

An Overview of Natural Gas Bans in the U.S.

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INTRO

In this report, we provide an overview of cities that have placed restrictions on natural gas use as well as the states that have taken proactive steps to preserve consumer choice. We argue that the restrictions on new natural gas hookups are a costly and unnecessary imposition on American energy consumers and that these bans contribute to problems of energy reliability and affordability in states where they are prominent. All information in this report reflects events up to its publication, June 2021.

NATURAL GAS IN THE U.S.



The environmental movement has a long history of targeting specific sectors of the energy industry to intentionally hamper the development and productive use of our natural resources. Armed with [significant financial resources](#), environmentalists are now targeting the natural gas industry through local bans on new natural gas hookups. To date, 76 cities have placed restrictions on natural gas. Although these bans are primarily located in California and the Northeast, proposals have been springing up across the country as [groups advocate](#) for coercive measures that would limit or ban the use of natural gas.

Of course, placing restrictions on the use of natural gas will not be easy or cheap. Natural gas is currently used by both residential and commercial building owners

for a variety of reasons, with water heating, space heating, and cooking making up the primary preferred applications. In 2019, residential consumers used 5,015,603 million-cubic-feet of natural gas in the United States; commercial buildings used 3,512,607 million-cubic-feet of natural gas; and industrial consumers used 8,417,300 million-cubic-feet of natural gas. In 2019, an additional 11,307,426 million-cubic-feet of natural gas was used for electric power in the United States. In 2019, the U.S. accounted for 23 percent of the world's natural gas production, making it the world's largest producer of natural gas. The popularity of natural gas is partially the result of [historically low natural gas prices](#) and the comparative savings consumers are afforded by using natural gas when compared to electricity.

PROBLEMS WITH NATURAL GAS BANS

Restrictions on natural gas use in new buildings will also result in higher energy bills for consumers in state's with comparatively high electricity prices. As Jonathan Lesser explained [in a 2019 article debating natural gas bans](#) published by the Wall Street Journal:

"Consider California, the state at the forefront of natural-gas-hookup bans. Last year, the average price of natural gas in California was about \$12.30 per million British thermal units (a measure of the heat content of the fuel), according to the U.S. Energy Information Administration. For a homeowner with a new, 95% efficiency natural-gas furnace or water heater, that translates into a cost of just under \$13 per million BTUs.

Compare that with the cost of electricity, which averaged 18.84 cents a kilowatt-hour in California in 2018, about 50% higher than the national average. That works out to \$55 per million BTUs, more than four times the cost of natural gas. Even heat pumps for space and water heating can't bridge that gap."

Today, California's residential electricity prices are already the [sixth highest in the country](#). Last year, the average cost of residential electricity in California was 19.22 cents per kilowatt-hour, which is 47 percent higher than the national average residential electricity price of [13.04 cents per kilowatt-hour](#). On December 3, the California Public Utility Commission approved an [8.1 percent electricity rate increase](#) for Pacific Gas & Electric, which will cost the average residential customer in that service territory an additional \$13.44 per month.



These higher energy bills are of particular concern because it's clear that in states like California, bans on natural gas are exacerbating the state's poverty problem. As others [have noted](#), many cities adopting these bans are some of the wealthiest parts of America. In California in particular, the municipalities that are restricting the use of natural gas are far wealthier than the state or national averages, meaning that these localities are erecting further barriers to entry.

Additionally, by attempting to electrify everything, natural gas bans concentrate our energy risks on the electric grid. In states like California where [the confluence of renewable energy mandates and aggressive zero emissions targets](#) have contributed to rendering the electric grid unreliable, bans on new natural gas hookups push more demand onto the grid, further taxing the system. California's bans on natural gas are occurring while California's electricity prices are increasing, and that the state's electricity grid has been shown to be unreliable. State residents' electricity demand has been affected by rolling blackouts

during heat waves and power cutoffs to prevent fires caused by old equipment. In fact, blackouts are so common that [thousands of Californians have bought small generators](#) powered by fossil fuels to ensure reliable power. It's important to note that as the reliability of the grid becomes a greater concern, natural gas hookups allow people to diversify their access to energy as many gas appliances can be used when electricity is unavailable.

