



Neighborhood Gas Infrastructure Removal: Local Government Leadership Under SB 1221

CCEC Forum 2026

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Speakers:

- Amaury Berteaud, Association of Monterey Bay Area Governments, Director of Sustainability Programs
- Jane Elias, Association of Bay Area Governments, Director of Energy Programs
- Eric Fournier, California Center for Sustainable Communities, UCLA, Associate Researcher
- Maria Kelly, CPUC, Government Affairs Liaison

Moderator:

- Steven Moss, M. Cubed, Partner



LOCAL GOVERNMENT
SUSTAINABLE
ENERGY COALITION

ABOUT LGSEC

contact@lgsec.org

www.lgsec.org



Mission

LGSEC advances local government leadership on clean energy and climate resilience through regulatory action, policies, and programs.



Vision

Local governments are a leading and innovative force in achieving energy and climate goals to create resilient and environmentally responsible communities across California.

Shape the
Regulatory Agenda



Connect Local
Energy Leaders



Catalyze
Innovation



Develop Long
Term Strategies



Neighborhood Gas Infrastructure Removal: Navigating a Clean Energy Transition

SB 1221 Zonal Decarbonization

How do local governments manage neighborhood-scale fossil gas removal in relationship with the California Public Utilities Commission (CPUC) and investor-owned utilities (IOUs)?

Understanding the opportunities, constraints, and local government role in neighborhood-scale decarbonization.



Steven Moss, Session Moderator



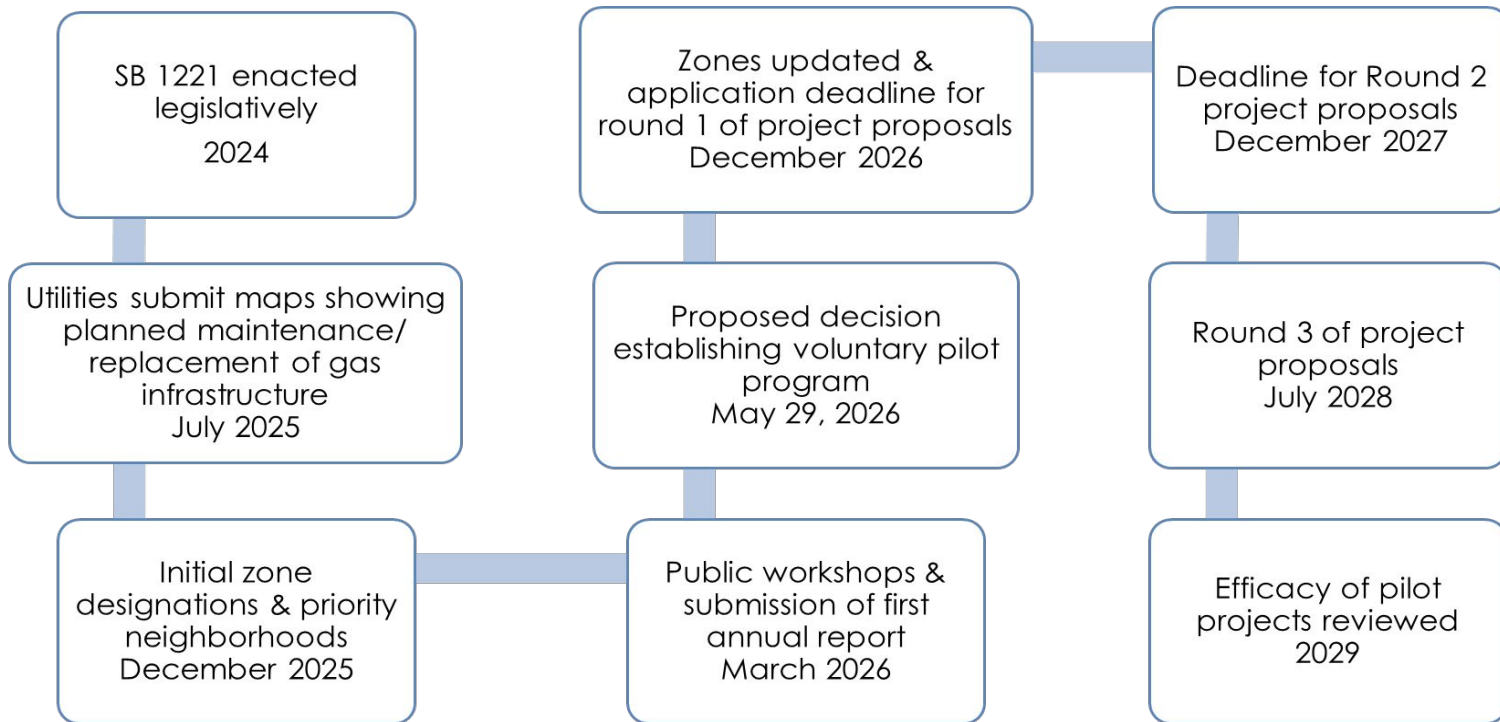
Neighborhood Gas Infrastructure Removal: Urgency of Zonal Decarbonization

