
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Benjamin Allen, Chair
2025 - 2026 Regular**

Bill No:	AB 2313	Hearing Date:	6/30/2026
Author:	Berman		
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SUBJECT: Gas corporations: gas distribution service line replacements:
alternatives

DIGEST: This bill establishes the Home Energy Choice Act, which requires the California Public Utilities Commission (CPUC) to solicit proposals for, and require each gas corporation to offer, a Gas Distribution Service Line Replacement Alternatives Program, on or before January 1, 2028, to provide certain residential gas customers served by a gas distribution service line that will be replaced with a monetary incentive to deploy gas distribution service line replacement alternatives and cease gas service to avoid the gas distribution service line replacement.

ANALYSIS:

Existing law:

- 1) Establishes and vests the CPUC with regulatory authority over public utilities, including gas and electrical corporations. (Article XII of the California Constitution)
- 2) Requires the CPUC to require each gas corporation to provide bundled basic gas service to all core customers in its service territory unless the customer chooses or contracts to have natural gas purchased and supplied by another entity. (Public Utilities Code §328.2)
- 3) Requires every public utility to furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, ...as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public. (Public Utilities Code §451)
- 4) Authorizes a gas corporation to cease providing service in an area within its service territory where a pilot project, pursuant to Public Utilities Code §663, has been implemented and the CPUC determines that adequate substitute energy

service is reasonably available to support the energy end uses of affected gas corporation customers. (Public Utilities Code §459)

- 5) Requires, until January 1, 2031, gas corporations to submit to the CPUC an annual map that includes, among other things, the location of all potential gas distribution line replacement projects identified in its distribution integrity management plan and any foreseeable gas distribution pipeline replacements. (Public Utilities Code §661)
- 6) Requires the CPUC, in consultation with the state's gas corporations, to establish a voluntary program to facilitate the cost-effective decarbonization of priority neighborhood decarbonization zones, not to exceed 30 pilot projects across the state. (Public Utilities Code §663)
- 7) Requires the CPUC, beginning on January 1, 2029, in a new or existing proceeding, to review the efficacy of the pilot projects established pursuant to Public Utilities Code §663 in providing benefits to gas corporation customers and in assisting the state in meeting the state's climate change goals. Requires the CPUC, by March 1, 2030, to submit to the relevant policy committees of the Legislature a report on the review performed. (Public Utilities Code §664)
- 8) Authorizes the CPUC to supervise and regulate every public utility in the State and do all things, whether specifically designated in this part or in addition to, which are necessary and convenient in the exercise of such power and jurisdiction. (Public Utilities Code §701)
- 9) Authorizes the CPUC after hearing to ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or service to be furnished, imposed, observed and followed by all electrical, gas, and water corporations. (Public Utilities Code §770)
- 10) Prohibits gas and electrical corporations from terminating residential service for nonpayment of a delinquent account unless the corporation first gives notice of the delinquency and impending termination, as provided in the statute. (Public Utilities Code §§779, 779.1, 779.2, 780)
- 11) Requires the CPUC to require each gas corporation to provide bundled basic gas service to all core customers in its service territory, unless the customer chooses or contracts to have natural gas purchased and supplied by another entity. (Public Utilities Code §963)

- 12) Requires the CPUC, in order to achieve transparency and accountability for rate revenues and best value for ratepayers, to consider, among other things, providing revenues for all activities identified and required by certain rules and procedures governing the operation, maintenance, repair, and replacement of CPUC-regulated gas pipeline facilities, including any adjustment of allowance for lost and unaccounted for natural gas related to actual leakage volumes. (Public Utilities Code §977)
- 13) Requires the State Energy Resources Conservation and Development Commission (also known as the California Energy Commission) to establish the Equitable Building Decarbonization Program, which includes establishing a statewide incentive program for low-carbon building technologies and the direct install program to fund certain projects, including installation of energy efficient electric appliances, energy efficiency measures, demand flexibility measures, wiring and panel upgrades, building infrastructure upgrades, efficient air conditioning systems, ceiling fans, and other measures to protect against extreme heat, where appropriate, and remediation and safety measures to facilitate the installation of new technologies. (Public Resources Code §25665 *et seq.*)

