

DOCKETED

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Additional submitted attachment is included below



September 4, 2020

David Hochschild, Chair
California Energy Commission
1516 Ninth Street, Docket Office, MS-4
Sacramento, CA. 95814
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SUBMITTED VIA EMAIL

Re: Docket Number 19-BSTD-03 – Recent Requests to switch to an All-Electric Baseline in the 2022 Energy Code

Dear Chair Hochschild and Commissioners:

These comments are respectfully submitted in response to a series of comments received out of order at the August Business Meeting, encouraging the CEC to adopt an all-electric baseline for new construction in the 2022 update to the Building Energy Efficiency Standards.

These comments specifically seek rebut a number of comments made based on a number of mistakes of fact. These mistakes of fact include:

- That building electrification reduces construction costs;
- That building electrification reduces utility bills;
- That building electrification improves environmental health and indoor air quality conditions in disadvantaged communities;
- That public sentiment favors electrification;
- That combustion fuels should not be included in a zero-carbon future; and
- That building electrification poses no significant resiliency disadvantages.

Independent analysis of production home builder construction costs shows that all-electric homes are in fact more expensive to build, by an estimated \$1,500 dollars. It may be true that builders will see savings from avoided natural gas infrastructure, however those savings, assessed as less than \$1,500, are not sufficient to overcome those increased construction costs. Additionally, these distinctions do not evaluate the costs and losses associated with changes to standard building or marketing practices.

Perhaps more significant than the impacts to construction costs is the impact electrification will have on utility bills. In the vast majority of climate zones in California, homeowners will face increased utility bills. Ranging from around \$250 in the Central Valley, to hundreds more in heating dominated climates. An increase to utility bills is an increase to housing costs. A deeply irresponsible action to take as California faces the combined threats of insurmountable homelessness, and an unprecedented pandemic. Additionally, most rate payers in California will be facing substantial increases in electric rates over the next 3 years, 10% or more per year in many cases¹.

The claim that building electrification provides for better indoor air quality tends to be significantly overstated, and can be better addressed with appliance technology improvements. While removing gas burners reduces the

¹ Southern California Gas letter to the CEC, August 7, 2020

presence of combustion gases, the analyses that scrutinize these benefits generally fail to distinguish the net emissions from cooking (inclusive of the cooking process itself, burning oils, etc.), and do not distinguish these criteria pollutants from all of the pollutant present in a home. Further, these reviews do not consider the potential benefits of improved ventilation standards, nor do they include the possibility of lower emitting gas stoves which have shown the ability to reduce NOx emissions by some 80%.²

The argument has been made that Californian's generally want to move toward electrification, referencing the number of municipalities that have already done so. However, this argument fails to acknowledge that the number of municipalities that have so far done so only reflect 1.5% of new home construction in California. Instead those places reflect generally wealthy coastal communities, failing to reflect the perspectives of most of California.

State policy presently appears to be moving toward a future energy system entirely free of combustion fuels, declaring that they have no place in a zero-carbon future. However, this sentiment fails to acknowledge two fundamental issues. First, there are several applications where electrification will remain difficult, expensive and impractical. This includes commercial kitchens, rural homes in colder climates, many industrial processes, and others. Second there should be room left for combustion fuels derived from renewable sources, which when designed to avoid emissions that would have otherwise occurred, can provide a net emissions benefit. To this end, WPGA has committed to propane derived from 100% renewable sources by 2030.

Finally, this renewed pressure for building electrification significantly undervalues the resiliency benefits propane can provide. The propane industry is proud of the role we play in providing an affordable, clean energy for communities across California.

Last Fall and already this year, we have seen millions of Californians left stranded due to Public Safety Power Shut Offs and rolling blackouts. These occurrences, which are expected to continue for at least the next 10 years, are a prime example as to why relying on a single power source is unacceptably risky and accentuate the need for both energy diversity and resiliency across the state. Whereas, countless individuals were able to power their homes, stay warm and ensure that essential life sustaining equipment was not turned off during the shut offs because their homes were also plumbed with propane. Propane provide power to firefighters' basecamps so they can cook, clean and shower. Propane also provides backup power to cell phone towers, hospitals, water treatments plants, homeless shelters and other facilities that are critical to many Californian's survival during these unfortunate events. We believe the 2022 Energy Code should ensure that residents across the state have much needed access to both clean energy diversity and resiliency options. The advent of renewable propane, which is available in California today, has also dramatically changed propane's value proposition.

The Western Propane Gas Association appreciates your work on the 2022 Energy Code update and hopes the Commission will take a holistic view of the role that renewable propane and other renewable fuels can play alongside other decarbonization efforts. Renewable propane can work alongside solar to provide affordable, reliable energy that is low carbon and sustainable. We look forward to working with you as the State strives to reduce greenhouse gas emissions through comprehensive clean energy solutions.

Sincerely,



Ben Granholm
Regulatory Affairs Specialist

² See: Research and Development of Natural Draft Ultra-Low Emissions Burners for Gas Appliances, at:
<https://eta.lbl.gov/publications/research-development-natural-draft>