Finally, natural gas has certain properties that consumers prefer based on usability and natural gas bans ignore the importance of these consumer preferences. The most prominent example is the gas range stove, which commercial chefs tend to prefer for preparing and serving food. As the California Restaurant Association explained in a [press release](#) pushing back at the City of Berkeley's ban on the use of natural gas:

"An overwhelming majority of chefs and cooks are trained using natural gas stoves, with pots and pans over a flame produced by natural gas. This ban will slow down the process of cooking and reduce a chef's control over the amount and intensity of heat which is needed to prepare food appropriately. It's like taking paint away from a painter and asking them to create a masterpiece."

Although current efforts at the local level focus only on banning natural gas hookups in new buildings, some

proposals like the [Green New Deal](#) seek to eliminate natural gas use in buildings entirely. The capital costs associated with eliminating natural gas use in buildings are staggering. [One report](#) (using 2018 numbers) found that the total household investment needed to replace natural gas use with electricity in residential buildings would be \$1.6 trillion nationwide. Additionally, the cost of completing energy retrofits on every existing commercial building would cost about \$9 trillion.

According to the report, electrifying the entire nation, with a goal of eliminating the direct consumption of fuel and reducing climate change emissions, would cost between \$18 trillion and \$29 trillion. A [recent report](#) from the Consumer Energy Alliance has raised similar concerns in New York where nearly 60 percent of households rely on natural gas for home heating. That report found that, depending on several factors including appliance models, home configuration, labor, and reliance on natural gas, natural gas bans could cost more than \$25,600 for a New York City household.

In summary, natural gas bans are an extremely expensive burden on American energy consumers and an infringement on their ability to secure reliable and affordable energy. Additionally, these bans tend to be concentrated in areas where there are legitimate concerns over grid reliability. Furthermore, in states like California, the cities adopting natural gas bans tend to be very wealthy, so there are legitimate concerns that the bans represent additional barriers to entry.



AN OVERVIEW OF NATURAL GAS BANS AND EFFORTS TO STOP THEM

Efforts to push to electrify home heating and cooking can be seen across the country. Municipal gas ban attempts are cropping up in many different states and come in different forms. The following presents a state-by-state overview of efforts to ban natural gas in the United States as well as efforts to protect consumer choice.

Alabama



[Alabama](#) governor Kay Ivey signed its prohibition on municipal gas bans into law on May 3rd.

Arizona



In [February](#), Arizona passed a law preventing municipalities from instituting laws that prohibit certain energy sources.

Arkansas



On March 10, 2021 Arkansas passed [Senate Bill 137](#), which prohibits local governments from restricting natural gas utility services

California



As it currently stands, California has by far the most cities that have passed or are considering gas bans. The popularity of these policies was precipitated by Berkeley, which instituted its ban on new residential natural gas in [January of 2019](#). These municipalities, 43 in all, include some of the states' biggest cities including San Francisco, San Jose, and Berkeley. Ten additional cities in the state, including Los Angeles, currently have proposed bans.

Colorado



In Colorado, two cities have proposed gas ban measures. The state's [most populous](#) city, Denver,

and Boulder are both considering bans. "Denver's Net Zero Energy (NZE) New Buildings and Homes Implementation Plan", finalized in [January of 2021](#), would require "all-electric equipment" in new residential homes by 2024. The city is currently in the process of gathering feedback on the plan before it goes into effect. Boulder adopted the 2018 IECC code in March of 2018, and added more provisions to push residents toward electrification. The [new code established](#) a "maximum energy use per square foot on new residential construction and major renovations" in order to reach the city's net-zero emissions goal by 2030. The provision effectively bans natural gas through the building code. In March of 2021, Colorado lawmakers introduced [HB21-1034](#) that protects consumers' right to use natural gas.

