

DOCKETED

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Comments of Environmental Defense Fund on Staff Implementation Plan

Additional submitted attachment is included below.



Comments of Environmental Defense Fund on Building Initiative for Low-Emissions Development (BUILD) Program Implementation Plan

Date: August 7, 2020

Environmental Defense Fund (EDF) is pleased to offer these comments on the BUILD Program Implementation Plan.

EDF offers comments on the following areas of the proposed Implementation Plan:

- Low Income Eligibility
- Incentive Structures
- Kicker Incentives

Low Income Eligibility

On page 8, the Implementation Plan lists the eligibility criteria for participation in the BUILD program. EDF appreciates the close statutory reading presented by staff. However, EDF encourages the CEC to consider how non-deed restricted housing could participate without deed restrictions as described in Section 2. There are several needs for new low-income housing stock and re-sale restrictions (while appropriate in some instances) may not work for all developers. EDF encourage the CEC to consider other approaches to get non-deed low income housing to be able to participate.

Incentive Structures:

EDF appreciates that CEC staff heard our concerns about the need to simplify program design around incentive structures. EDF thinks that differentiation by climate zone works, and encourages a further incentive change to prioritize (provider a higher incentive) if the project is located in a disadvantaged community within that particular climate zone. This aligns with the objectives outlined in Section 2.

EDF concurs with staff that funding caps are not appropriate during this pilot stage of BUILD (see page 14 of draft Implementation Plan). We do not yet know how much funding it decarbonization will require to make BUILD work, and we should gather the data from these pilots before implementing a cap.

As outlined on Figure 3.2, if there are insufficient bill savings then the project is encouraged to do additional energy efficiency. EDF notes that there are other bill management techniques including automatic demand response (especially on items like new all electric water heaters)

and we should not limit bill savings to just EE measures but to all demand side management projects.

Kicker Incentives:

EDF suggests that additional clarification is required in this section. It is not clear if the same product can receive multiple kicker incentives as outlined in Table 3.3 For example, can a grid flexible HVAC system that uses low GWP refrigerant s receive both kicker incentives?

Relatedly, on page 24 the document says: “As the CEC collaborates with the CPUC and the public to further develop proposed program requirements, , the CEC will seek to address the layering of incentives and identify specific areas of the BUILD program 24 that may need to be updated including additional kicker incentives or alterations to the existing incentive structure”. EDF encourages that there needs to be some stability and transparency in this process, so that developers can have some predictability and their project design. EDF encourages that these layer updates only happen once a year during the four years.

EDF is also concerned how kicker incentives will interact with that of compliance code. While EDF appreciate that we do not want to over-incent technologies, this interactive effect may render too many technologies unaffordable to developers.

EDF thanks CEC staff for their efforts on this draft plan.

Sincerely

A handwritten signature in black ink, appearing to read "Michael Colvin". The signature is fluid and cursive, with a long horizontal stroke at the end.

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