



# 9-COUNTY BAY AREA BAN ON NATURAL GAS ELECTRIFICATION MANDATE

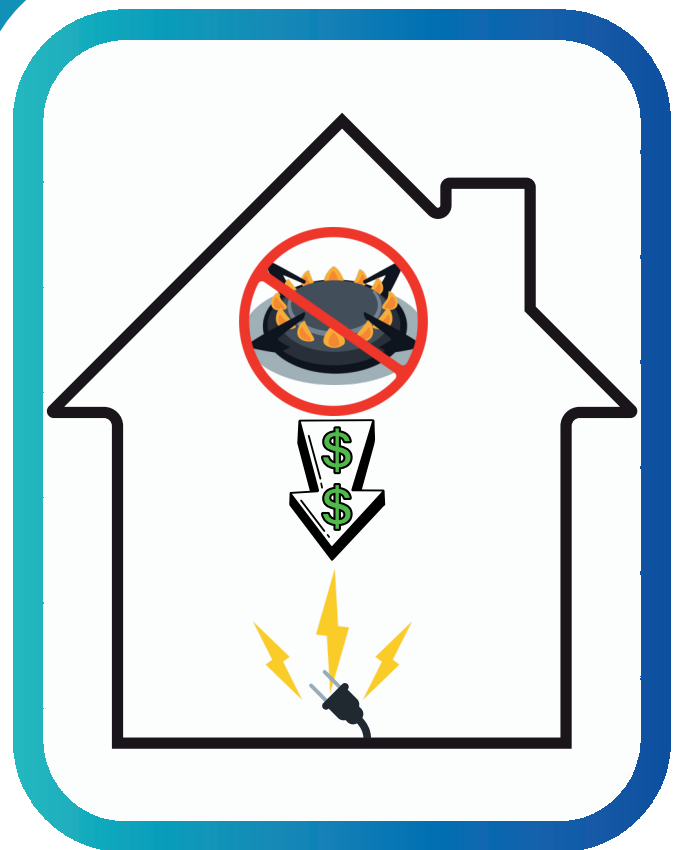
## BAAQMD Mandate



On March 15, 2023, the Bay Area Air Quality Management District (BAAQMD) adopted amendments to their “Rules” that carry the weight of law - “Regulation 9, Rules 4 and 6”, banning the sale or installation of gas water heaters on January 1, 2027, and gas furnaces on January 1, 2029.

## The Problem

Few people (including those in government) recognize that in order to switch from gas appliances to electric appliances, the vast majority of homes must undergo expensive electrification renovations that could cost anywhere from \$50,000 to \$250,000, or more. These renovations enable the home to handle the “electrical load” required by new electric appliances. The cost of the electrical appliances, themselves, is only a drop in the bucket compared to the extremely high cost of the conversion renovations. The older the home, the more expensive the cost to electrify the home. Homes built in the 70s or 80s can easily cost \$100,000+ to electrify.



## Banned Gas Appliances

2027

Water Heaters

2029

Furnaces



[www.sccaor.com/electrification](http://www.sccaor.com/electrification)

# ELECTRIFICATION MANDATE

## OVERVIEW

There is a regional government body called the Bay Area Air Quality Management District (BAAQMD) that can pass laws for the 9-county Bay Area. In March of 2023, this agency banned gas water heaters and furnaces. There are 2.5 million residences in the 9-county Bay Area. The vast majority of homes will need some renovation to make them suitable for all-electric major appliances. While the cost of replacing a home's gas major appliances with electric can cost \$10,000 or more, the cost of renovating a home to be able to accommodate the increased electrical demand can cost substantially more - \$50,000 to \$250,000. The construction costs dramatically exceed the cost of the electric appliances.

Even if every homeowner had the \$50,000 to \$250,000 necessary to renovate their home to make it all-electric, there are not enough contractors to electrify the approximately 2 million residences that need to be updated in the 9-county Bay Area.

## SCENARIO

On January 5, 2027, an elderly couple on a fixed income notices that they have no hot water because their water heater is broken. The ban on gas water heaters went into effect 5 days earlier. They call a plumber to replace their water heater – they are informed that the law now prohibits replacing their gas water heater, and they must switch to electric. They call their REALTOR® to get a referral for a contractor who can do the renovation. The contractor is overwhelmed with people facing the same situation and is unable to get to their job for at least 6 months (and another 6 months for permitting and PG&E). Meanwhile, he is able to give them a quote – since they live in a 1950s home in the Willow Glen neighborhood of San Jose, they will need extensive work to be done to convert their home to all-electric. Due to the electrification mandate, work that would have cost \$50,000 just a few years earlier costs nearly twice as much - their quote is \$96,500.

## THE LAW

Starting on January 1, **2027** (less than 2 years from now), it will be illegal to purchase or install a **gas water heater** in the 9-County Bay Area. Starting on January 1, **2029**, it will be illegal to purchase or install a **gas furnace**.

## ABOUT THE BAAQMD

The BAAQMD has a 24-member Board of Directors composed of elected officials from Bay Area cities and counties. Counties included in the 9-County Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.