



RURAL COUNTY REPRESENTATIVES  
OF CALIFORNIA

May 16, 2024

The Honorable Dave Min  
Member, California State Senate  
1021 O Street, Room 6710  
Sacramento, CA 95814

**RE: Senate Bill 1221 – OPPOSE  
As Amended April 25, 2024**

Dear Senator Min:

On behalf of the Rural County Representatives of California (RCRC), we regretfully oppose your Senate Bill 1221, creating a Neighborhood Decarbonization Program. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each member county.

Senate Bill 1221 creates a new Neighborhood Decarbonization Program that allows gas corporations to terminate the provision of gas service to select areas within their service territories. While we share your interest in reducing overall energy costs for our residents, we have several serious concerns with how this program is structured and will be implemented.

First and foremost, we object to the complete lack of input from local governments in the process of selecting areas or neighborhoods in which gas companies may seek to discontinue service. As currently drafted, the selection process is solely at the discretion of the individual gas corporation and public utilities commission. We strongly urge that the Neighborhood Decarbonization Program only apply to areas concurred in by the applicable local government.

Second, we are concerned that SB 1221 will shift costs from gas utilities onto the backs of customers, including those who are least able to bear cost increases. Abandoning gas lines under SB 1221 will not allow consumers to gradually replace their existing appliances at the end of their useful lives – it will require *immediate* replacement of all gas-powered appliances. Furthermore, electrification of buildings does not merely involve swapping gas for electric appliances, but also necessitates very expensive panel and electrical upgrades that can cost several thousand dollars for each home. All of these

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costs must be factored into the overarching cost-effectiveness determinations before allowing a gas company to abandon service. Those costs must not be externalized to residents, but should be fully borne by the gas company that is seeking to discontinue service. It is not sufficient that SB 1221 requires the commission to ensure that rates for substitution of service for low-income customers are just, adequate, and reasonable - this program must ensure it will result in lower overall costs for all customers, including costs of equipment replacement and panel upgrades.

Where different utilities provide gas and electrical service, the gas corporation and public utilities commission must work closely with the electricity provider to ensure that it can adequately serve the increased load that will result from abandoning the gas line in a timely manner. Even where gas and electricity are provided by the same entity, increasing energy demand could further strain infrastructure and hamper the ability to quickly serve new loads such as infrastructure, businesses, and vehicle charging stations. We already have experience with too many communities being told it will take far too long to provide service to new (or increase service load to existing) customers. SB 1221 cannot exacerbate those problems.

For these reasons, we must regretfully oppose your SB 1221. If you should have any questions, please do not hesitate to contact me at [jkennedy@rcrcnet.org](mailto:jkennedy@rcrcnet.org).

Sincerely,



JOHN KENNEDY  
Senior Policy Advocate

cc: Nidia Bautista, Consultant, Senate Energy, Utilities, and Communications  
Committee  
Kerry Yoshida, Consultant, Senate Republican Caucus