Urgency of Zonal Decarbonization

- Natural gas utility companies in California collectively pour more than \$10 billion annually into infrastructure capital expenditures.
- Under the California Climate Crisis Act (AB 1279), the state is supposed to achieve net-zero greenhouse gas emissions by 2045. Burning gas in homes and buildings is incompatible with this goal.
- Investment risks being stranded as a result of current policy; shrinking ratepayer base would drive up bills.
- Planning efforts are shifting from reactive repairs to proactive decommissioning.
- Local governments are frontline executors of a gas phase-out policy, tasked with shifting land-use rules, permit processes, and community planning to match state electrification goals and support IOU efforts.
- Additional risks associated with a change in political winds.

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SB 1221 Timeline: 2024–2029





Neighborhood Gas Infrastructure Removal: Local Government Leadership Under SB 1221

Proposed Decision

Application Process & Content

- Establishes the voluntary process for gas corporations to submit applications for SB 1221 neighborhood decarbonization pilot projects
- Allocates the 30 potential projects among PG&E, SoCalGas/SDG&E, Southwest Gas, and smaller gas utilities
- Sets three application deadlines
- Pilot projects must enable decommissioning of gas infrastructure and generate sufficient cost savings to pay for pilot or combination of other funding identified
- Demonstrated compliance with requirements established in SB 1221



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Proposed Decision

Cost Recovery & Consent

- Mechanism and guidelines provided that allow utilities cost recovery
- Creates a two-step process for obtaining the consent of property owners
- Preliminary, non-binding consent prior to application submittal
- Binding agreement after CPUC approves the proposed pilot

