



April 22, 2021

The Honorable Ben Hueso
 Chair, Senate Committee on Energy, Utilities and Communications
 State Capitol, Room 4035
 Sacramento, CA 95814

Re: SB 31 (Cortese): Building decarbonization – OPPOSE

Dear Senator Hueso:

On behalf of the above business organizations in the Inland Empire, we write to express our opposition to SB 31, which would amend the principal goal of electric and natural gas utilities’ resource planning and investment to include the decarbonization of existing and new buildings.

While SB 31 is presented as an increase in funding for building decarbonization efforts, this bill actually limits the state’s ability to reduce emissions from buildings by excluding renewable gas (RG) and singularly directing funding to electrification programs. SB 31 will give state regulators free reign to fund electrification only efforts without fully evaluating the benefits of RG to achieve the climate policy imperative of net zero emissions and diminishing the prospects for achieving the climate policy imperatives.

Numerous decarbonization pathways models recognize the need for a capable and robust gas grid to achieve decarbonization goals, including for reducing building emissions. Rather than focusing on a singular pathway that cannot succeed, the state should include the necessary implements in its

approach to decarbonization, including a capable gas grid. RG, including green hydrogen and biomethane, can play a vital role in accelerating the state’s decarbonization efforts because RG is a drop-in replacement for traditional natural gas, and it can be used to decarbonize many sectors of the economy, including shipping, aviation, heavy-duty long-haul transportation, iron and steel production, and manufacturing processes that require high-temperature industrial heat such as aluminum, glass and cement.

In the recent past, regulators and decarbonization advocates have called for a ban on gas appliances. Bearing in mind that the vast majority of Californians currently use natural gas as their preferred affordable energy source for space and water heating, as well as cooking, electrifying end uses could increase annual utility bills almost \$900 more than in mixed-fuel homes. Most families cannot afford to shoulder this undue and onerous financial burden, particularly those experiencing hardships from the COVID-19 pandemic.

As our state is currently facing historic levels of homelessness and poverty, policies that would drastically increase the cost of building compliance and monthly utility bills, which negatively impact housing affordability, are misguided and regressive. The Legislature should oppose undefined, unchecked and unproven policies to identify, fund, and implement GHG reduction efforts that compromise affordability and eliminate customer choice, while stifling innovation and slowing decarbonization efforts. Lastly, the state should leverage the existing gaseous fuel delivery system, which possesses built-in resiliency (i.e., during natural disasters and wildfires), while maintaining customer choice.

For these reasons and others, we urge you to oppose SB 31. If you have any questions or would like to discuss our position in greater detail, please contact Luis Portillo at 909-944-2201 or by email at lportillo@ieep.com. Thank you.

Sincerely,

Bette Rader Beaumont Chamber of Commerce	Ellen Clarke Big Bear Chamber of Commerce	Zeb Welborn Chino Valley Chamber of Commerce
Bobby Spiegel Corona Chamber of Commerce	Andrea De Leon Fontana Chamber of Commerce	Joshua Bonner Greater Coachella Valley Chamber of Commerce

<p>Mark Creffield Greater High Desert Chamber of Commerce</p>	<p>Peggi Hazlett Greater Ontario Business Council</p>	<p>Cyndi Lemke Hemet San Jacinto Chamber of Commerce</p>
<p>Chris Nielsen Highland Chamber of Commerce</p>	<p>Paul Granillo Inland Empire Economic Partnership</p>	<p>Maneesha Jones Menifee Valley Chamber of Commerce</p>
<p>Oscar Valdepeña Moreno Valley Chamber of Commerce</p>	<p>Patrick Ellis Murrieta/Wildomar Chamber of Commerce</p>	<p>Ignacio Valdivia Perris Valley Chamber of Commerce</p>
<p>Monique Manzanares Pomona Chamber of Commerce</p>	<p>Robert Hufnagel Rancho Cucamonga Chamber of Commerce</p>	<p>John Mills Redlands Chamber of Commerce</p>
<p>Emily Falappino Temecula Valley Chamber of Commerce</p>	<p>Peggy Robertson Upland Chamber of Commerce</p>	

Cc: Assembly Member Dave Cortese