Florida



Miami, Florida's second most populous city, is currently attempting to [eliminate natural gas hookups](#) in new construction as part of its plans for carbon neutrality by 2050. Although the plan has been announced, it is as yet unclear how the city will achieve this. Especially because Florida currently has a bill, [SB 1128](#), working its way through the state Senate that would prohibit municipalities from restricting the "types or fuel sources of energy production used, delivered, converted, or supplied by certain entities to serve customers". If passed, this bill would prevent Miami or any other Florida city from preventing residential natural gas hookups.

Georgia



[Georgia](#) Governor Brian Kemp signed a bill into law on May 6th that prevents municipalities from banning natural gas.

Iowa



In March of 2021, Iowa passed [a bill](#) that prohibits cities and counties from banning propane or natural gas hookups to homes.

Kansas



In April, Kansas passed the “[Energy Choice Act](#)”, a bill to prevent municipal gas bans, much to the chagrin of the Lawrence city government who had been considering a ban as part of their effort to meet a promise to [power the city entirely](#) with renewables by 2035.

Kentucky



In March of 2021, Governor Beshear signed [HB 207](#), “to prohibit a local government entity from taking any legislative or executive action that has the purpose or effect of impairing a consumer’s ability to use a utility service...”

Louisiana



In June of 2020, Louisiana passed [S.B. 492](#), which prohibits local governments from restricting natural gas utility services.

Massachusetts



Six Massachusetts cities have proposed gas bans, and one, Brookline, has passed one. Boston, Cambridge, Newton, Somerville, Arlington, and Lexington all have a gas ban proposal of one kind or another. The state Attorney General [struck down Brookline’s](#) ordinance in July of 2020, and now dozens of municipalities in Massachusetts are advocating to change state law to allow them to enact these policies without state intervention.

Maryland



In Maryland, Montgomery County and Takoma Park, have proposed similar measures restrictions. Montgomery County’s [ban proposal](#) comes in the form of its “Draft Climate Action Plan” that was proposed in December of 2020, and which the county hopes to finalize in spring 2021. [Section B-6](#) of the plan would “Ban natural gas in new construction.” Under this plan, the County could begin preventing natural gas from being used in new buildings as early as 2022. Takoma Park passed [its climate resolution](#) in March of 2020, which will forbid the installation of new appliances like stoves and water heaters that rely on natural gas.

Michigan



Ann Arbor has a climate plan in place called [A2Zero](#) which seeks to use changes in the transportation sector, renewable energy generation, and electrification to reduce the city’s carbon emissions. The current plan involves voluntary transitions from gas to electric appliances, but will incentivize the switch and could be a pathway toward an outright ban on new hookups. In May of 2021, Michigan lawmakers debated [House Bill 4575](#), a preemptive to stop local governments from adopting, maintaining or enforcing an ordinance that “prohibits the use of an appliance that uses gas in a new or existing residential building or structure.”

Minnesota



In Minnesota, gas ban measures have been proposed in two municipalities: Minneapolis and Hennepin County. In March of 2021, the state’s legislature introduced [a bill](#) prohibiting local governments from restricting natural gas utility service.

Mississippi



[Mississippi](#) unanimously passed its “All Fuels Bill” preventing municipalities from banning energy by source unanimously and it was signed by Governor Tate Reeves on March 17th.

Missouri



In May of 2021, Missouri [passed legislation](#) prohibiting cities and counties from adopting bans on natural gas hookups in newly constructed buildings.

New York



New York City and Ithaca are both weighing gas ban proposals. New York City [Mayor Bill de Blasio announced](#) plans in February to stop using natural gas and other fossil fuels in “large building systems” by 2040. De Blasio’s plan is not a single piece of legislation, but rather is a plan to start with government buildings first and work through their permitting process to eventually prevent all new construction from utilizing natural gas. [Ithaca](#) has adopted a building policy that bans natural gas in new constructions by 2030, and is in the process of making the effective date even sooner.

North Carolina



In March of 2021, lawmakers introduced [House Bill 220](#), which would restrict local bans on new natural gas hookups.

