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CPUC and Building Decarbonization Programs

CEC Workshop on Equitable Electrification Program

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California Public
Utilities Commission

Implementing SB 1477 (Stern, 2018)

- In March 2020, the CPUC adopted D.20-03-027 allocating \$200 million in funding approved pursuant to SB 1477.
- **BUILD – Building Initiative for Low Emissions Development Program**
 - \$78 million
 - Focus on new construction, mostly low-income
 - CEC is administrator
- **TECH – Technology and Equipment for Clean Heating Initiative**
 - \$117 million + \$50 million (+ potential \$95 million envisioned for 2023 - 2024)
 - Focus on market development, midstream activities
 - Energy Solutions is implementer
- **Program Evaluation for both BUILD Program and TECH Initiative**
 - \$5 million
 - Opinion Dynamics is evaluator



The Role of TECH

- CPUC envisions TECH as leading cross-programmatic efforts for Building Decarbonization
- Has contractor training program, marketing platforms, and data tracking infrastructure that can benefit all programs
- Using TECH “backbone” provides seamless contractor and customer experience

The screenshot displays the 'Incentive Finder' tool on the 'Switch is On' website. The interface includes a search bar with '94610' and 'Home Function' selected. Below the search bar are three steps: SEARCH (for local California incentives), CONNECT (with trusted contractors), and ENJOY (benefits of new electric appliances). The results show 27 incentives available for ZIP code 94610. Three specific incentives are highlighted: 1. BAYREN Save \$1,000 Per Unit - Rebate On Central Heat Pumps. 2. BAYREN Save \$300 Per Unit - Rebate On Heat Pump Dryer. 3. BAYREN Save \$1,000 Per Unit - Rebate On Heat Pump Water Heaters. Each result includes requirements, who can apply, and building type.

Screenshot of Incentive Finder on “Switch is On” website

Other Equity-Related CPUC Programs

~\$335 million in additional funding to support building electrification

- **San Joaquin Valley (SJV) Pilots**

- SJV Pilots approved in December 2018 with \$56 million in funding
- 1,715 homes are eligible for the pilot
- Installations currently forecast to be completed in Q3 2023
- As of the end of November, there have been 1024 applications submitted, and a total of 628 homes have been retrofitted (79 natural gas line extension/549 electrified homes).

- **Mobilehome Park (MHP) Electrification Standard**

- Phase 2 will review electrical service size to support future electrification of existing and new manufactured homes.
- Will determine if it is appropriate to adopt this service size as a standard for all future MHP utility conversions.

Load shifting programs

- **Self-Generation Incentive Program (SGIP)**

- 2020: \$84.7 million in funding for utilizing heat pump water heater (HPWH) technologies as thermal energy storage (*i.e.*, load shifting)
- About half of budget dedicated to low-income customers, with more generous incentives
- Energy Solutions selected as implementer

- **PG&E's Water Saver Program & SCE's Smart Heat Pump Water Heater Pilot Program:**

- Programs would install smart controls and communications on existing heat pump water heaters and electric resistance water heaters to enable load shifting.
- Also provide incentives to replace propane water heaters with load shifting heat pump water heaters.
- PG&E program currently in market
- SCE seeking implementer

Wildfire and Natural Disaster Resiliency Rebuild (WNDRR)

- Incentivizes rebuilding homes destroyed by natural disaster to all-electric and beyond Title 24 code.
- Uses flat base incentive structure for single family home or unit in multi-family building
- Equity incentive is 1.5X greater than the market rate incentive
- Program to be available in 2023



Photo: <https://www.cnn.com/2018/08/08/us/california-wildfires-santa-rosa-redding-lessons/index.html>

Fuel Substitution within Energy Efficiency Portfolio

- Oct 2019 Fuel Substitution Calculator and Technical Guidance Document issued
- Aug 2020 Workpapers for Natural Gas-to-HPWH substitution approved
- 2021 EE Potential and Goals Study includes Fuel Substitution potential for the first time
- Aug 2022 ruling with a staff proposal released relating to the future of natural gas EE incentives, with the 1st step being phasing out EE incentives for non-cost-effective natural gas equipment.
- Late 2022/early 2023
 - Fuel Substitution Calculator and Technical Guidance Document to be updated
 - SCE launching retrofit and new construction electrification pilots for income-qualified customers (\$50M between 2022 and 2026)



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