

(This [climate issue brief](#) is authored by CLEE's partners at the Building Decarbonization Coalition and Caliber Strategies.)

As California pushes to decarbonize, its homes and commercial buildings are a central driver of the state's affordability, energy and infrastructure challenges. Building energy consumption (both electricity to power appliances and gas to power furnaces and stoves) is a leading contributor to emissions, with major state programs targeted to greater efficiency and electrification. At the same time, rising utility bills are driven not just by energy prices, but by the massive expense of maintaining an aging fossil gas system serving fewer customers. Reducing building energy consumption while promoting quality-of-life enhancing retrofits and stabilizing costs will require the next governor to accelerate California's approach to energy efficiency, shifting from fragmented programs toward strategies that prioritize total energy affordability and infrastructure cost control.

The overarching challenge is clear: the long-term transition to efficient and electrified buildings will reduce emissions and improve indoor comfort and air quality, but achieving electrification for tens of millions of buildings raises significant financial, infrastructural, and equity questions. Expanding electrification is the cornerstone of long-term climate goals; [buildings account for a quarter of state emissions](#), yet continuing to spend heavily on gas distribution pipelines drives up fixed costs for ratepayers—in particular those who can't afford to electrify their homes.

There is some good news. Thanks to rigorous building and appliance codes, unlike any other state, California's per-capita electricity consumption has remained essentially flat since the 1970s. Furthermore, consumer familiarity is growing: [heat pump adoption has accelerated, officially outpacing gas furnace sales](#). Modernizing our existing building stock with these technologies offers a scalable opportunity to deliver near-term savings, improve indoor air quality, and strengthen resilience against extreme heat.

The next governor will need to tackle several key issues, below are a few examples:

- **Infrastructure investment:** As infrastructure costs become the primary driver of rising utility bills, decisions about where and when to invest in gas and electric systems will directly influence affordability outcomes for homes and businesses. Efficient management of the long-term phaseout of gas distribution systems will enable greater investment in electrification and

efficiency upgrades.

- **Neighborhood-scale strategies:** Coordinated neighborhood-scale approaches allow utilities and communities to align building upgrades with infrastructure planning across multiple properties at once. Rather than replacing aging gas pipelines on a building-by-building basis, utilities could invest in coordinated retrofits and alternative thermal systems that reduce long-term infrastructure liabilities.
- **Expanding Access and Workforce:** Leaders must ensure renters and lower-income households can access building upgrades, while developing the skilled local workforce needed to deliver retrofits at scale.

Ensuring that our buildings remain safe, clean, and affordable will demand bold leadership from California's next Governor.

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