This bill:

- 1) Establishes the Home Energy Choice Act, which requires the CPUC, in a new or existing proceeding, to solicit proposals for, and require each gas corporation to offer, a Gas Distribution Service Line Replacement Alternatives Program, on or before January 1, 2028, to provide certain residential gas customers served by a gas distribution service line that will be replaced with a monetary incentive to deploy gas distribution service line replacement alternatives, as defined, and cease gas service to avoid the gas distribution service line replacement, as specified.
- 2) Requires the CPUC to exempt from the program the emergency replacement of a gas distribution service line.
- 3) Requires the CPUC to annually review the program to determine whether adjustments should be made to program design to increase program participation.
- 4) Requires the CPUC, on or before January 1, 2029, and annually thereafter, to report to the Legislature on the progress of each implemented program, as provided.
- 5) Repeals its provisions on January 1, 2035.

Background

Natural gas utility service. Natural gas is transported to California customers via a system of interstate and common carrier transmission and distribution pipelines, and underground storage fields. Most natural gas consumed in state is delivered from out-of-state sources. Approximately 77% of California's homes receive natural gas utility service (just over 11 million households of a total of 14.5 million); additionally, about 450,000 commercial customers and another nearly 36,000 industrial customers receive gas service, based on the data (2021) from the Energy Information Administration. Southern California Gas (SoCalGas) and Pacific Gas & Electric (PG&E) provide gas utility service to about 5.9 million and 4.5 million customer service connections, respectively, while San Diego Gas & Electric (SDG&E) provides service to over 800,000 customer service connections and a few additional smaller gas investor-owned utilities (IOUs) provide service, including Southwest Gas and West Coast Gas. Additionally, there are a few publicly owned (POU) gas utilities, including the City of Coalinga, Long Beach Gas & Oil, City of Palo Alto, City of Susanville, and City of Vernon; these utilities are not regulated by the CPUC.

Natural gas consumers. Natural gas utility customers are divided into core customers, which are residential and small commercial, and non-core customers, which are large commercial and industrial customers. The majority of core customers receive fuel, distribution and transmission service from the gas utility; however, some core customers elect to be served by a third-party provider, known as a Core Transport Agent (CTA). The CTA procures gas fuel, and the gas IOU continues to provide distribution, transmission, and billing services. According to the CPUC's website, although very small in number relative to core customers, non-core customers consume about 65% of the natural gas delivered by the state's natural gas utilities, while core customers consume about 35%. A significant amount of gas (about 19% in 2018 per the CPUC) is also directly delivered to some California large volume consumers, without being transported over the regulated utility pipeline system. The state's natural gas utilities operate over 100,000 miles of transmission and distribution pipelines, including what is referred to as the "back-bone," and thousands more miles of service lines.

According to a 2021 CPUC Staff Proposal, most gas used by the residential sector is for space and water heating, with smaller percentages used for cooking, fireplaces, clothes drying, and a few other functions. Dual fuel homes – those using both gas and electricity – are the dominant type of home in California. California is the state with the highest percentage of households using natural gas for cooking (70%), according to a 2020 analysis from the Energy Information Administration. Many of California's homes that lack access to gas service supplement with propane which is often delivered by truck service or purchased in canisters and tanks. Commercial customers

are non-manufacturing businesses, including hotels, government, hospitals, and schools, who commonly also receive natural gas service via the same pipelines serving neighboring residents. Industrial customers, which includes electricity generators, also use many of the same transmission pipelines, though as noted above, some may receive direct deliveries from interstate pipelines.

About methane emissions. Methane is the primary component of natural gas. Methane is a short-lived climate pollutant with an atmospheric lifetime of about 12 years. Like other greenhouse gases (GHGs), methane warms the atmosphere by blocking infrared radiation (heat) that is re-emitted from the earth's surface from reaching space. Methane is a potent GHG, with roughly 28 times the warming power of carbon dioxide over a 100-year period and more than 80 times over a 20-year timespan. Methane also affects local air quality by contributing to the formation of global background levels of ozone. Ozone itself is a regional ground level air pollutant (a.k.a. smog) which negatively impacts human health and can lead to asthma attacks, hospitalizations, and even premature death.

