

Special interests are pushing to decarbonize California's gas system with an "electrification only" policy despite legislative guidance to consider other approaches.

That policy would harm underserved and low-income communities, eliminate good union jobs, increase already high energy rates, and destabilize California's electricity grid without achieving meaningful carbon reduction.

California needs a balanced approach to decarbonization that includes current green energy sources and new ones like renewable natural gas, hydrogen, and carbon capture.

And policymakers should know the true costs of decarbonization policies to workers, underserved communities, and ratepayers before moving California forward.

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PAID FOR BY CALIFORNIA STATE PIPE TRADES COUNCIL

# THE WRONG DECARBONIZATION POLICY WILL SQUEEZE VULNERABLE CALIFORNIANS



**Join Us.**

**Protect the Underserved, Union Jobs, and Ratepayers.**

# THE SPECIAL INTERESTS' "ELECTRIFICATION ONLY" PLAN HARMS VULNERABLE CALIFORNIANS

## BURDENS THE POOR

Special interests are pushing to decarbonize California's gas system with an "electrification only" policy despite legislative guidance to consider other approaches. That policy would harm many Californians without addressing reliability and electric grid issues.

- ▶ These detrimental outcomes include burdening all ratepayers, but especially low income ratepayers with higher electricity bills which are already estimated to increase substantially over the next decade.
- ▶ "Electrification only" requires underserved communities to switch their appliances, costing thousands of dollars, and absorb higher electric bills as they re-direct their power usage away from gas. In a 2018 report, the CPUC found that lower income households use natural gas to meet their energy needs at a far higher rate than more affluent households.
- ▶ Wealthy and green conscious early adopters who can afford to make the switch to electric only would saddle poor and working class Californians with legacy system costs as the pool of ratepayers who cover these costs shrinks.
- ▶ California's electricity rates are already two to three times higher than what it costs to provide power according to a recent Haas School of Business report. Replacing gas with electricity will only exacerbate the overall energy costs for consumers, acting as a de facto regressive tax that hits poor and middle class families hardest.

**The bottom line: The wrong "Electrification only" policy will come at great expense to those who can least afford it.**

**\$1700**

Avg. electricity cost per CA household  
\$ expected to increase 30-50% by 2030

## CARELESSLY ELIMINATES GOOD-PAYING UNION JOBS

The California State Pipe Trades Council opposes special interest attempts to impose all-electric construction requirements before a statewide plan for a fair, safe, and equitable transition to building decarbonization can be completed. Publicized as a first step effort, special interest proposals will effectively impose an all-electric requirement for most new construction by making construction significantly more expensive.

Decarbonization requires an integrated statewide approach that protects safety, rates, infrastructure, grid-reliability, equity, and workers. Recent reports<sup>1</sup> detail uncoordinated transition away from natural gas will lead to immediate, significant job losses for our blue-collar workers.

Before proceeding policy makers must ensure job losses will be minimized, need to ensure that there are no other alternative paths for reducing greenhouse gas emissions before job losses occur, and provide a true, just transition to those whose livelihoods are directly impacted.

That transition must include plans for addressing:

- ▶ A clear path and reasonable timeline
- ▶ Use of Skilled and Trained workforce to include already in-place worker protections.
- ▶ "Just Equity"
- ▶ Retention and Sustainability

**The bottom line: Prematurely adopting an "electrification only" policy will irreparably harm union workers.**

1. Gridworks Report Phase I report

**55,000**

# of CA Union Jobs in Oil & Gas

# “ELECTRIFICATION ONLY” WOULD BE A TEXAS-SIZED MISTAKE

California’s grid has become less reliable. Public safety power shutoff (PSPS) events have become the norm over the fire season and increasing temperatures from climate change strain energy delivery. These events are leaving millions of Californians without electricity for extended periods of time.

Pushing the full electrification of homes would make residents more reliant on the undependable grid, leaving them without heat, hot water or the ability to cook during PSPS events or in the case of a full grid failure. This is what happened in the Texas event in February, which killed over eighty people and left millions simultaneously without power and water<sup>1</sup>.

