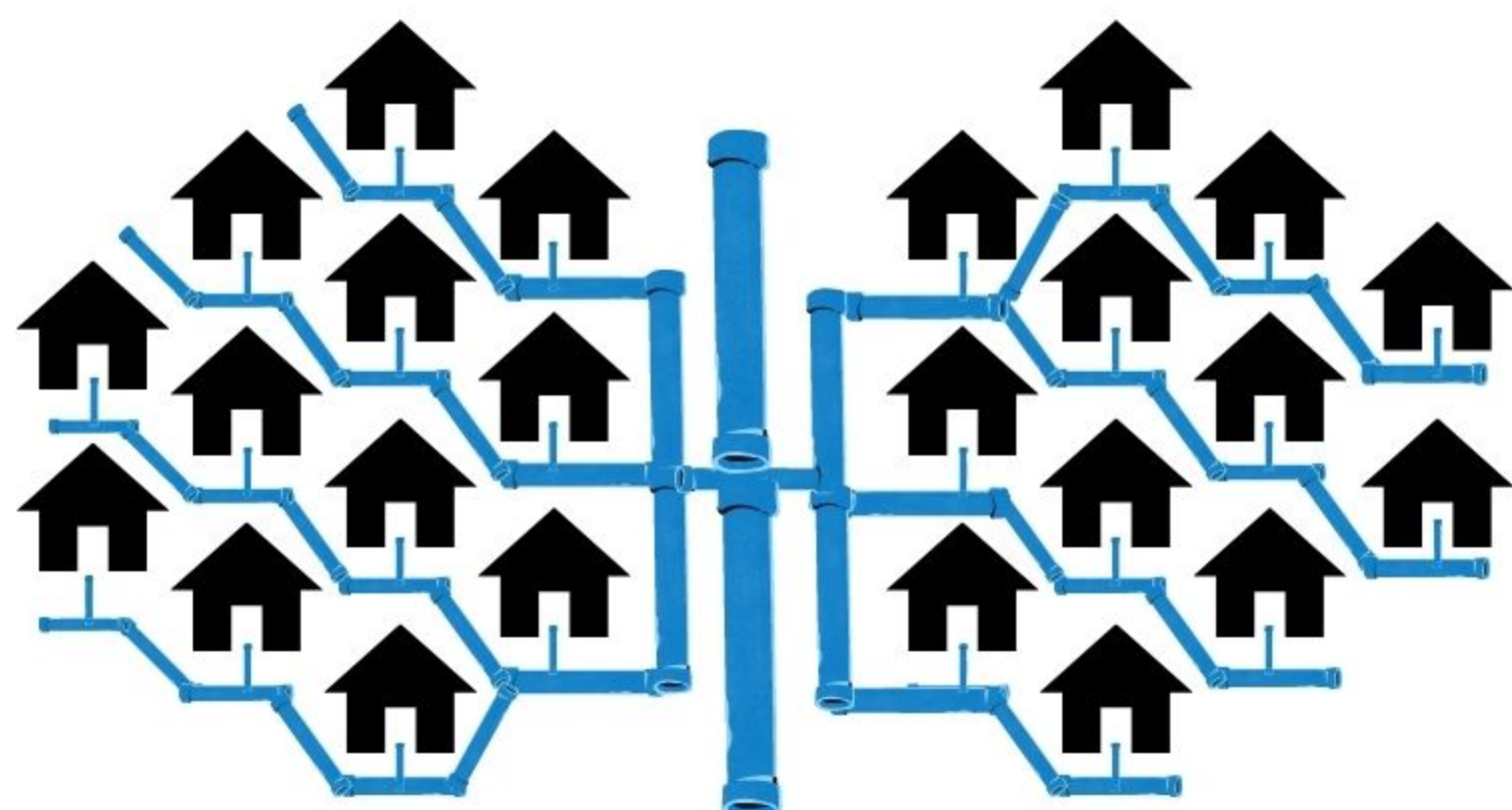


After: Half of the homes remain hooked up to gas pipelines, but only those still with gas service are paying off the same \$500 million