Reducing GHGs from the building sector. The California Air Resources Board 2022 Climate Change Scoping Plan identifies actions to reduce GHG emissions from the building sector, including progressively improving building codes and standards, pursuing voluntary efforts to exceed code requirements, and completing existing building retrofits. The most recent Scoping Plan also noted that “achieving carbon neutrality must include transitioning away from fossil gas in residential and commercial buildings, and will rely primarily on advancing energy efficiency while replacing gas appliances with non-combustion alternatives. This transition must include the goal of trimming back the existing gas infrastructure, so pockets of gas-fueled residential and commercial buildings do not require ongoing maintenance of the entire limb for gas delivery.”

CPUC actions to support State's climate goals. California's agencies are taking steps toward achieving carbon neutrality by 2045 and meeting the state's ambitious 2030 GHG emissions reduction target, including with actions specific to reducing emissions from the building sector. The CPUC, in particular, has taken various actions to support the state's GHG reduction goals, while protecting ratepayers to ensure safe, reliable, and reliable natural gas utility sector, including:

- The CPUC has eliminated financial subsidies available to builders to offset the costs of extending natural gas lines to serve new buildings, known as allowances which are funded by natural gas utility customers. The CPUC's intent is to eliminate these allowances, beginning in July 2023, in order to encourage builders to construct new buildings without gas utility service, essentially all-electric. (*D.22-09-26 Phase III Decision Eliminating Gas Line*

Extension Allowances, Ten-Year Refundable Payment Option, and Fifty Percent Discount Payment Option Under Gas Line Extension Rules).

- In December 2022, the CPUC adopted a decision to comprehensively review natural gas utility infrastructure investments “in order to help the state transition away from natural gas-fueled technologies and avoid stranded assets in the gas system. The decision requires gas investor-owned utilities (IOUs) to seek CPUC approval of projects via an application for a certificate of public convenience and necessity (CPCN) prior to commencing construction on any gas infrastructure project whose cost exceeds \$75 million; or is located near a sensitive receptor (housing, school, health care facility) and the project requires a permit from the local air district in a non-attainment area for federal air quality standards. The decision also requires natural gas corporations to file annual reports detailing planned long-term infrastructure projects exceeding \$50 million. (*D. 22-12-021 Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long-Term Gas System Planning.*)
- In 2023, the CPUC adopted a decision to reduce incentives for natural gas energy efficiency measures in residential and commercial new construction to align more closely with the state’s GHG reduction, climate change mitigation, and decarbonization goals. (*D. 23-04-035 Decision Addressing Codes and Standards Subprograms and Budgets and Staff Proposal on Reducing Ratepayer-Funded Incentives for Gas Energy Efficiency Measures.*)

Local rules to limit or ban gas use. In 2019, the City of Berkeley adopted the nation’s first ban of natural gas hookups in most new residences and commercial buildings. Since then, about 50 other California cities and counties have adopted reach codes (those that surpass state building standards) or ordinances that either limit or ban the installation of gas connections to new buildings. Additionally, the Bay Area Air Quality Management District adopted rules prohibiting installation of natural gas furnaces and water heaters in residential and commercial settings beginning in 2027. In April 2023, a federal court overturned the 2019 City of Berkeley’s ban on natural gas hookups for new residences and commercial buildings. The California Restaurant Association filed suit against the City of Berkeley months after the city adopted the ban. A lower district court upheld the ban in 2021; however, the 9th U.S. Circuit Court of Appeals found the ban to be in direct violation of the Energy Policy and Conservation Act of 1975 (EPCA) (*California Restaurant Association v. City of Berkeley* (United States Court of Appeals, 9th Cir. 2023)). The three-judge panel held that “the Energy Policy and Conservation Act 42 U.S.C. §6297(c), expressly preempts state and local regulations concerning the energy use of many natural gas appliances, including those used in household and restaurant kitchens. Instead of

directly banning those appliances in new buildings, Berkeley took a more circuitous route to the same result.” The court ruled that the EPCA preempts the Berkeley ordinance. A federal appeals court declined to rehear the earlier court decision striking down the City’s ordinance.

