

DOCKETED

Docket Number:	23-DECARB-03
Project Title:	2025 California Building Energy Action Plan
TN #:	268741
Document Title:	Bay Area Air District Comments - Bay Area Air District comments on draft Building Energy Action Plan
Description:	N/A
Filer:	System
Organization:	Bay Area Air District
Submitter Role:	Public Agency
Submission Date:	2/20/2026 1:53:15 PM
Docketed Date:	2/20/2026

*Comment Received From: Bay Area Air District
Submitted On: 2/20/2026
Docket Number: 23-DECARB-03*

Bay Area Air District comments on draft Building Energy Action Plan

The Bay Area Air Quality Management District has reviewed the California Energy Commission's (CEC) Draft Building Energy Action Plan released December 10, 2025. We thank CEC staff and leadership for its work on the BEAP and appreciate the opportunity to comment. Please find feedback below from the Air District in the attached document.

Additional submitted attachment is included below.

February 20, 2026

California Energy Commission
715 P Street
Sacramento, CA 95814

RE: 2025 Draft Building Energy Action Plan (Docket #: 23-DECARB-03)

To Whom It May Concern,

The Bay Area Air Quality Management District (“Air District”) has reviewed the California Energy Commission’s (CEC) Draft Building Energy Action Plan (“BEAP”) released December 10, 2025. We thank CEC staff and leadership for its work on the BEAP and appreciate the opportunity to comment. Please find feedback below from the Air District on selected items, organized by recommendation area.

BEAP recommendation #1: Continue to prioritize funding for incentives to achieve GHG targets.

“Targeted direct install and incentive programs have played an essential role in energy use reductions in California and remain essential for market transformation and increased equity. Programs should retain a focus on electrification and heat pump installation, coupled with energy efficiency, as the primary pathway to decarbonize buildings. If funding is available, programs should expand to include new approaches to contain overall costs, such as panel optimization. Data from programs are needed to guide future regulatory changes, and continued commitment to program support provides market certainty that enables private companies to invest and scale building decarbonization initiatives over time.”

Air District Comments:

The Air District strongly supports and agrees with this recommendation. Funding for transformative and impactful programs to accelerate the state’s progress toward healthy and clean buildings must not only continue, but must also be expanded to align with established goals (e.g. 6 million heat pumps installed statewide by 2030). The CEC should work with key partners to build on successful existing efforts such as the Equitable Building Decarbonization Program, direct install programs, and TECH Clean CA by continuing to invest appropriate and available funding that is commensurate with the heat pump deployment goals set forth by the state.

BEAP Recommendation #5: Increase equitable access to low-cost and zero-cost financing.

“The CEC and other agencies should further explore barriers and opportunities to capital mobilization such as fostering private sector partnerships, reducing the cost of capital, and ensuring geographical availability of affordable financing products. Financing options should not burden low- and moderate-income homeowners excessively, and should be easily accessible at convenient times and places for customers. Standardizing reporting and performance assessments for loans will increase market

confidence. Contractor education can improve the quality, transparency and appropriateness of the financial products offered to homeowners.”

Air District Comments:

The Air District strongly supports any efforts of key parties to accelerate deployment of a “Tariff-on-bill/inclusive utility investment” financing program for heat pumps and other electrification technologies, the continued utilization and expansion of ratepayer and non-ratepayer funding to provide credit enhancements for state and private lenders through the GoGreen Financing program, as well as efforts of the IBank to increase their capacity and ability to play a key intermediary role in increasing the accessibility and affordability of financing products that will enable the clean energy transition.

BEAP Recommendation #14: Create market conditions that position heat pumps as the leading technology for decarbonizing buildings.

“The state should create productive relationships with heat pump manufacturers and other market actors, including through the Heat Pump Public-Private Partnership, to leverage the resources of private companies to develop new products, reduce costs, ensure installation quality, and support contractors in the development of heat pump business models.”

Air District Comments:

The Air District strongly supports new and ongoing public-private efforts (e.g. CA Heat Pump Partnership) that will increase collaboration to advance market development activities that increase adoption and remove barriers.

The Air District observes that the CEC’s discussion of customer-facing tools seems to rely on historical data for modeling, and suggests that CEC consider including forecasted future increases in gas rates (given projected decreased gas customer base and resultant cost-shift). Especially for appliances with long useful lives, and for commercial entities that make investments based on business financial metrics such as ROI and payback periods, taking a future-looking approach rather could help reframe costs.

BEAP Recommendation #7: Empower homeowners and building owners with decision-making resources.

“The state should enhance its outreach and education offerings for decarbonization best practices, data, and tools through resources such as the Building and Home Energy Resource Hub and the Heat Pump Public-Private Partnership. Ensure that programs meet the needs of building owners while protecting tenants by understanding tenant outcomes and researching the barriers to program participation among landlords, such as long-term limitations on the ability to recoup the costs of decarbonization projects. Ensuring that California’s most burdened communities benefit from

decarbonization requires prioritizing disadvantaged and low-income communities and supporting building owners and occupants to choose to decarbonize even for an emergency replacement.”

Air District Comments:

Regarding the discussion of “remediation costs,” Air District suggests that in addition to “improv[ing] categorization of remediation costs in homes by categorizing buildings into housing type, vintage, and other relevant variables,” the CEC and its partners should explicitly connect this analysis and development of recommendations with equity data in order to improve understanding of the interrelated issues of remediation needs and income levels, historically redlined/overburdened communities, resiliency factors, etc.

In closing, the Air District thanks the CEC for their work on the 2025 Building Energy Action Plan and the opportunity to comment. The Air District supports CEC’s efforts to identify and address critical challenges and leverage appropriate opportunities to transition California’s building stock to healthy, clean electric buildings. We believe both our region and the state will benefit from strategies that are effective, strong and implementable in our communities.

Sincerely,

Greg Nudd



Deputy Executive Officer of Policy
Bay Area Air District