

DOCKETED

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Building Initiative for Low-Emissions Development (BUILD) Program Overview

SB 1477 Building Decarbonization Workshop



Martha Brook
July 30, 2019
California Energy Commission



Proposed BUILD Program Elements

- California Energy Commission serves as direct program administrator
- Direct financial incentives for deployment of near-zero emissions technology to reduce GHG emission in new residential buildings
- Focus on new construction single-family and multifamily dwellings
- Eligible recipients include owners or developers of new residential housing
- A minimum of 30 percent of funds reserved for low-income residences (as defined by SB 1477). Administrator required to provide technical assistance to engage this demographic.



Proposed BUILD Program Budget

SB 1477 BUILD Program Budget Summary

\$20 million – Annual Total

\$12 million for program costs

\$6 million for low-income program costs

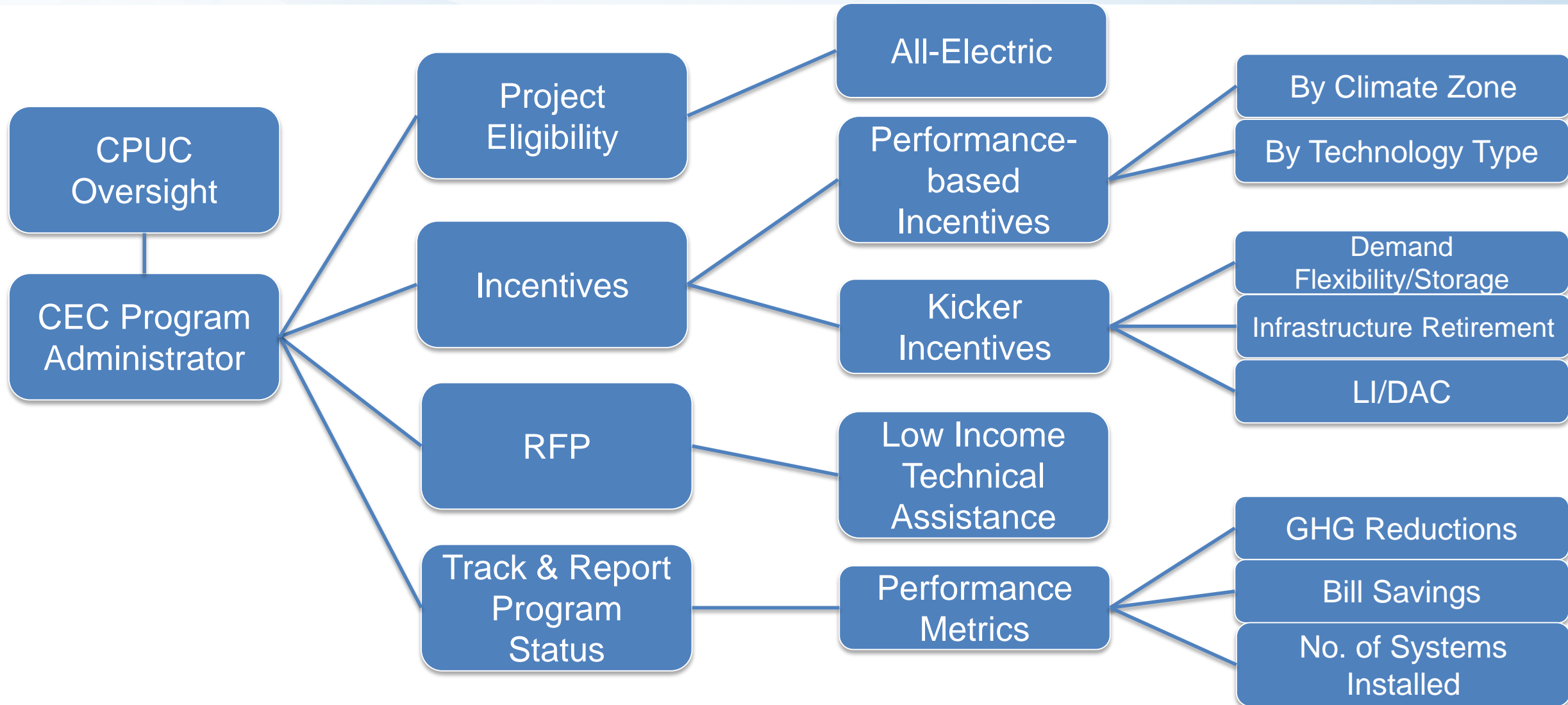
\$2 million for administration

\$2 million for evaluation
(funds to be allocated from BUILD & TECH program costs)

\$80 million total for fiscal years 2019-2020 through 2022-2023



Proposed BUILD Program Structure





BUILD: RFP for Technical Assistance to Low-Income and Disadvantaged Communities

- Thirty percent of total funding allocated to BUILD must be for new housing in low-income and/or disadvantaged communities
- RFP will focus on contracting an entity with technical expertise in low-income property development, construction, and low-GHG heating systems applicable to low-income properties
- Contract awarded via competitive solicitation
- If low-income reserved funds are unspent after two years, funds may be reallocated for other purposes consistent with program guidelines.



Proposed BUILD Incentive Structure

- Baseline incentive levels (see JSP Appendix for more detail):
 - For specific technology categories
 - By climate zone
- Baseline technology categories
 - Space heating
 - Water heating
 - Electric cooking
- “Kicker incentives” that encourage additional GHG emission reduction benefits beyond baseline incentivized technologies:
 - Thermal storage
 - Electrical storage
 - Low-global warming potential (GWP) refrigerants
 - Other?



BUILD Minimum Performance Metrics

- Program success will be measured using the following metrics:
 - Greenhouse gas (GHG) emissions reduced or avoided.
 - Cost per metric ton of avoided GHG emissions,
 - Projected utility bill savings,
 - Number of low-emission systems installed
 - Others to be determined



SB 1477: Evaluation

- Through a competitive solicitation, CPUC will contract one independent evaluator for BUILD & TECH
- There will be two levels of evaluation
 - The program implementers will collect data on program performance to the metrics, and report the data to CPUC and Energy Commission staff on at least a quarterly basis.
 - The CPUC will contract with one independent evaluator who will provide an evaluation of the programs' long-term market impact, and a qualitative assessment of the effectiveness of program implementation.
- \$2 million is allocated for evaluation of both BUILD & TECH



SB 1477: BUILD Design

- Flexibility in incorporating program changes
 - Implementation Plan to CPUC
 - Regular staff meetings
 - Report to CPUC on implementation
 - CPUC staff approves changes within the broad construct.



SB 1477: 2019-20 Timeline

- July 30, 2019 – Public Workshop
- August 13, 2019– Stakeholder comments due
- Early-October – Draft Proposed Decision
- Early-November – Proposed Decision Mails
- Early-December – Comments due
- Mid-December – CPUC proposed decision vote
- Three months after final staff proposal decision, Energy Commission submits a four-year detailed implementation plan for BUILD to the CPUC
- Mid-March begin BUILD Implementation