SB 1221 (Min, Chapter 602, Statutes of 2022) authorized limited pilot projects within gas utility service territory for neighborhood scale decarbonization. Given the limited, if non-existent, understanding of real-world impacts to Californians of widespread decommissioning of the natural gas utility system, SB 1221 authorized up to 30 targeted pilot projects to provide learnings and greater understanding of the challenges to transition away from the natural gas utility system to electrification at the neighborhood level. The pilot projects would be voluntary to natural gas utilities, require consent from a super-majority of affected customers (66.66%), and require the projects to be more cost-effective for ratepayers as compared to proposed upgrades needed on the natural gas system. SB 1221 also ensured that where a pilot project is implemented, the natural gas corporation can cease providing service with no continued obligation to serve, thereby protecting ratepayers from having to rebuild the system in the future. The CPUC has recently adopted maps for priority neighborhoods as required by SB 1221. The agency has required public workshops and is also actively pursuing efforts towards developing pilot projects with stakeholder participation and sensitivity to the challenges that are likely to arise given the significant changes for customers.

CPUC proceedings related to long-term natural gas system planning. Even prior to SB 1221, the CPUC was actively considering the issues of zonal decarbonization with concurrent decommissioning as part of the proceeding related to long-term natural gas system planning (R. 20-01-007) where many of the issues related to decommissioning natural gas utility service concurrently with transitioning customers to alternative energy sources, and related issues were being discussed. The CPUC has solicited comments from parties on a staff proposal to establish criteria and prioritize geographic tranches of the gas utility system to identify the most cost-effective areas to decommission, including those where the environmental burdens may be highest, while ensuring protections for remaining utility customers. That proceeding has now migrated to a new rulemaking (R. 24-09-012) to continue efforts on long-term natural gas system planning, including implementing SB 1221. Separately, Pacific Gas and Electric (PG&E) had submitted an application (A. 22-08-003) to pilot a zonal electrification project at California State University Monterey Bay. The “first-of-its-kind” pilot would convert 391 of 484 services, including some student housing, to all-electric service instead of pursuing certain pipeline replacement projects planned for the 2022-2025 period. However, PG&E has since decided to no longer pursue this project.

Obligation to serve. The concept of a regulatory compact recognizes a set of mutual rights, obligations, and benefits between utilities and their customers. Utilities are granted exclusive service franchise (service territories), and in exchange accept the responsibility to serve everyone in the territory (obligation to serve everyone willing to pay) and submit to rate-regulation by an economic regulator (a public utilities commission) where the utility has the opportunity to earn a rate of return. A utility's obligation to serve is noted in various statutes and Constitutional provisions, most notably, in Public Utilities Code §451 which requires utilities "to furnish and maintain... adequate, efficient, just, and reasonable service." A number of statutes also provide requirements for how a utility must discontinue service, including provisions related to nonpayment by a customer.

Comments

Need for this bill. According to the author:

If we're going to meet our goal of creating a more affordable and sustainable California, we need to encourage electrification and ease the economic barriers to clean energy. Gas utilities plan to spend millions of ratepayer dollars in coming years to replace aging gas service lines. AB 2313, the Home Energy Choice Act, will give homeowners with a planned service line replacement the option to instead discontinue their gas service and use a portion of those funds to electrify their home. This bill is focused on a subset of pipeline replacement projects, at a point where we can reduce costs for all utility customers, avoid stranded assets, and expand energy choices for Californians. By redirecting funds that utilities would otherwise spend on fossil fuel infrastructure, the Home Energy Choice Act will protect the environment, promote public health, and provide long-term savings for all ratepayers.

