

DOCKETED

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BUILD Implementation Plan - 20-DECARB-01

Additional submitted attachment is included below.



August 7, 2020

Jordan Scavo
BUILD Program Manager
California Energy Commission (CEC)
1516 Ninth Street
Sacramento, CA 95814

Re: 20-DECARB-01 - BUILD Program Implementation Plan

Dear Jordan:

On behalf of Bradford White Corporation (BWC), thank you for providing an opportunity to comment on the CEC's BUILD Program Implementation Plan. We are pleased to be a part of this important conversation.

Overall, BWC is encouraged by the direction that the Commission is recommending for the BUILD Program in this proposed implementation plan. We believe that the incentives provided to various stakeholders through this program will contribute to establishing, and growing, a robust market for heat pump water heaters within the State of California.

We further support CEC's proposal that appliances utilizing a refrigerant rated at a global warming potential (GWP) of 750 or less be eligible for kicker incentives. This allows all stakeholders to maintain regulatory clarity for refrigerants in California by continuing to work solely with the Air Resources Board on these matters. Offering an additional incentive for use of these refrigerants also allows manufacturers to innovate heat pump water heater products in a responsible fashion that does not unduly increase their upfront costs or slow their potential market penetration rate.

BWC is concerned, however, with CEC's proposed application selection criteria, as it is identified in Chapter 8 of the implementation plan. This section clarifies that the \$80 million that has been allocated for the BUILD program will be directed toward the regions in the state with the highest potential for achieving program goals. BWC understands the Commission's desire to make this program as effective as possible to demonstrate the benefits of heat pump water heaters.

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However, we also believe that, as a pilot program, it would be more beneficial to CEC to ensure the program incentives are targeted in a way that most accurately reflects the newly constructed residential building stock of California as a whole.

By focusing the program in areas of high potential, CEC assumes the risk of over-representing the benefits of these products to consumers and building owners. This would be problematic if the program continues to grow as it may give future owners of heat pump water heaters the mistaken impression that the product is under performing or providing fewer benefits than were promised. Such a realization may result in consumers developing a negative perception of heat pump water heaters and deepen the challenges in promoting their benefits and capabilities.

Additionally, BWC is confused by wording in Appendix A that references heat pump water heaters with 45 to 60-gallon capacities. It is unclear if CEC means to suggest that this is the general capacity range for products that meet the Northwest Energy Efficiency Alliance's (NEEA) Electric Advanced Water Heating Specification, or if it is being proposed that products outside this range are disqualified from program incentives altogether. In either case, BWC is aware of multiple heat pump water heater models that meet the NEEA specification and have larger capacities than those in this range. To address this confusion, we recommend that CEC expand this range to reference 40 to 80 gallon-capacity products.

Lastly, BWC is unclear as to why Chapter 2 of the proposed implementation plan disqualifies new residential buildings that are not permanently fixed to the foundation. As stated immediately earlier in the same chapter, the BUILD program's eligibility criteria has a focus on low-income buildings. Furthermore, both SB 1477 and D. 20-03-027 require the majority of BUILD funding to be reserved for new low-income residential housing. By requiring a building be permanently fixed to a foundation, the program is disqualifying mobile homes, which primarily house lower-income residents according to the National Low-Income Housing Coalition. We believe that CEC should reconsider this eligibility criteria for the BUILD program.

Thank you again for this opportunity to provide feedback to the BUILD Program Proposed Implementation Plan. Please let me know if you have any questions or would like any additional information.

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Respectfully Submitted,

Bradford White Corporation

Eric Truskoski
Senior Director of Government and Regulatory Affairs

Cc: R.B. Carnevale; M. Taylor; L. Prader; C. Sanborn; B. Wolfer;

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