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Docket Number:	19-DECARB-01
Project Title:	Decarbonization
TN #:	233161
Document Title:	CPSA Comments on Decarb Letter Regarding AB 3232 GH Assessment
Description:	N/A
Filer:	System
Organization:	John Norwood
Submitter Role:	Public
Submission Date:	5/27/2020 12:08:38 PM
Docketed Date:	5/27/2020

*Comment Received From: John Norwood
Submitted On: 5/27/2020
Docket Number: 19-DECARB-01*

**CPSA Comments on Decarb Letter Regarding AB 3232 GH
Assessment**

Additional submitted attachment is included below.

May 27, 2020

Commissioner Andrew Mc Alister
California Energy Commission
1516 9th Street, MS 34
Sacramento, California 95814

Dear Commissioner Mc Alister:

Thank you for the opportunity to provide additional comments relative to the Building Decarbonization Docket Log (19-DECARB-01). I am submitting these comments on behalf of the California Pool & Spa Association (CPSA). CPSA is a statewide trade association that represents all segments of the swimming pool and hot tub industry in California. This includes manufacturers of equipment to operate swimming pools, hot tubs, ancillary equipment, testing and safety products, outdoor kitchens and recreation areas, swimming pool and spa builders, subcontractors, and the swimming pool maintenance and service industry.

The swimming pool and hot tub industry is an exceptional contributor to the California economy. In 2014, PK Data, Inc. opined that the swimming pool & spa industry contributed roughly \$5 billion annually to the California economy. This number did not include costs associated with the pool remodeling industry or the hot tub industry. In fact, California is the largest market in the world for swimming pools and hot tubs. Moreover, the industry provides good-paying jobs in communities throughout California, supports numerous individuals and firms that are in the construction subcontracting business, and employs tens of thousands of people in the pool and hot tub maintenance and service business, estimated at approximately 60,000 individuals statewide. Swimming pool contractors purchase their construction materials, i.e., steel, cement, tile, sand, lumber, electrical, plumbing, and drainage materials locally, thus supporting other local businesses. The economic effect of this industry is multiplied by the demand for pool/hot tub chemicals, toys, backyard furniture, barbecues, outdoor kitchens, fire pits, fireplaces, and lighting desired by both commercial and residential owners of swimming pools and hot tubs.

CPSA supports a balanced energy portfolio for California which includes continued access to clean natural gas for both residential and commercial consumers, especially as applied to appliances associated with the swimming pool and spa business where practical alternative currently do not exist.

The "California Dream," so to speak, is still a home in the suburbs with a big backyard and a swimming pool. This fact is supported by the last five years of record-breaking pool construction since the nation emerged from the 2009 economic meltdown. This trend is destined to continue as in numerous areas of the state, 50% of new home buyers are millennials, many of which desire a home with a backyard swimming pool, hot tub, or exercise pool. This is especially true given the experiences with family since the onset of COVID-19. Families are staying home. They want and need a staycation environment where they can relax and spend time with family members and/or have a place to exercise.

The goal of eliminating the use of natural gas in California, providing incentives for home builders to construct new housing tracts without natural gas lines or hookups, or otherwise phasing out the use of natural gas, will undermine the swimming pool and hot tub business in California, resulting in a significant economic blow to the state, as well as depriving millions of Californians of a backyard place for staycations that they so desire.

In the swimming pool and spa industry, pool heaters, fire pits, fireplaces, decorative fire features, pizza ovens, barbeques, outdoor ranges, and outdoor space heating all operate on natural gas. Together these elements produce spaces in backyards that provide families a place for recreation, exercise, entertainment, and relaxation. The pool and spa industry do utilize solar heating and electric heating where possible, especially for hot tubs, but there are no current alternatives to heating swimming pools in numerous commercial settings, in coastal and mountain residential areas of the state, or at night for homeowners. The same is true for outdoor kitchens and recreational areas relative to fire pits, fireplaces, outdoor space heating, and outdoor cooking equipment. It is hard to believe that in the name of reducing greenhouse gases, that public policy leaders are intent on taking barbeques, fire pits, decorative fireplaces and spas away from consumers. Moreover, these proposed bans on natural gas would effectively shut down every high school, college and resort swimming pools as there is currently no other alternative but gas to heating these commercial size swimming pools that anyone could afford.

In addition to reducing greenhouse gas emissions, one of California's major goals in this proceeding is to improve energy and housing affordability. We do not believe the elimination of natural gas in California will accomplish either. Energy costs in California are extremely high as compared to other Western states. The cost of electricity from both traditional and renewable sources is significantly higher than natural gas and not as efficient. In addition, adding to the electrical grid by manufacturing, transporting, installing and building the facilities for more renewable electricity creates large amounts of greenhouse gasses in and of itself. Moreover, as to remodeled homes, the cost of converting these home to electricity will add significant costs for consumers to bear. Many homes will require an electrical panel upgrade and new wiring, adding close to \$10,000 to the cost of a remodel.

Swimming pools and hot tubs use only an estimated 4% of the natural gas demand in California, whereas the problem the decarbonization is trying to address stems primarily from the manner in which residential and commercial building are heated. The swimming pool, spa, and backyard appliance industry should not be the target of these efforts and should be exempted from efforts to reduce the carbon footprint from the way we heat residential building and indoor water systems. However, without natural gas hookups in new residential and commercial construction, citizens of this state that reside in these areas will be deprived of all the benefits associated with access to swimming pools and hot tubs. CPSA would urge the commission to focus the decarbonization efforts on the real problem that has been identified and forestall any efforts to eliminate consumer choice by banning clean natural gas in California.

Sincerely

John A. Norwood
On Behalf of CPSA