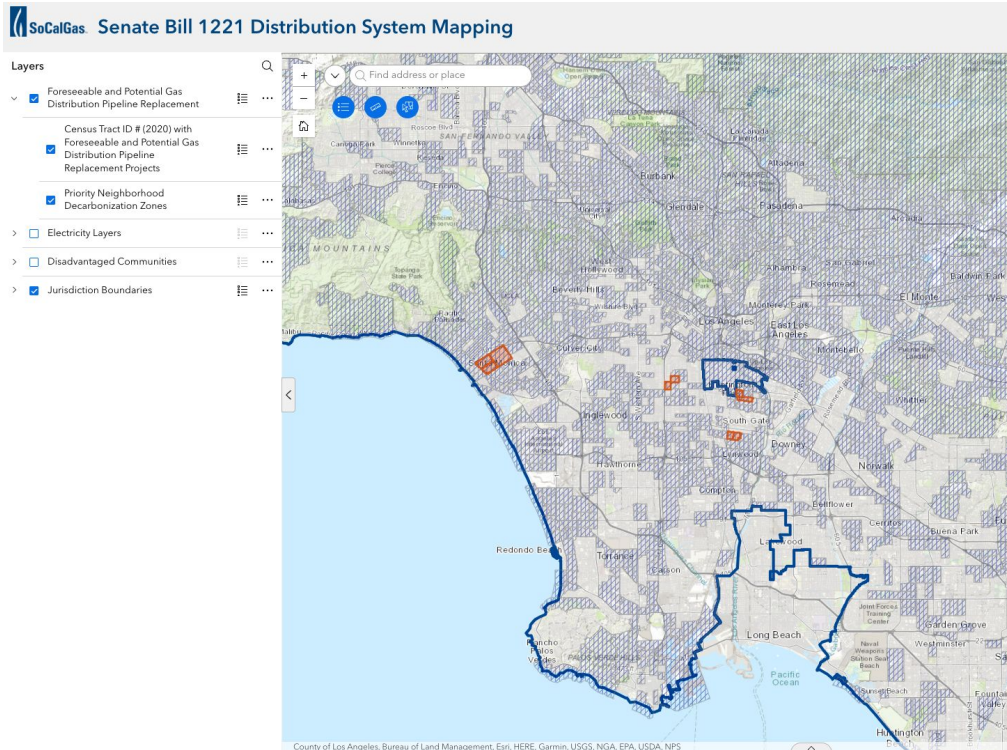


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Policy Goals

- Finding cost savings compared to gas line replacement
- GHG reductions and California's climate goals
- SB 1221 allows for iterative learning
- Long-Term Gas Planning (R. 24-09-012) – scalable lessons learned for statewide decarbonization
- Decision Establishing Building Decarbonization Pilot Programs (R.19-01-011)– TECH and BUILD
- Building decarbonization efforts are shared across multiple agencies, California Energy Commission and California Air Resources Board – including funding and policy development.

SB-1221 Maps & Data



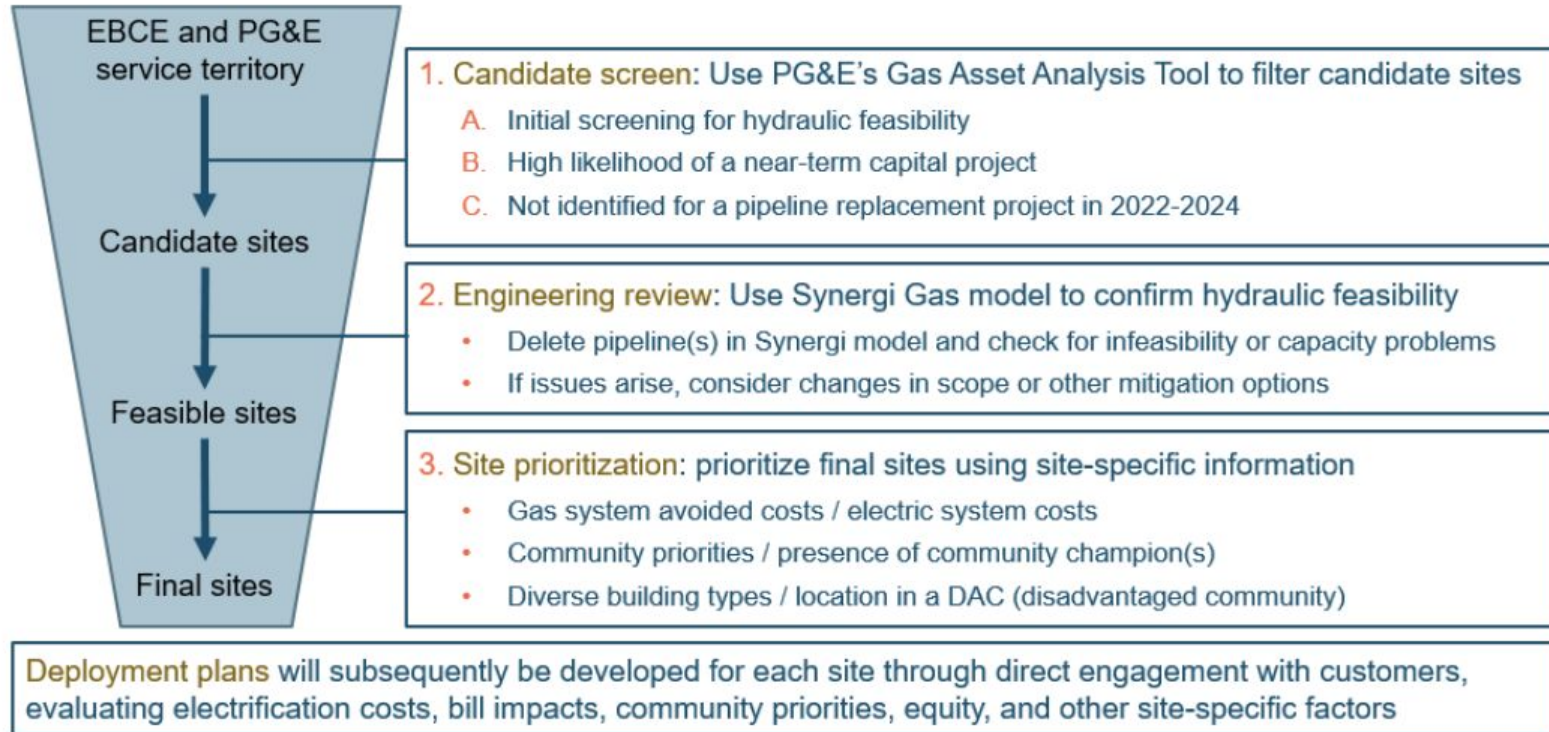
- Only census tract aggregated data for planned future replacement projects is publicly available
- These data include minimal detail about project timing (most planned projects dated as TBD)
- No new information about customer usage has been provided.
- Identifies Priority Neighborhood Decarbonization Zones (PNDZs)
- Note: The recent Proposed Decision allows projects not sited in these PNDZs to be eligible for selection