Bill proposes to provide customers with the option to decline utility service line upgrades. This bill proposes to establish a Gas Distribution Service Line Replacement Alternatives Program, on or before January 1, 2028, to provide residential natural gas IOU customers served by a distribution service line that will be replaced with a monetary incentive to deploy gas distribution service line replacement alternatives and cease gas service to avoid the gas distribution service line replacement. The effort is modeled after a similar program being implemented in New York, the Home Energy Choice Act which require gas utilities to offer customers facing a service line replacement an incentive to instead replace their gas appliances with electric alternatives. The service line could then be decommissioned rather than replaced. The proponents note that in PG&E's service territory, roughly 15,000 service lines are upgraded each year. Given the long-lived asset life of these upgrades, they contend alternative options can be provided to

customers on a voluntary basis that would decommission the utility service line from the home to the main line. They argue that such an effort is complementary to the SB 1221 Neighborhood Decarbonization efforts, as these projects would be on an individual customer-by-customer basis, as opposed to a neighborhood scale.

Concerns that safety and reliability will be jeopardized. Supporters of this bill tend to desire state policy that prioritizes electrification as the priority pathway to reduce GHG emissions. They are likely frustrated with the pace of implementation at the CPUC and the continued investments in the natural gas utility system, even as the CPUC has instituted several reforms (noted above). Opponents of this bill raise concerns about jeopardizing the existing natural gas utility system, including reliability and safety, as well as costs to customers. Opponents of this bill, including the Utility Workers Union of America Locals 132, 483, and 522, who represent thousands of natural gas utility skilled workers raise concerns that this bill does not reflect how gas infrastructure work is performed in the field, as it is generally planned and sequenced. Therefore, customer service line replacements are not standalone activities, as they are typically performed as part of larger, coordinated infrastructure projects which can be driven by federal safety requirements, including those under the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration. Given the State's experience with natural gas explosions (including the deadly 2010 San Bruno PG&E natural gas pipeline explosion and massive leak from the Aliso Canyon underground storage facility), some caution is warranted. The bill attempts to address safety concerns by exempting emergency service line replacements from the voluntary customer program established by the bill in order to ensure safety upgrades are conducted on these emergency projects. Opponents contend these protections are not sufficient to address safety concerns.

Protecting Ratepayers. This bill would provide customers who elect to decline a natural gas utility service upgrade with the opportunity to receive financial incentives to electrify, including funding for electric appliances based on the avoided cost of the gas distribution service line replacement. The Utility Workers Union of America Locals 132, 483, and 522 raises concerns that removing an individual service line may not provide meaningful cost savings given that these projects are embedded within large projects whose primary costs (such as engineering, permitting, traffic control) remain unchanged. They contend such approaches would saddle other customers with costs to implement the program, particularly as it is likely customers with greater financial resources are more likely to take advantage of electrification opportunities. This bill would require the CPUC to make these determinations, while requiring a mechanism to ensure that customers transitioning to electrical service bear an equitable share of unrecovered gas infrastructure costs attributed to their departure, further requiring that remaining customers are held indifferent to the departure of these customers. The bill would also require natural gas IOUs to provide customers

with information about incentive programs offered other entities, including community choice aggregators and regional energy networks. While well-intended, the author may wish to consider whether such requirements in statute are necessary as these would be costs borne by natural gas IOUs to promote other providers whose programs the natural gas IOU does not administer or control. Given the potential impacts to tenants from landlord decisions, the bill requires the CPUC to develop tenant notification and engagement requirements as part of the design of the program.

Mimicking the SB 1221 program. This bill includes some of same protections included in the SB 1221 program, such as removing the natural gas IOUs' obligation to serve customers who elect to decline a service line upgrade. By removing the obligation to serve all customers to reduce the distribution line assets that would need continued maintenance. However, the SB 1221 program limited pilots by number – 30 – and size – no more than one percent of the natural gas IOUs' customers. However, this bill does not include similar limits. However, the projects are limited to those budgeted in the natural gas IOUs' general rate case (GRC) and the program sunsets January 1, 2035, unless future legislation is adopted.

