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<th><strong>Docket Number:</strong></th>
<th>19-BSTD-03</th>
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<td><strong>Project Title:</strong></td>
<td>2022 Energy Code Pre-Rulemaking</td>
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<td><strong>Document Title:</strong></td>
<td>Earthjustice, Sierra Club, RMI, et al Response to Feb 24 CBIA Letter</td>
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<td><strong>Organization:</strong></td>
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Earthjustice, Sierra Club, RMI et al Response to Feb 24 CBIA Letter

Additional submitted attachment is included below.
Docketed in 19-BSTD-03

March 5, 2021

David Hochschild
California Energy Commission Chair

Andrew McAllister
California Energy Commission Member Assigned to 2022 Building Standards Proceeding

Re: Response to Letter Designed to Derail 2022 Building Code Electrification

Chair Hochschild and Commissioner McAllister:

We write to respond to a series of specious assertions in a February 24th sign-on letter led by the California Building Industry Association, and including the California Natural Gas Producers Association among its signatories. The letter seeks to derail progress on the 2022 building code update by the California Energy Commission (“CEC”).
Since the process for updating the building code began, well over one hundred organizations, ranging from environmental, environmental justice and public health groups, to utilities such as PG&E, to air districts and local governments, to architectural and business associations, have urged the Commission to adopt an all-electric building code. Accompanying these comments was substantial analysis demonstrating that all-electric new construction results in significant climate, air quality and public health benefits and lowers construction costs compared to homes that continue to rely on gas.

Recognizing the importance of all-electric new construction to achieving California’s climate, air quality and public health objectives, the California Air Resources Board passed a resolution last year supporting electrification of appliances in the 2022 building code “in order to protect public health, improve indoor and outdoor air quality, reduce GHG emissions, and set California on track to achieve carbon neutrality.”1 As Governor Newsom declared amidst the ashes of the North Complex Fire during a wildfire season of unprecedented and devastating severity, “This is a climate damn emergency.” Now is the time for the Administration to act through adoption of a building code with strong electrification measures.

In a recently released pre-rulemaking draft of the building code, the CEC made improvements in response to numerous stakeholder concerns that strengthen the 2022 code. These include assuming heat pump water heaters (“HPWHs”) in the low-rise residential design baseline for most climate zones and, to the extent developers decline to take advantage of HPWHs and their superior efficiency to gas water heating, a requirement that homes include the necessary space, plumbing, and electrical connection to enable future HPWH installation, thereby eliminating a key barrier to future decarbonization. While these changes are a step forward, they still assume other appliances such as those used for space heating rely on fossil fuels. Rather than backslide from these modest code changes as suggested in the Feb. 24th letter, the Administration should go further and ensure that electric is the default for all appliances in the building code.

While the letter cites the current COVID pandemic—which, with availability of vaccines, is on its way to resolution—as a justification for inaction, the reality is that the 2022 building code does not take effect until January 1, 2023. That is nearly two years from now. Assembly Bill 2913 (2018) currently allows builders a full year between permit issuance and construction before a permit expires, meaning that for some builders, the new code would not be implemented until 2024. In short, the building industry is expected to have fully rebounded from COVID impacts by the time a 2022 Title 24 is implemented.

HPWHs are a proven technology that are already being installed in buildings throughout California and bear many similarities to tanked water heaters using gas. Becoming a certified

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AO Smith HPWH installer entails reading a 36 page instruction manual, watching a seven minute video, and completing a 15-question online test.\(^2\) To the extent in-person workforce training is needed, there will be ample opportunity before construction would commence on projects utilizing HPWHs. Nothing about including HPWHs in baseline 2022 code requirements can legitimately be construed as fast-tracked or rushed. The building industry has more time to adjust designs to accommodate HPWHs than the 1 year and 45 days it took to build the Empire State Building.

Equally misleading in the Feb. 24\(^{th}\) letter are claims that electric rates justify continued reliance on fossil-fueled appliances. **To the contrary, a recent en banc by California’s energy agencies on electric rates found that electrification reduces rates by increasing volumetric electric sales. In contrast, delaying adoption of a strong electrification code until the 2025 code cycle would result in more than $1 billion of unnecessary spending on new gas connection infrastructure.\(^3\)** Moreover, because new construction now requires solar, operational costs of all-electric homes are further reduced because solar generation offsets additional electric load and complements technologies like HPWHs, which heat water for later use in the middle of the day and can be programmed to operate in even greater alignment with solar generation. Rate concerns support electrification this code cycle.

Finally, the letter makes unsupported claims about purported increases in construction costs for all-electric homes. **In fact, study after study has found all-electric homes are cheaper to build in part because they avoid the need for gas pipeline infrastructure.\(^4\)** As one builder recently stated in reporting by NPR, “his company only did its first all-electric building because an environmentally-minded developer forced them to. They thought it would cost a lot extra - turns out it's cheaper.”\(^5\) Opposition to electrification is not about cost. It is about a status quo mindset that the planet can ill afford.

History will look at this moment and judge what we did to avert the climate crisis. **Climate action delay is climate denial.** We urge the administration to resist the unfounded arguments for delay and, instead, rise to this moment and support strong electrification measures in the 2022 building code.

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\(^3\) Rocky Mountain Institute, California Can’t Wait on All-Electric New Building Code (July 28, 2020), [https://rmi.org/california-cant-wait-on-all-electric-new-building-code/](https://rmi.org/california-cant-wait-on-all-electric-new-building-code/).

\(^4\) E3, Residential Building Electrification in California—Consumer Economics, Greenhouse Gases and Grid Impacts, at 55 (Apr. 2019) (finding all-electric homes have “a capital cost advantage ranging from $3,000 to more than $10,000 over a mixed-fuel home” due to avoided gas infrastructure costs); Rocky Mountain Institute, The Economics of Electrifying Buildings, at 29 (2018), [https://rmi.org/insight/the-economics-of-electrifying-buildings/](https://rmi.org/insight/the-economics-of-electrifying-buildings/).

Respectfully submitted,

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