SB-1221 Maps & Data

	A	B	C	D	E	F	G	H	I	J
1	Row ID	Program Category	Row Name	Definition	182ND STREET	ALHAMBRA	ALISO VIEJO	ANAHEIM	AZUSA	B/
2	B1	Service-only replacement programs	Cost per service replaced, for services only	Average cost of replacing gas distribution services only. Calculated by dividing B5 by B3.						
3	B2	Service-only replacement programs	Cost per service mile replaced, for services only	Average cost of service-only replacement activities, per mile of main. Calculated by dividing B5 by B4.	\$12,265.81	\$12,143.68	\$10,570.77	\$15,689.39	\$14,093.54	
4	B3	Service-only replacement programs	Services replaced per year, when services only	Average number of services replaced by service-only replacement programs.	\$1,115,627.77	\$1,106,510.96	\$1,489,400.38	\$1,830,150.89	\$1,251,671.50	
5	B4	Service-only replacement programs	Service miles replaced, when services only	Total miles of service replaced by service-only replacement programs.	161	160	115	76	101	
6	B5	Service-only replacement programs	Total costs, for service-only programs	Total costs of service-only replacement programs. Calculated by summing costs for service-only replacement program work orders using cost definitions for the four cost groups "Internal Labor and Related Costs," "External Labor and Related Costs," "Materials," and "Other Misc Costs."	1.77	1.75	0.82	0.65	1.13	
7	B6	Service-only replacement programs	Project planning period, for services only	Average days between the date that the service(s) was identified for replacement and the date that replacement activities broke ground.	\$1,977,862.24	\$1,836,916.52	\$1,215,638.43	\$1,188,471.57	\$1,419,924.12	
8	B7	Service-only replacement programs	Project time to completion, for services only	Average days between the date that the project was identified for replacement and the date that the replaced service(s) was placed in operation.	122.05	127.67	206.69	162.23	79.92	
9	[skip row]				187.36	192.95	209.11	187.46	164.54	
10	B8	Main and service replacement programs	Cost per service, for main programs	Average cost of gas distribution main and service replacement activities, per service. Calculated by dividing B15 by B12.						
11	B9	Main and service replacement programs	Cost per main mile replaced	Average cost of gas distribution main and service replacement activities, per mile of main. Calculated by dividing B15 by B13.	\$40,813.12	\$30,468.95	\$23,292.83	\$27,219.78	\$28,239.73	
12	B10	Main and service replacement programs	Services per project, for main programs	Average number of services in a single work order. Calculated by dividing B12 by B11.	\$3,024,237.74	\$3,504,090.14	\$2,238,016.16	\$2,875,875.06	\$3,089,157.51	
13	B11	Main and service replacement programs	Main program projects per year	Average work orders per year, totaled across the utility's main and service replacement programs.	15.44	22.86	25.58	21.55	21.74	
14	B12	Main and service replacement programs	Services addressed by main programs	Total services connected to mains replaced by main and service replacement programs, whether or not the service was replaced by the project.	4.5	7	16.5	5	13.5	
15	B13	Main and service replacement programs	Main miles replaced	Total miles of main replaced by main and service replacement program work orders.	69.5	160	422	107.75	293.5	
16	B14	Main and service replacement programs	Service miles replaced, for main programs	Total miles of service replaced by main and service replacement program work orders.	0.94	1.39	4.39	1.02	2.68	
17	B15	Main and service replacement programs	Total costs, for main programs	Total costs of main and service replacement program work orders. Calculated by summing B17, B18, B19 and B20.	0.60	1.73	3.66	0.83	2.05	
18		Main and service			\$2,836,511.62	\$4,875,032.23	\$9,829,574.67	\$2,932,929.59	\$8,288,361.73	