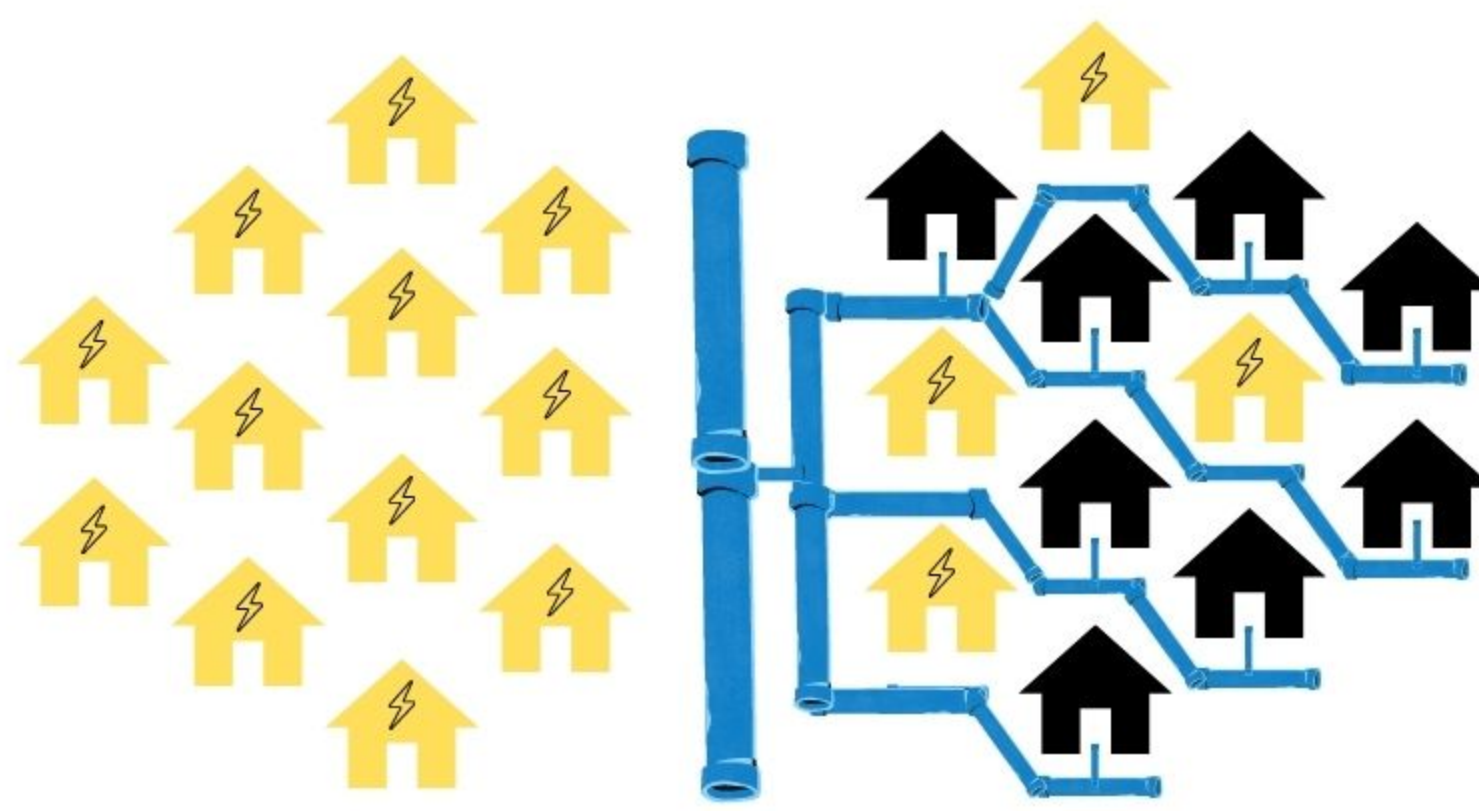


Example B: Geographically targeted electrification via SB 527

Before: All homes are hooked up to gas pipelines, paying off \$500 million via monthly gas bills for infrastructure



After: Fewer than half of the homes remain hooked up to gas pipelines, but those still with gas service must only pay off \$250 million



Energy and Environmental Economics, on behalf of the CEC, estimated that a **targeted approach to building electrification would reduce ratepayer costs by \$4 billion by 2050. Others have modeled this to be up to 500% below the costs of an unmanaged transition to electric buildings.**

Sources: Energy and Environmental Economics, Inc. (2020). The Challenge of Retail Gas in California's Low-Carbon Future
Environmental Defense Fund. (2021). Aligning Gas Regulation and Climate Goals: A Road Map for State Regulators.