

DOCKETED

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Joint Comment Letter for BUILD Program

Additional submitted attachment is included below.



June 29, 2020

Jordan Scavo
BUILD Implementation Project Manager
California Energy Commission
1516 9th Street
Sacramento, California 95814

Dear Mr. Scavo:

On behalf of the undersigned organizations, we thank you for the opportunity to provide comments on the Building Initiative for Low-Emissions Development (BUILD) program that the Public Utilities Commission (PUC) is developing, in consultation with the California Energy Commission (CEC), pursuant to Senate Bill (SB) 1477. As you are aware, homes and buildings must be decarbonized for California to meet its climate

goals. For this reason, we urge you to leverage BUILD to prioritize housing developers' transition to all-electric construction. Simultaneously, we urge you to design the program to be simple and streamlined.

We are concerned that the program development process is moving too slowly, and the program architecture is becoming overly complicated. We urgently need to incentivize building industry stakeholders (i.e. manufacturers, architects, real estate agents, builders and contractors) to build zero emission buildings; however, if it is too complicated or costly to access these incentives, use of the program will be limited.

A 2018 CEC analysis found that “to decarbonize heating demands in buildings through a transition to electric heat pumps, without requiring early retirements of functional equipment, **this transition must start by 2020 and achieve significant market share by 2030.**”¹ Every day of delay in providing incentives to builders, or creating unnecessary barriers, undercuts this effort.

Therefore, to simplify the program requirements, we strongly recommend that the CEC not let modeling requirements become a barrier to entry.

One of the major goals of BUILD is to incentivize low-income developers to transition to all-electric construction. If the CEC over-engineers the modeling requirements needed to access the incentives, modeling could become a significant barrier for developers. The CEC must carefully assess which modeling requirements are necessary and which requirements are onerous. Many low-income developers may not have been exposed to the standards of all-electric construction, and the CEC must ensure that the incentives are accessible to these first-time, all-electric developers.

Detailed modeling of each project to document bill and carbon savings can be complex, and many builders will likely not have the requisite budget, time, or expertise to perform their own analysis. Additionally, incentive dollars should focus on driving market transformation by encouraging the basic requirements of all-electric homes (i.e. no gas hook up), rather than motivating builders to construct perfect, all-electric homes. Overcomplicating the incentive structure will make it extremely difficult for developers to assess the economic benefits of investing time into qualifying for the incentives. The CEC must create a simple, streamlined process that clearly presents an added value for low-income builders, contractors, and architects to transition to building all-electric.

¹ California Energy Commission Energy Research and Development Division (2018, June) Deep Decarbonization in a High Renewables Future.
<https://ww2.energy.ca.gov/2018publications/CEC-500-2018-012/CEC-500-2018-012.pdf>.

Decarbonizing our building stock is an unprecedented task that will require a systemic transformation of the market – for both builders and appliance technologies. We thank the CEC for its work to fulfill these goals.

Thank you for consideration,

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