- Cost data only reported in aggregate, either at the utility wide scale or by operating district
- Geographic boundaries for operating and pressure districts not readily available
- Quoted main and service replacement costs are high
- Example: SoCalGas utility wide average costs for main and service replacement programs reported as \$2,505,980.50 per mile of main

Best Practices & Lessons from Previous Work



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Significant Barriers to Proposal Development

- There is currently no public access to detailed IOU gas distribution infrastructure asset level data. These data are essential for practically evaluating the feasibility and cost-effectiveness of proposed sites.
 - Available planning support tools differ between utilities.
 - Any third-party access to these data/tools requires NDAs.
- A gas decommissioning site screening tool was developed for the CEC as a part of a grant funded research project (DNV + CCSC at UCLA collaboration). However, this tool is also not publicly available.
- Increasing data access to support more transparent public planning processes will likely require rule changes on behalf of the CPUC.



Neighborhood Gas Infrastructure Removal: Local Government Leadership Under SB 1221

Regional Implementation Background

- AMBAG is a regional agency that serves as the Metropolitan Planning Organization (MPO) for 18 cities and 3 counties. We are a partner in the Central California Rural Regional Energy Network (CCR REN)
- The Sustainability Program works at the intersection of transportation electrification, energy efficiency, and building decarbonization
- We have three things going for us: Jurisdictions and CBO partners trust us as an expert on sustainability topics, CCR REN is a party in the LTGP proceeding, and we happened to be working on both a Monterey Bay Electric Vehicle Climate Adaptation and Resiliency (EV CAR) Framework and a residential energy modeling tool



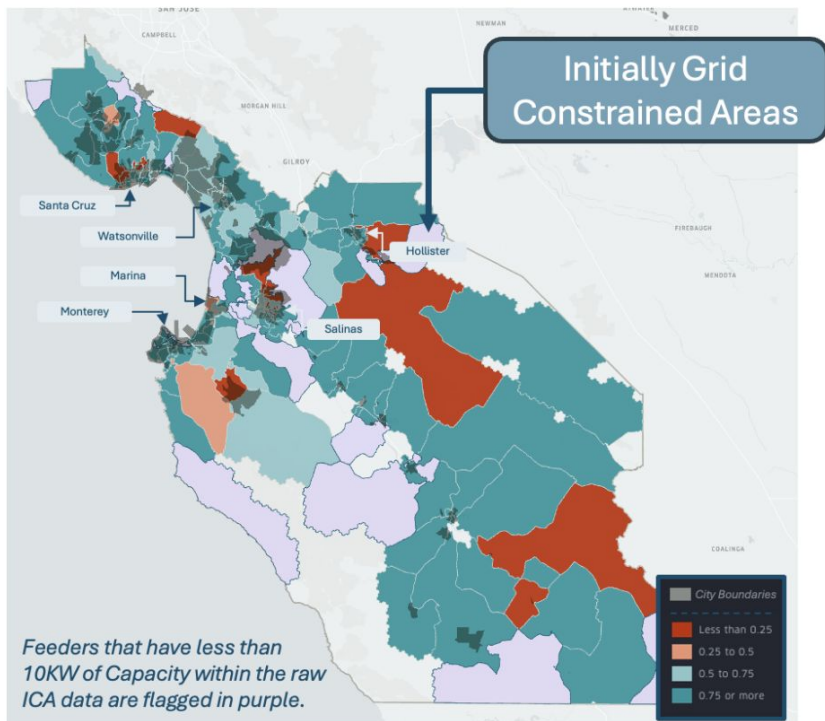
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Regional Implementation: Data Maxxing!

