



ELECTRIFICATION LEGISLATION

AB 3001 (Bonta), AB 3232 (Freidman)

Legislative Intent

The intent of these bills is to “electrify” residential and nonresidential buildings; both existing and new construction.

AB 3001 (Bonta, D – Oakland)

» **New Construction**

- Requires the CEC to mandate, by 2022, that all new homes must be “electric-ready” — “electric-ready buildings” is defined as containing electric infrastructure necessary to enable building occupants to use electrical equipment in lieu of natural gas-fired equipment
- Requires the CEC to develop standards that reduce GHGs associated with new residential and nonresidential buildings in a cost-effective manner
- Changes the building standards related to “cost-effectiveness” to include the following: 1) the avoided life cycle emissions of GHGs from fossil fuel, including combustion and fugitive emissions, both in-state and out-of-state 2) hourly source of emissions

AB 3001 (Bonta, D – Oakland)

» Existing Construction

- Requires the PUC to:
 - Revise the three-prong fuel substitution test, include the societal and environmental costs of energy use in determining cost-effectiveness,
 - Remove barriers to the use of clean energy in buildings, including electrification of space and water heating in buildings,
 - Create incentive programs and rate structures that encourage the transition to cleaner fuels,
 - Plan for and managing necessary changes in the energy infrastructure, such as investment in natural gas infrastructure, and
 - Include thermal storage (heat pump water heaters) and electric vehicle smart charging to the energy storage incentive program

AB 3232 (Freidman, D – Glendale)

- **New Construction** – By January 1, 2020, the CEC shall develop a plan to achieve the goal that all new residential and nonresidential buildings built on or after January 1, 2030, be zero-emission buildings.
- **Existing Construction** – By January 1, 2020, the CEC shall establish a strategy to achieve a reduction in the emissions of greenhouse gases by the state’s residential and nonresidential building stock of 50 percent below the 1990 levels by January 1, 2030. The plan and strategy shall include the adoption of policy changes needed and incentive programs that may be authorized by the Public Utilities Commission to transform the market for low-emission space and water heating technologies.

Key Legislative Dates

- March 19 – April 27 – Policy committee hearings
- April 30 – May 25 – Fiscal committee hearings
- June 1 – Last day for each house to pass bills introduced in that house
- June 4 – July 6 – Policy committee hearings
- August 6 – August 17 – Fiscal committee hearings
- August 31 – Last day for each house to pass bills; Final Recess begins upon adjournment
- September 30 – Last day for Governor to sign or veto bills passed before September 1

SoCalGas' Position

- SoCalGas does not support prescriptive measures that eliminate customer choice, create technology mandates, and increase our customers' cost-of-living.
- Additionally, we are opposed to eliminating cost-effectiveness as a method in evaluating and using natural gas ratepayer funds for fuel substitution.
- Rather than establish a new program, the state should continue to work with utilities and builders to design balanced energy systems for new homes that result in zero-net energy usage.
- SoCalGas supports reducing greenhouse gas (GHG) emissions by using renewable natural gas (RNG). Decarbonizing the pipelines with RNG will help California obtain deep GHG reductions while preserving energy choice for residents and businesses alike.