

DOCKETED

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CBIA Comments on the Structure and Timeliness of BUILD Program Funding

Additional submitted attachment is included below.



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June 26, 2020

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RE: Building Initiative for Low-Emissions Development (BUILD)

CBIA greatly appreciates the opportunity to provide comments on the implementation of the BUILD and TECH Programs. CBIA acknowledges the significant time and effort CEC Staff has put into developing these programs in a just and equitable fashion. However, while CBIA absolutely appreciates the need to emphasize equity as the State transitions away from fossil fuels, CBIA is seriously concerned that the proposals as they now stand will not allow the State to achieve their electrification goals.

The CPUC decision to establish building decarbonization pilot programs states: "The CEC should aim to design the BUILD Program with the goal to deploy near-zero emission building technologies in the largest number of new residential housing units possible."¹ By establishing that no funding should be available for market rate housing for at least the first two years of the program, if not at all, the CEC is entirely missing the opportunity to impact the market for all-electric homes, and the opportunity to significantly increase new construction electrification designs and practice.

CBIA estimates that less than 2% of the current residential new construction market is all-electric. The Decarbonization Pilot Programs are proposed as market incentives to increase all-electric homes and multi-family projects. CBIA does not believe that updated compliance credits alone will have any measurable impact. However, CBIA believes a targeted approach that combines significant building energy compliance credit(s), along with cash "kicker" for all-electric construction and/or electric appliances (e.g., heat pumps, heat pump water heaters) incentives can lead to a significant market shift over the next few years.

SMUD reports that their \$5,000 incentive for all electric new homes is making a significant impact in their service territory. Introducing a combination of compliance credits and cash incentives for single-family new construction homes will allow the market to drive down costs much more quickly, and at a lower cost per unit than if funding is limited to only low-income housing. Additionally, by making these incentives available for single-family housing, the State is also much more likely to avoid the equity issues surrounding abandoned infrastructure in the years and decades to come.

Robert E. Raymer, P.E. CBIA Technical Director

¹ DECISION ESTABLISHING BUILDING DECARBONIZATION PILOT PROGRAMS, Decision 20-03-027, pg. 3-4, (March 26, 2020).