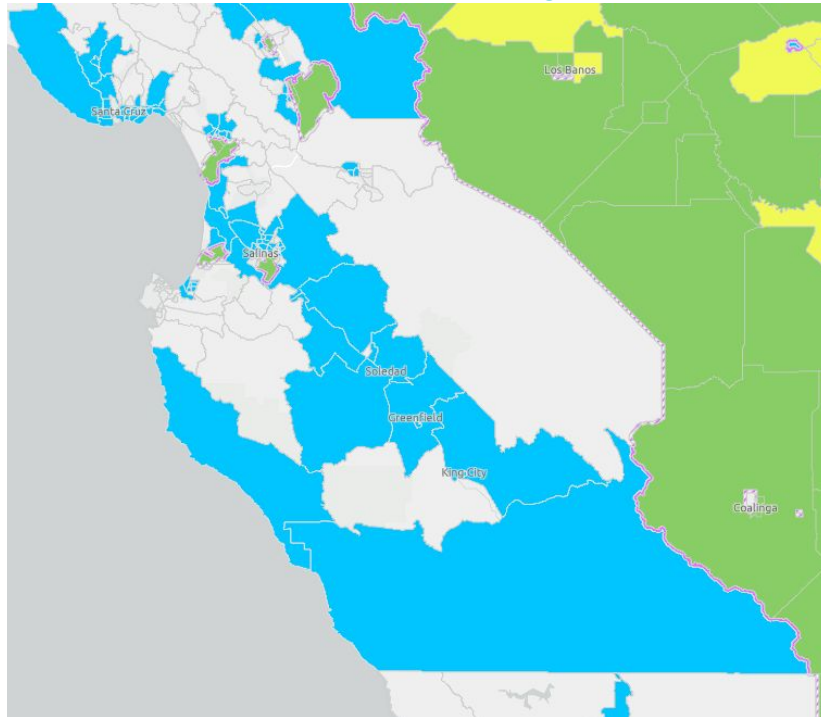
- Signed an NDA with PG&E to get access to granular data on pipeline replacements.
- Census tracts have very limited use cases in identifying potential projects. Instead projects are concentrated, or spread out, in 100ft to 1000ft segments, and analysis is needed to understand where opportunities exist
- We can't share any of this data with partners. But we can recommend sub-areas that might be of interest based on the tools we have independently created, based on publicly available data

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EV CAR Framework Feeder analysis



Underserved and Disadvantaged communities



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Xerohome Tool



ASSOCIATION OF
MONTEREY BAY AREA
GOVERNMENTS

SELECTION CRITERIA:

Show Homes ...