**The bottom line: Further straining the grid before reliability is addressed is dangerous policy.**

**4,400,000**

Texas households without power for 3 days<sup>2</sup>

1. The Texas Freeze: Why the Power Grid Failed Wall Street Journal 2/17/21

2. NBC News, Feb 16, 2021



## “ELECTRIFICATION ONLY” ISN’T REALLY DECARBONIZATION IT’S A SHELL GAME WITHOUT CARBON SAVINGS

**The Electricity Will Come from System Power, Which is more than 50% Fossil (Natural Gas & Coal)**

With the grid inherently dependent upon natural gas as its primary source for many years still to come, an “electrification only” mandate would replace gas delivered to homes and businesses with electricity from gas-fired power plants, nullifying carbon neutrality goals. A basic example: An electric range mandated for replacement will be powered by higher priced, system power that is predominantly fossil fuel system power gas.

Pushing for electrification now reeks of hypocrisy given the early March order by the CPUC for utilities to secure new, supplemental natural gas contracts to stave off rolling blackouts for summer/fall 2021, which is even more ironic given there is insufficient natural gas to meet this order.

**The bottom line: Timing matters and California’s grid isn’t ready for electrification only.**



**BETTER CHOICE:**

# BALANCED APPROACH

**Carbon Neutrality Goals Require Broad Policies**

Achieving carbon neutrality is a massive undertaking. "Electrification only" in California is not only pre-mature, it achieves only a fraction of the target reductions to reach carbon neutrality. California's approach must be comprehensive, nimble and achievable.

Achieving carbon neutrality by the 2045 goal will depend on adopting:

**Heavy Duty Transportation Technologies** – Planes, trains, trucks & other transport vehicles emit 19% of global black carbon. The cleaner technologies emerging here, including natural gas and hydrogen, will have a tremendous impact on California and global decarbonization.

**Geothermal & Long Duration Pump Storage** – Investing in and developing large scale GHG-free baseload power like geothermal and long duration pump storage is a powerful approach to green energy and carbon reduction. Costs to produce these sources have dropped as technology advances, and will continue to fall as investment is increased.

# .001%

Amount CA buildings contribute to global GHG

**Renewable Natural Gas (RNG)** – Derived from animal and landfill waste, RNG harnesses methane, which is a naturally occurring, but potent and dangerous greenhouse gas (GHG). RNG projects capture this methane from existing food waste, animal manure, wastewater sludge and garbage, and redirect it away from the environment, repurposing it as a clean, green energy source.

**Hydrogen** – Hydrogen is light, storable, energy-dense, and produces no direct emissions. Its use in sectors with currently limited alternative energy options, most significantly the transportation, buildings, and power generation sectors, would be a massive gain in the battle against climate change.

**Carbon Capture & Sequestration (CCS)** – CCS is the process of capturing carbon dioxide (CO<sup>2</sup>) formed during power generation and industrial processes and storing it so that it is not emitted into the atmosphere. CCS technologies have significant potential to reduce CO<sup>2</sup> emissions in energy systems.

**BETTER CHOICE:**

# RENEWABLE NATURAL GAS

**GHG Reduction, Landfill Waste Diversion, High-Paying Union Jobs**

Renewable natural gas (RNG) is the next frontier in green energy, much the way wind and solar were a decade ago. RNG takes some of society's most destructive greenhouse gas sources and turns them into a tremendous net positive in the fight against climate change.

**RNG will bring many quality union jobs** – A recent study by Capitol Matrix Consulting shows that jobs from sources like RNG pay 30%-45% more than other so-called "green jobs." The experts believe RNG will produce tens of thousands of union jobs in the next two decades.

**Animal waste into RNG** – Cattle are the No. 1 agricultural source of greenhouse gases worldwide. Each year, a single cow produces about 220 pounds of methane. Methane from cattle is shorter lived than carbon dioxide but *28 times more potent*. RNG from manure removes a noxious source to produce electricity, heat homes, or fuel vehicles.

**State waste reduction goals boost RNG development** – SB 1383 (2016) set comprehensive requirements for organics diversion and established methane emissions reduction targets. RNG production from landfill sources is a key to the success of SB 1383's goals of diverting waste and lowering GHG emissions from landfills

**RNG production removes sources of pollution** – In addition to stopping methane emissions from animal waste and landfills, RNG prevents manure runoff into rivers and water supplies. It also provides an alternative disposal option for sewage sludge and municipal solid wastes.

**RNG costs are declining** – RNG has been more expensive to produce than other sources. But like solar a decade ago, public policy like SB 1383 and legislative decarbonization policies promise to reset the marketplace, speeding up RNG as the next frontier in green energy.

# 220

Annual pounds of methane each cow produces