



April 14, 2026

Honorable Ben Allen, Chair
Senate Energy, Utilities and Communications Committee
1021 O Street, Suite 3350
Sacramento, CA 95814

Re: SB 1359 (Stern) Gas Transition Responsibility and Electrification Act – Oppose

Dear Chair Allen,

On behalf of the California Hydrogen Business Council (CHBC), I am writing to respectfully oppose SB 1359 unless amended. While we share the Legislature's commitment to reducing greenhouse gas emissions and achieving California's climate goals, we are concerned that this bill takes a prescriptive approach that prematurely limits viable pathways to decarbonize the state's gas system.

SB 1359 establishes a broad framework to transition away from natural gas by prioritizing electrification and imposing new restrictions on cost recovery, infrastructure investments, and system planning. The bill would restrict cost recovery for gas system investments, prohibit recovery of certain gas losses, and impose new requirements related to infrastructure decommissioning and expansion of service. Taken together, these provisions risk undermining emerging and critical solutions, such as renewable and low-carbon hydrogen, that are essential to achieving an affordable and reliable energy transition.

By limiting cost recovery and discouraging investment in gas infrastructure, the bill risks slowing innovation and delaying the deployment of cleaner gaseous fuels.

Electrification alone is not a comprehensive solution. Many sectors of California's economy, including heavy industry, high-heat manufacturing, long-duration energy storage, and certain transportation applications, are difficult or impractical to electrify. Decarbonized gaseous fuels, including hydrogen, provide a critical pathway to reduce emissions in these hard-to-electrify sectors while maintaining system reliability and affordability.



Additionally, provisions related to shareholder-funded decommissioning requirements and limitations on new gas service raise concerns about shifting costs, reducing system flexibility, and creating long-term uncertainty for both utilities and ratepayers. A balanced approach is needed; one that preserves optionality, supports innovation, and allows the state to pursue multiple complementary pathways to decarbonization.

CHBC supports a forward-looking strategy that includes electrification where appropriate, alongside the development and deployment of hydrogen and other decarbonized fuels. We respectfully urge the Legislature to avoid policies that foreclose these opportunities before they are fully realized.

For these reasons, CHBC must respectfully oppose SB 1359 unless amended. We welcome the opportunity to work with you and the Committee to develop a more balanced approach that advances California's climate goals while preserving reliability, affordability, and technological flexibility.

Sincerely,

A handwritten signature in blue ink that reads "Katrina M. Fritz". The signature is written in a cursive, flowing style.

Katrina Fritz
President & CEO
California Hydrogen Business Council

Cc: Senator Henry Stern, Author
Members of the Senate Energy, Utilities and Communications Committee