Ohio



In March of 2021, lawmakers introduced [a bill](#) that would block local governments from passing ordinances that “limits” or “prevents” consumer access to natural gas.

Oklahoma



[Oklahoma](#) passed a law on May 19th barring municipalities from preventing new utility connections.

Oregon



Two Oregon cities have proposed anti-gas legislation. Portland, the state’s [most populous](#) city, and Multnomah County which encompasses it, [approved](#) a resolution to not use natural gas in any new construction of county buildings in April 2021. They are also moving forward with a residential ban. The city

of [Eugene](#) is currently considering ways to limit future natural gas hookups as part of the city’s climate action plan.

Pennsylvania



In May of 2021, Pennsylvania lawmakers introduced [Senate Bill 275](#), which would place restrictions on local natural gas bans.

Tennessee



[Tennessee](#) passed a bill preventing local authorities from creating piecemeal energy policies by banning any energy resources. The focus of the argument for Tennessee’s law was the preservation of consumer choice in the energy marketplace.

Texas



[Texas](#) passed a law in May that “prohibits Texas cities from banning natural gas as a fuel source for new construction and utility services.” Although this was passed for similar reasons to the other states with similar legislation, it had the added goal of preventing electricity shortage situations like the one Texas faced in February from being as catastrophic by allowing people to retain access to natural gas for heating and cooking during blackouts.

Utah



Utah [passed a law](#) in February that prevents the state’s cities from instituting “an ordinance, a resolution, or a policy that prohibits, or has the effect of prohibiting, the connection or reconnection of an energy utility service.”

Vermont



The state’s most populous city, [Burlington](#), is currently trying to receive permission from the state to implement an anti-residential gas policy. The ordinance that was proposed in October and voted on in March that would impose a fee on carbon emissions for new construction that is connected to natural gas infrastructure.

Washington



In Washington state, four cities have put forth measures to curtail gas access. Bellingham, Everett, Thurston County, and Spokane have all had measures proposed. [Seattle](#) banned natural gas in new construction in February of 2021. Washington also has a bill at the state level, the “[Healthy Homes and Buildings Act](#)” that “would prohibit natural gas infrastructure for space and water heating in new residential and commercial construction in the state and require the elimination of those natural gas systems when construction is undertaken on existing buildings.” This would be the first state-wide law of this kind.

West Virginia



[West Virginia](#) passed a law “placing limitations on the authority of municipalities and local governments to enact any code, ordinance, or land use regulation that would prohibit, have the effect of prohibiting, or regulate in any manner a public utility or department of public utilities from furnishing a utility service to a utility customer based on an energy source provided or used by a utility service.” This law prevents municipalities in the state from instituting gas bans.

Wyoming



[Wyoming](#) passed a law that prevents municipalities “from enacting any ordinance, resolution or policy that prohibits or has the effect of prohibiting customers from connecting or reconnecting to electric, natural gas, propane or other energy utility service provided by a public, municipal or cooperative utility.”

CONCLUSION

An increasing number of local municipalities are considering bans on residential gas hookups, while many states have passed or introduced measures that would prevent local measures from blocking access to utility service based on fuel type. The battle over these bans has clear political dividing lines as [it tends to be a battle between](#) Democratic-led cities calling for the bans and Republican-run states pushing back.

States that are concerned about protecting consumer choice and energy freedom are working to push back on these local initiatives with Arizona, Utah, Wyoming, Oklahoma, Texas, Louisiana, Tennessee, Arkansas, Iowa, Kentucky, West Virginia, Mississippi, Alabama, Georgia,

and Kansas all having successfully passed bills that prevent local municipalities from implementing bans on natural gas hookups. They are joined by at least seven other states seeking to prevent these policies before they are passed and have introduced some form of legislation to prevent the local bans.

For the cities that have already implemented natural gas bans, these policies will inevitably collide with the reality that the preservation of consumer choice is a necessary condition for maintaining access to affordable and reliable energy. In states like [California](#), these bans are contributing to a trend of increasing energy costs, thereby [exacerbating the problem of energy poverty](#).





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