Need for amendments. In order to remain within the limits of the natural gas IOU's GRC budgets for service line upgrades, *the author and committee may wish to amend this bill to delete the language regarding characteristics identified by the CPUC to identified for replacement from the definition for "eligible gas customer" in proposed Public Utilities Code §785.3 (a)(2). Additionally, the author and committee may wish to clarify that the waiving of the obligation to serve by the customer applies to the property.* As such, the obligation to serve would protect ratepayers from future costs should the property owner sell the property.

Prior/Related Legislation

SB 1359 (Stern, 2025) proposes policies to transition away from the natural gas utility system, including requiring the natural gas corporation's obligation to furnish service to be interpreted consistent with the state's GHG emission reduction mandates and policies promoting building electrification, and requiring the CPUC before approving a capital investments of over \$10 million of natural gas corporation infrastructure to require to make specified findings. The bill has since been amended to require gas corporations to submit annual reports to the CPUC detailing expenditures on gas distribution infrastructure replacement and upgrade projects and imposes new requirements on the CPUC governing cost recovery and depreciation for such projects. The bill is pending in the Assembly Appropriations Committee.

SB 1221 (Min, Chapter 602, Statutes of 2024) authorized 30 pilot projects where cost-effective decarbonization of priority neighborhoods meeting specified criteria

can be implemented, if the CPUC determines adequate substitute energy is available, among other requirements. The bill also required specified mapping of the natural gas utility distribution system and requires the identification of priority decarbonization neighborhood zones, authorizes gas corporations to cease providing service within the 30 pilot projects, among other provisions.

SB 527 (Min, 2023) would have required the CPUC, in consultation with gas corporations, to develop and supervise the administration of the Neighborhood Decarbonization Program to cease providing gas utility service in an area within its service territory if the CPUC determines that adequate substitute energy service is reasonably available to support the energy end use of affected gas customers. The bill was held by the Senate Committee on Appropriations.

SB 1441 (Leno, 2016) would have prohibited, to the extent feasible, the CPUC from allowing gas corporations to seek or receive cost recovery from ratepayers for the value of natural gas lost to the atmosphere from certain natural gas facilities when establishing rates in an individual rulemaking proceeding or in GRCs. The bill failed passage on the Assembly Floor.

SB 1371 (Leno, Chapter 525, Statutes of 2014) required the CPUC to open a proceeding to adopt rules and procedures that minimize natural gas leaks from natural gas corporation's pipeline facilities, with the goal of reducing GHG emissions.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT:

Earthjustice (Co-Sponsor)

Natural Resource Defense Council (Co-Sponsor)

350s: Berkeley Hub, Conejo/San Fernando Valley, Humboldt: Grass Roots Climate Action, Sacramento, San Diego, Santa Barbara, SoCal Climate Action, South Bay Los Angeles, and Southland Legislative Alliance

Acterra: Action for a Healthy Planet

Active San Gabriel Valley

Advanced Energy United

All-Electric California

Alliance of Nurses for Healthy Environments

American Lung Association

Asian Pacific Environmental Network Action

Ban Single Use Plastic

Building Decarbonization Coalition Action Fund

California Community Choice Association

California Environmental Justice Alliance Action
California Environmental Voters
California Green New Deal Coalition
California Nurses for Environmental Health and Justice
California Public Interest Research Group
Carbon Free Palo Alto
Carbon Free Silicon Valley
Center for Biological Diversity Action Fund
Center for Community Action & Environmental Justice
Central California Asthma Collaborative
Chris Duncan Architect
City and County of San Francisco
City of San Luis Obispo
City of Sunnyvale
City/County Association of Governments of San Mateo County
CleanEarth4Kids.org
Climate Action California
Climate Action Campaign
Climate Future California
Climate Health Now Action Fund
Coalition for Clean Air
College Democrats at UC Irvine
Cool the Earth
County of Marin
County of Santa Clara
Courage California
Democrats of Greater Irvine
E2
Efficiency First California
Elders Climate Action
Electrify the Rebuild Resilient Palisades
Fallbrook Climate Action Team
Friends Committee on Legislation of California
Green Change
GRID Alternatives
Harvest Thermal
HED
Irvine Valley College Democrats
Leadership Council for Justice and Accountability
LIFT Economy
Local Government Climate Alliance

