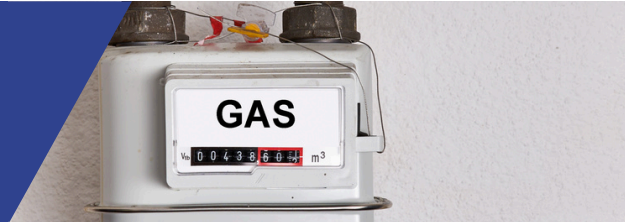


SB 1359 (Stern) - Gas Infrastructure Reporting (Effective 1/1/27)



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Overview

SB 1359 requires annual reporting on gas infrastructure investments and directs the California Public Utilities Commission (CPUC) to consider how utilities should recover those investments as gas demand changes. The measure seeks to protect ratepayers from paying for infrastructure that may no longer be needed as California transitions toward electrification. [Bill Language](#).

CBPA's Role

CBPA initially opposed SB 1359 and worked closely with industry partners in the utility and energy sectors over concerns about gas reliability, investment uncertainty, and higher costs for remaining customers. A coalition of opposition groups, including CBPA, secured late amendments removing the proposed requirement to evaluate electrification alternatives before approving infrastructure cost recovery. The amendments also replaced mandatory depreciation evaluations with consideration of a framework through existing CPUC proceedings. These changes addressed key objections, and CBPA ultimately moved to neutral.

Key Provisions

- Requires utilities to report infrastructure spending, project status, remaining costs, changes in demand assumptions, and stranded-asset risks, including impacts on remaining gas customers.
- Requires the CPUC to consider developing a depreciation framework reflecting foreseeable changes in gas demand. If developed, the framework may be used to evaluate infrastructure cost recovery; the bill does not mandate accelerated depreciation.
- Allows the CPUC to align reporting with existing utility proceedings and reduce duplication, including information on electrification and nonpipeline alternatives already evaluated or implemented.

Implications for CRE

For owners and managers of large commercial buildings, future CPUC decisions could affect gas bills and long-term equipment planning. If regulators shorten infrastructure cost-recovery periods, customers remaining on gas could face higher near-term charges. CBPA remains concerned about whether transition planning will adequately account for buildings that cannot readily electrify and their continued need for affordable, reliable gas service. The narrowed bill does not require properties to convert or disconnect.

*****This summary provides CBPA members with an overview of SB 1359, its key provisions, and its potential impacts on California's commercial real estate industry. This summary is intended for informational purposes only and does not constitute a legal interpretation or legal advice. Members should consult their legal counsel for guidance on how the law applies to their properties or businesses, including any applicable compliance obligations.*****