Built before

With HVAC System older than

With Water Heater older than

XeroHome™ Modeling Output

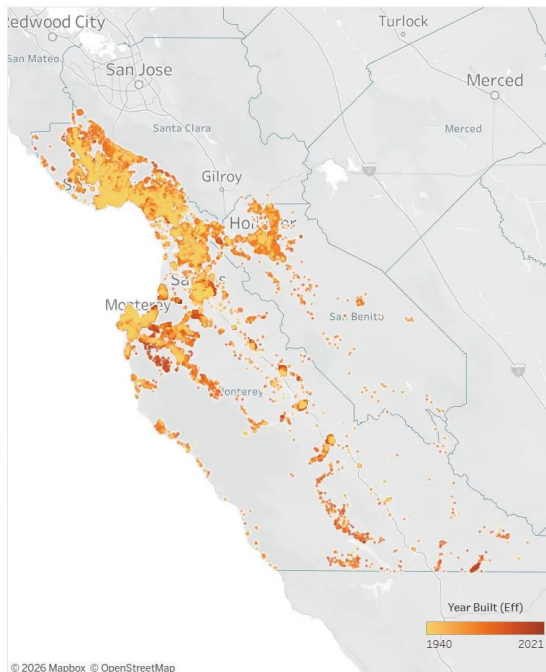
Select Measure

Select Payback Range

Measure Details: HP HVAC + HPWH



XeroHome™ Insights Dashboard
Version 2026.Q2.V02



RESULTS:

Selected Measure
EEM 1+2

No. of Homes
166,805

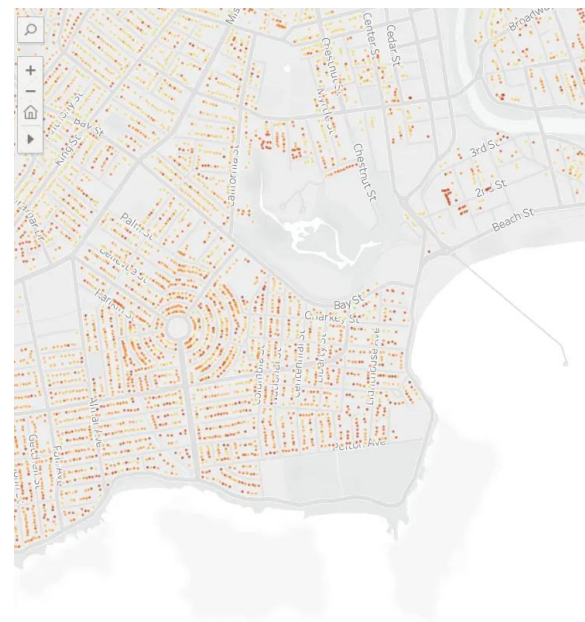
Selected Payback Range
5 yrs - 100 yrs

Average Home Savings
Utility Bill: **\$610 / yr.**
Elec: **-2,418 kWh/yr.**
Gas: **601 therms/yr.**

Average Cost
\$18,100

Export Data

_Full Address...	_EEMName...	Year Bu...	Area Bu...
Null	EEM 1+2	*	*
1 1/2 CASA ..	EEM 1+2	1991	3,687
1 1ST AVE, ..	EEM 1+2	1956	1,699
1 2ND ST, S...	EEM 1+2	1890	1,700
1 3RD AVE, ..	EEM 1+2	1985	1,057
1 6TH ST, G...	EEM 1+2	1949	2,496
1 10TH ST, ..	EEM 1+2	1963	2,426
1 ABERFOR...	EEM 1+2	1991	2,602
1 ABINANT...	EEM 1+2	1976	2,015





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Regional Implementation Opportunities and Barriers

- I know which feeder are at capacity and need to be avoided for this pilot
- I can model for my jurisdictions and CBOs the cost of any potential project involving single family homes, and provide a list of addresses
- PG&E is not required to talk to me, and they are swamped by meeting requests
- There is no guidelines on funding capacity building and outreach, or where it should be targeted.
- Even with my support on data, and even knowing which neighborhoods to focus on, CBOs and local governments do not have funding to conduct outreach given this highly uncertain environment.

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Regional Implementation closing thoughts

Table A: Notification and Information Requirements

Project Phase	Information Communicated / Obtained			Communicating Entity or Entities
	<i>Property Owner</i>	<i>Affected Customer</i>	<i>Master-Metered Tenant</i>	
Prior to submitting application	Provided: - Overview of SB 1221 pilot program and project proposal - Costs and benefits of the proposed project - Costs and responsibilities that would be borne by property owner - Estimated average energy bill impact for tenants - Contact information - Feedback opportunities	Provided: - Overview of SB 1221 pilot program and project proposal - Costs and benefits of the proposed project relevant to affected customer - Estimated energy bill impact for affected customer - Contact information - Feedback opportunities	Provided: - Overview of SB 1221 pilot program and project proposal - Costs and benefits of the proposed project relevant to tenant - Estimated energy bill impact for tenant - Contact information - Feedback opportunities	Gas utility as lead, other partners as appropriate ¹⁵³
	Obtained: Property owner non-binding expression of interest	Obtained: N/A	Obtained: N/A	Gas utility

- Is a gas utility meaningfully fulfilling requirements By December 15th realistic?
- What would need to happen in the next month? The next 3 months?
- How do the application requirements inform the size of potential projects?