Local Government Sustainable Energy Coalition
Marin Electrification Council
Marin Clean Energy
Menlo Spark
National Association of Pediatric Nurse Practitioners: Orange County & San
Francisco Bay Area Chapter
Peninsula Clean Energy
Physicians for Social Responsibility Chapter: Sacramento & San Francisco Bay Area
QuitCarbon
Reclaim Our Power!
Redwood Energy
Regional Asthma Management and Prevention
Resource Renewal Institute
Rewiring America
Rising Sun Center for Opportunity
San Diego Building Electrification Coalition
San Diego Community Power
San Francisco Climate Emergency Coalition
Sierra Club California
Silicon Valley Clean Energy
Solano County Democratic Center Committee
Sonoma Clean Power
Sonoma County Transportation and Climate Authorities
South Bay Progressive Alliance
Southern California Edison
SPUR
StopWaste
Sunrise Movement Orange County
Sustainable Mill Valley
The Climate Center
The Climate Reality Project Chapters: Los Angeles, San Fernando, and San Francisco
Bay Area
Union of Concerned Scientists
Unitarian Universalist Church of Palo Alto
Urban Environmentalists
USGBC California
Vote Solar
Women for American Values and Ethics
Two Individual

OPPOSITION:

Coalition of California Utility Employees
Engineers and Scientists of California, Local 20 IFPTE
San Diego Gas and Electric Company
Southern California Gas Company
Southwest Gas
Utility Workers Union of America Locals 132, 483, and 522

ARGUMENTS IN SUPPORT: A coalition of organizations, including the Building Decarbonization Coalition Action Fund, Earthjustice, and NRDC, state:

By redirecting funds that gas utilities would otherwise spend on replacing gas service lines, the Home Energy Choice Act will reduce barriers to electrification, further California's public health, air quality and climate objectives, and reduce risk for all gas customers. Gas service lines are the pipelines that connect a gas main pipeline running down a street to individual buildings. Pacific Gas & Electric (PG&E) replaces approximately 15,000 gas service lines each year, the vast majority of which connect to a single home. Utilities profit off of gas service line replacements, the costs of which are paid for by all gas customers in their gas bills over 55 to 60 years. This means that a gas service line replaced today would not be paid off until after 2080, decades after California's 2045 carbon neutrality target, creating significant risks the pipeline will no longer be needed before it is fully paid off. Participation is entirely voluntary. Eligible gas customers would simply have the option to take advantage of monetary incentives to help them upgrade their home with modern electric appliances like heat pumps and realize the health and safety benefits of improved indoor air quality and access to cooling. All gas customers would benefit by avoiding the significant stranded asset risks of continued long-term capital investments in the gas system.

ARGUMENTS IN OPPOSITION: San Diego Gas & Electric and Southern California Gas Company state:

The bill takes considerations for granted. AB 2313 proposes redirecting pipeline safety funding toward home electrification subsidies, even though gas service line replacements are typically larger, federally mandated (49 CFR Part 192) projects that rely on risk-based planning, coordinated construction, and regulatory certainty to address safety risks efficiently. By adding new approval layers and procedural requirements, the bill risks disrupting these safety-driven workflows, introducing delays and fragmenting projects designed to mitigate known risks. ...AB 2313 attempts to address cost-shifting through a vaguely defined "mechanism," but does not clearly explain how it would work or ensure that remaining customers are

held harmless. ...AB 2313 establishes a program framework before California has the data needed to design it responsibly. ...California should not establish a programmatic framework for customer gas service disconnection and electrification incentives before the State has the benefit of data from existing pilot efforts, before equity, and affordability issues are resolved, and before statutory safeguards clearly ensure that nonparticipating customers are protected.

-- END --