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NCPA Comments on RFI - Equitable Building Decarbonization Program

Additional submitted attachment is included below.



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California Energy Commission
Docket Unit
Docket No. 22-DECARB-03
715 P Street
Sacramento, CA 95814-5512

Re: Northern California Power Agency's Comments on Equitable Building Decarbonization Program

The Northern California Power Agency¹ (NCPA) appreciates the opportunity to submit these comments to the California Energy Commission (CEC) to help inform the development of the Equitable Building Decarbonization Program. The comments below are in response to the questions posed by the Request For Information (RFI) published by the CEC on December 9, 2022.

DIRECT INSTALL PROGRAM CRITERIA

1a. NCPA recommends that the CEC assign higher weights to programs that meet the following criteria:

- Programs that aim for whole-home electrification, and also home weatherization retrofit services especially in areas exposed to extreme heat or cold. This helps to lower the customer energy bill by eliminating the monthly fixed gas meter charge and minimizing energy leakage due to poor insulation.
- Programs that partner with community-based organizations (CBOs) that are familiar with the demographics of the community and local needs, provide multilingual support, and serve as a trusted resource to residents.
- Programs that supports local workforce training and economic development.
- Programs that have a demonstrated track record with prior direct installation experience in HVAC and domestic hot system systems, and not just lighting projects.
- Programs that target disadvantaged communities that are currently underserved by existing statewide, utility, or regional energy network (REN) programs.

¹ NCPA is a nonprofit California joint powers agency established in 1968 to construct and operate renewable and low-emitting generating facilities and assist in meeting the wholesale energy needs of its 16 members: the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, Plumas-Sierra Rural Electric Cooperative, Port of Oakland, San Francisco Bay Area Rapid Transit (BART), and Truckee Donner Public Utility District—collectively serving nearly 700,000 electric consumers in Central and Northern California

- 1b. NCPA recommends that the CEC contract for the development of a single program-wide tool to target participants and eligible measures. There should be consistent criteria in order to achieve the desired outcome of equitable building decarbonization across the state. However, tools that depend on meter data may burden multi-unit buildings and smaller utilities with limited staff capacity. Tools should take into account situations in which meter and submeter data is not readily accessible.

LAYERING INCENTIVES

- 2b. Currently there is a patchwork of energy efficiency and electrification incentives offered by community choice aggregators (CCAs), RENS, publicly owned utility (POUs), investor-owned utilities (IOUs), as well as statewide programs such as the Low-Income Weatherization Program (LIWP) and the TECH Clean program. We recommend that the CEC require program proposals to leverage other energy efficiency and electrification incentives, if available. To the extent possible, the CEC should also require coordination with other program administrators for marketing and outreach activities. If other incentives are not available for a particular demographic or area, program administrators should identify this gap and be exempt from layering.

DIRECT INSTALL THIRD-PARTY IMPLEMENTERS AND SOLICITATION SCORING

- 5a. NCPA recommends that the CEC segment the state based on counties. While there are 58 counties in California, one can expect that there will be programs covering multiple counties and that CEC will not be overseeing 58 program implementers. It is likely that the more sparsely populated counties are underserved by current programs and will require additional attention to attract program administrators. Also, we recommend that the CEC track the incentives allocated to each county without establishing maximum incentives at this time, and instead set aside a minimum incentive allocation at the county level.

INITIAL PHASE OF THE EQUITABLE BUILDING DECARBONIZATION PROGRAM

7. We recommend that the CEC support currently active decarbonization programs by providing AB 209 funding to accelerate the adoption of building decarbonization measures. Given that GHG emissions stay in the atmosphere for 20 to 100 years, it would be more beneficial to remove gas appliances sooner rather than later. The CEC can specify minimum equipment standards for programs that receive funding in this initial phase.

DIRECT INSTALL ELIGIBLE EQUIPMENT AND MEASURES PRIORITIZATION

8. The CEC should prioritize direct install electrification and efficiency measures that are permanently affixed to the building, such as heat pump HVAC, heat pump water heaters, attic insulation, and induction stoves. Examples of low-priority measures include screw-in LED bulbs, screw-in low-flow showerhead, portable induction cooktops, portable heat pump HVAC units. Gas lines should be capped according to building code requirements.

For multifamily properties, priorities should be given to retrofitting in-unit gas wall furnaces and gas stoves. The use of gas wall furnaces increases the concentration of indoor pollutants such as nitrogen oxides and carbon monoxide when there is an exhaust fan running inside the dwelling unit which results in backdrafting of flue gas due to depressurization. Similarly, gas stoves produce indoor air pollutants, and unlike single family homes, kitchen exhaust fans in multifamily buildings often times are the recirculating type and therefore do not remove the NOx and CO produced from the gas stove.

Whichever measures are selected should be consistent across the programs offered, so that Utilities can develop their own programs to fill gaps and/or complement the CEC program.

STATEWIDE INCENTIVE PROGRAM

- 11d. The statewide incentives should be offered as an upfront incentive and shown on contractor/store invoices, so that Utilities and other incentive programs are aware that this incentive has already been applied.
- 11f. The CEC should leverage the existing TECH Clean California program, which previously offered heat pump HVAC and heat pump water heater incentives to only customers in gas IOU territory, and is expanding to cover all customers beginning in 2023.

METRICS TO TRACK PROGRAM PERFORMANCE AND EVALUATE PROGRAM SUCCESS

- 12a. NCPA recommends that the CEC also track the transformation of the supply chain, including the number of contractors that can service heat pump water heaters (HPWHs) and/or heat pump (HP) HVACs, and conduct contractor surveys on their familiarity with installing or troubleshooting HPWHs and willingness to recommend HPWHs and HP HVAC systems.

CONCLUSION

NCPA appreciates the opportunity to provide input and comments to help inform the development of the Equitable Building Decarbonization Program. We look forward to continuing to work with staff during the development and implementation of the Program.

Respectfully submitted,



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