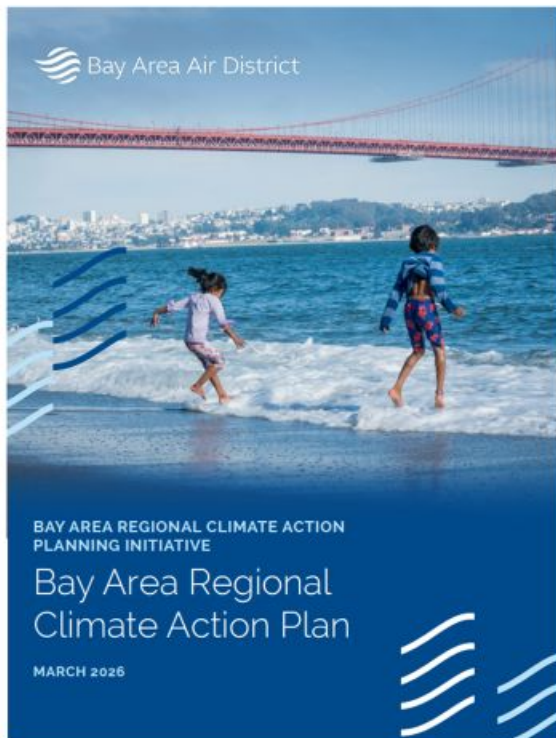
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Regional Leadership and Local Government Expertise

- ✦ ABAG is a regional agency that serves as the Metropolitan Planning Organization (MPO) for 101 cities and 9 counties in the SF Bay Area. ABAG is the lead for the Bay Area Regional Energy Network (BayREN).
- ✦ BayREN is a regional coalition made up of local governments. Its members include the nine Bay Area counties and ABAG.
- ✦ As an MPO and Council of Governments (COG), ABAG works throughout the region to incorporate transportation, housing, and environmental issues and works closely with other regional entities.



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LOCAL GOVERNMENT MODELING AND FUTURE SCALING

Bay Area Clean Homes Initiative – Holistic
neighborhood decarbonization home retrofits for
low-income and frontline communities

Partners:

Counties, through BayREN
Air District
Habitat for Humanity
Rebuilding Together
PG&E
CCAs
AEA



7 Building Sector

7.1 VISION FOR 2045

In 2045, there are healthy, zero emission homes for all through the equitable implementation of existing regulations, integrated programs to reduce emissions while improving housing conditions for those most in need, and a successful, well-trained, and diverse workforce to serve the entire community.



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FUNDING SOURCES – IDENTIFIED & POTENTIAL

- ✦ BayREN's Residential Programs
- ✦ Partner Fund Sources
- ✦ PG&E – through avoided gas system costs
- ✦ Other Grant Opportunities



Neighborhood Gas Infrastructure Removal: Where is Your Community Today?

Where is Your Community Today?

Live Polling: Status of Zonal Planning

Option A: We haven't started discussing gas decommissioning.

Option B: Early conversations are happening at the staff level.

Option C: We're actively mapping infrastructure and potential zones.

Option D: We face significant community resistance or funding roadblocks.



Neighborhood Gas Infrastructure Removal: Mapping Opportunities & Constraints

Mapping Opportunities & Constraints

The Goal: Identify shared bottlenecks and scalable funding solutions.

Key Focus 1: What's your biggest community engagement challenge, including associated with working with your IOU? Are you experiencing friction points or community pushback?

Key Focus 2: What resources do you need?



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