

DOCKETED

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Additional submitted attachment is included below.

**STATE OF CALIFORNIA
BEFORE THE CALIFORNIA ENERGY COMMISSION**

In the matter of:)	Docket No. 20-DECARB-01
)	
Building Initiative for Low-Emissions Development Docket)	SMUD Comments Re:
)	Building Initiative for Low-Emissions Development Docket
)	
)	June 26, 2020
)	

**Comments of SACRAMENTO MUNICIPAL UTILITY DISTRICT on
Building Initiative for Low-Emissions Development Docket**

The Sacramento Municipal Utility District (SMUD) respectfully submits these comments to the California Energy Commission (CEC) regarding the *Joint Agency Workshop on Building Initiative for Low-Emissions Development* (“BUILD Program”) to the CEC Building Initiative for Low-Emissions Development (Docket 20-CARB-01).

The BUILD Program currently being developed by the California Public Utilities Commission (CPUC) is authorized by Senate Bill (SB) 1477 (Stern, Chapter 378, Statutes of 2018). SMUD’s comments, contained herein, are in response to the CPUC and CEC staff proposals for program participation requirements as mandated by Decision 19-01-011 and called for in the BUILD Implementation Plan.

SMUD has served most of Sacramento County and portions of Placer and Yolo County residents for over 70 years. With a service area of 900 square miles, SMUD provides over 1.5 million customers with reliable electricity at affordable rates. We are the nation’s sixth-largest community-owned electric utility and are nationally and internationally recognized for our innovative energy efficiency programs and renewable power technologies.

SMUD is committed to reducing greenhouse gas (GHG) emissions in the Sacramento region. We strongly support the state’s decarbonization efforts by promoting building electrification, and we appreciate the opportunity to provide feedback on planning for the innovative BUILD Program.

Simplicity Is Key to BUILD Program Requirements

Simple, straightforward programmatic requirements will be key to the BUILD Program’s success. Transitioning builders and consumers from gas to all-electric construction is critical for California to meet its climate reduction goals. Keeping BUILD Program requirements and programmatic architecture simple will ensure maximum market participation and benefits for builders and consumers. Access to BUILD incentives and eligibility for participation must be straightforward or the BUILD Program will not live up to its full potential.

For these reasons, SMUD encourages staff to implement an uncomplicated qualification criterion. For example, eligibility could be tied to simply having no gas infrastructure on the property. This would allow for quick and easy vetting of entitlement to BUILD funds.

Options for Demonstrating Utility Bill Savings

SB1477 requires program metrics to include projected utility bill savings. To accomplish this, SMUD recommends using a prototype building(s) per climate zone. These prototypes could serve as the basis for “prescriptive” requirements per climate zone.

Alternatively, projected bill savings may be demonstrated by using the California Utility Allowance Calculator (CUAC), which is a tool utilized in California Tax Credit Allocation Committee projects (CTAC). CUAC is a proven instrument that has been utilized for over ten years to show utility bill savings per unit. CUAC has a track record of success and low-income developers are familiar with using the tool.

Payment Structure

Access to funds should be immediate and simple. To maximize developer participation, reimbursement of expenses should occur in near real-time versus simply upon project completion. Payouts could be structured as progress payments with a small lump sum payout when the project is finished. For example, the program could utilize a 25% - 50% - 25% payment structure or the like.

Conclusion

As California moves toward a zero-carbon future, coordination between utilities, builders, public agencies, and consumers becomes increasingly important. Innovation will be vital to ensuring we reach the state’s goals at the lowest levelized cost to consumers. The BUILD Program is a prime opportunity to transform the market by promoting the benefits of building electrification. “Keeping it simple” is the key to leveraging all the promising benefits the BUILD Program has to offer.

As always, SMUD appreciates the opportunity to provide these comments on the BUILD Program design.

/s/

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cc: Corporate Files (LEG 2020-0099)