

DOCKETED

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*Comment Received From: RMI, Sierra Club California, Earthjustice et al.
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Joint Comments on BUILD Program Design

Additional submitted attachment is included below.



Commissioner Andrew McAllister
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

September 30, 2021

Re: Comments on the BUILD Program's Preliminary Program Design (released September 15, 2021)

On behalf of the undersigned organizations, we would like to thank you for the opportunity to provide comments on the California Energy Commission's (CEC) BUILD Program's Preliminary Program Design (Program Design) released September 15, 2021. I appreciate the CEC's detailed draft and accompanying stakeholder process to ensure the BUILD program funding can best shift new affordable housing (AH) developments towards all-electric construction, and, in turn, allow for low-income communities to reap the benefits of affordable and safe buildings.

To achieve the goals of market transformation and greenhouse gas (GHG) reductions set in Senate Bill 1477 (Stern, 2018) statute, the program must reach many AH developers who would not otherwise build all-electric. **Reaching these AH developers will require a simple program design that increases the accessibility to BUILD funds and robust incentives delivered early in the development process, particularly for AH developers who have no experience building all-electric.**

For these reasons, **I would like to suggest that the BUILD program establish higher starting incentives for first time all-electric AH developers applying for BUILD Funding.** BUILD at its core is a market transformation program, and the only way to shift the market is to strongly encourage AH developers to shift to all-electric. To convince AH developers to build all-electric for the first time and spur a market shift, we encourage the CEC to consider including a higher incentive for first time all-electric builders. In addition to incentivising AH builders to change their status quo, this higher incentive can also help cover any first-time mistakes of building all-electric, unpredictable barriers, or additional costs from working with subcontractors.

Please consider providing funds, or at least a portion of the funds, early in the development process. Currently, the program design would provide funds up to 90 days after a project's completion, however, delivering incentives earlier in the process during the pre-development phase increases the likelihood of shifting project designs to all-electric. Most of the conceptual planning and budgeting occur during the pre-development phase. Therefore, once pre-development is complete, it is much harder for AH developers to shift project designs. The CEC should aim to at least provide a portion of the incentive to AH developers earlier in the process to motivate them and overcome any initial barriers to shifting to all-electric construction for the first time.

Lastly, **the CEC should create simple marketing materials to alert AH developers to the available funds.** To catch the eye of AH developers new to building all-electric, the CEC should create simple visuals that show developers funding available across the various climate zones. Investing in these simple marketing tools up-front will in the long-term lead to higher program participation by new AH all-electric developers.

Thank you for your diligent efforts on the BUILD program design and for the opportunity to comment. Looking forward to continued engagement with the CEC as the state looks to provide clean, safe, and affordable homes to low-income communities who need these benefits the most.

Sincerely,

Charles Cormany, Executive Director
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