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## **Social Cost of Carbon**

Build It Green (BIG) appreciates the opportunity to comment on the California Energy Commission (CEC)â€<sup>TM</sup>s Staff Workshop on the 2019 CALGreen Voluntary Energy Efficiency Standards on August 30th, 2017. Build It Green applauds the CEC for bringing the opportunity of energy efficiency to reduce greenhouse gas emissions into the workshop process. To that end, Build It Green believes that Local jurisdictions will need to be able to evaluate reach codes using a cost of carbon to adopt policies to effectively reduce greenhouse gas emissions.

We offer the following comments to assist CEC as it further develops its proposal:

Reach Code Adoption

The development of CALGreen voluntary tiers is intended to support local reach code adoption by jurisdictions. Local jurisdictions are adopting polices and plans to reduce greenhouse gas emission to meet local climate goals and support statewide goals. In the current code cycle, local jurisdictions have looked to California Building Code Pat6 and 11 for opportunities and guidance on reach codes.

The tiers have been developed to drive homes toward Zero Net Energy (ZNE) based on a TDV metric, which is an energy cost metric. This cost metric should not be conflated with a carbon or greenhouse gas emissions metric. Achieving Tier 1 and Tier 2 (ZNE) under CALGreen does not correlate with a low carbon or carbon neutral home. This is primarily attributed to the allowance of natural gas.

As Rachel Golden noted in comments docketed on 9/1/17.:Rachel Golden of Sierra Club (TN# 220991) "There is growing consensus that California will not achieve its climate goals in a cost- effective manner if we delay electrifying gas end uses in residential and commercial buildings.â€

To that end, the CEC has the opportunity to facilitate adoption of reach codes that achieve greenhouse gas emission reductions. The CEC stated that there was consideration for Title 24, Part 11 for 2019, of providing local jurisdictions with the ability to model the impacts based on cost of carbon set by local jurisdiction. This methodology would facilitate adoption of reach codes meant to achieve carbon reductions. The ability to set the societal cost of carbon (SCC) was to be available in CBECC-Res.

We recommend that the CEC develop a SCC feature to allow local jurisdictions to adopt reach codes based on the cost of carbon to comply with Title 24 Part 6 and 11 and meet state and local carbon reduction goals. And overall within the constraints of cost effectiveness, the CEC should make greenhouse gas emissions a more predominant metric for code compliance, in order to better align with our state climate goals. We believe that it would be useful to review any GHG reduction analysis that CEC has completed.

BIG looks forward to working with the Commission to support this methodology and encourages the Commission to share the methodology with stakeholders.

## Feasibility of Tier 1 and Tier 2

We understand that the goals of the voluntary tiers are to: improve public health, safety and general welfare; reduce negative and increase positive environmental impact; and encourage sustainable construction practices in energy efficiency. Build It Green appreciates the evaluation and 2 tiers in CALGreen and inclusion of PV and storage

strategies that can complement and efficiency first model. We appreciated the analysis that one cannot get to ZNE with efficiency measures and that PV and storage is need to achieve a low EDR. Build It Green would like to suggest the following to support the understanding and feasibility of Tiers 1 and 2. We believe that having a stronger evaluation of the tiers can support local jurisdictions in adopting an ordinance that can meet their climate goals.  $\hat{a} \notin Provide$  an analysis of the savings and cost effectiveness for Tiers 1 and 2.

 $\hat{a} \in \hat{c}$  Evaluate whether or not Tier 1 can be met without PV and provide alternatives to support broader adoption. As was stated in the August 30, 2017 workshop,  $\hat{a} \in \hat{c}$  Even if we eliminate all heating, cooling, hot water, and IAQ loads, we $\hat{a} \in \mathbb{T}^{Ml}$  still end up with an EDR score of 25-30, the theoretical limit for efficiency EDR $\hat{a} \in \hat{c}$  While Build It Green appreciates the prerequisites to support efficiency first, five prerequisites for a performance-based approach may result in barriers to practice. In addition, we encourage the CEC to develop option/ voluntary measures, to enhance performance of projects within the CBECC-Res.