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David Hochschild Chair California Energy Commission

Andrew McAllister Commissioner Assigned to 2022 Building Standards Proceeding California Energy Commission

Re: Failures of Staff Proposal for 2022 Building Code Standards

Chair Hochschild and Commissioner McAllister:

In August of last year, several California environmental justice organizations joined a broad coalition, including well over one hundred groups, to urge the California Energy Commission to update the 2022 building code to finally end the needless, harmful practice of connecting new buildings to gas infrastructure. At a fundamental level, we believe that buildings that continue to rely on burning polluting fuels, including both fossil fuels and biogas, are incompatible with a built environment that supports human health and resilience.

Since then, the world witnessed California burn from the most devastating wildfire event in its history. Smoke and unprecedented heat waves continued to push already-unhealthy California air to even more dangerous levels in the nation's most polluted air basins impacting the same populations hardest hit by the COVID-19 pandemic in the San Joaquin Valley and the South Coast, where progress fighting air pollution has been backsliding since before these climate-fueled extreme weather events. At the same time, Californians fortunate enough to shelter at home increased their exposure to gas appliances that the California Air Resources Board has recognized as a major, and harmful source of indoor air pollution.

In our previous letter, we explained how accelerating an equitable transition to all-electric buildings, beginning with the common-sense step of stopping new construction from relying on polluting fuels in the first place, could help alleviate multiple, over-lapping problems that acutely impact low-income households and communities of color. We are therefore extremely disappointed that the Commission declined to pursue the all-electric building code. In the face of worsening climate, air quality, and housing crises that demand transformative action, Commission Staff have instead opted to give inordinate deference to the meritless concerns of the building industry and elected for an incrementalist approach that allows for substantial, continued gas reliance, and in turn, increased reliance on the production and combustion of gas – both of which disproportionately impact lower income communities of color.

Staff's proposal opted to use an electric baseline only for the appliance that would use the *least* energy in a given climate zone. Further, the proposal fails to ensure that new homes built with gas water

<sup>&</sup>lt;sup>1</sup> Los Angeles Times, *Editorial: Smog is Making a Comeback in Southern California. That's Beyond Unacceptable* (Jul. 3, 2019) https://www.latimes.com/opinion/editorials/la-ed-smog-gets-worse-20190703-story.html

<sup>&</sup>lt;sup>2</sup> CARB, California Indoor Air Quality Program Update – Res. 20-32 (Nov. 19, 2020) https://ww3.arb.ca.gov/board/res/2020/res20-32.pdf

heating are "electrification-ready" by not requiring the necessary space and plumbing to facilitate heat pump water heater installations.

By allowing the gas system to continue expanding, and leaving barriers to electrification intact, the CEC is creating a dangerous liability for low-income households and renters. Every year, thousands of new buildings are connected to the gas grid, increasing the size and cost of a system that must rapidly be contracted. Multiple reports show that elective electrification and energy efficiency alone are shrinking gas demand, and risk exposing low-income customers left on the system to potential price shocks.<sup>3</sup> The Commission is aware of this problem, but seemingly treats it as more tractable than simply asking builders to do what has already been proven feasible and cost-effective by cities and affordable housing developers across California.

While local governments and elected officials have recognized the imperative and opportunity to require new construction does not lock-in pollution and polluting fuel reliance, many of California's environmental justice communities are cited in parts of the State where the gas industry exercises enormous political power, and has recklessly pushed agendas that delay or block the transition away from gas. At multiple junctures, we and our climate justice partners have made the State aware of these tactics, whereby SoCalGas and its front groups and lobbying arms crisscross the Southern and Central parts of the State pushing for anti-electrification measures in City Councils and business chambers. But the Staff proposal shows the State's unwillingness to step into a position of leadership, and risks cowering to the same industry influence that leaves our communities with an ever-growing source of NOx emissions in the nation's most-polluted air basins.

The CEC is well aware of the scale of the challenge we already face in retrofitting the existing building stock in an equitable manner. Thoughtful planning and community engagement at the local level must begin now. Yet the Staff Proposal's failure to meaningfully limit gas in new construction means that local governments will continue to have to expend limited resources on reach code adoption that could otherwise be squarely focused on developing strategies to transition low-income communities off gas.<sup>6</sup>. We therefore urge the Commission to direct Staff to correct course, step into its role as a leader in the transition away from polluting fuels, and side with the hundreds of affordable housing developers, youth climate activists, public health officials, and environmental justice communities in adopting an all-electric baseline in the 2022 building code.

<sup>&</sup>lt;sup>3</sup> See, e.g., E3, The Challenge of Retail Gas in California's Low Carbon Future (Apr. 2020) https://ww2.energy.ca.gov/2019publications/CEC-500-2019-055/CEC-500-2019-055-F.pdf, and Gridworks, California's Gas System in Transition; Equitable, Affordable, Decarbonized, and Smaller at 1 (Oct. 2019) https://gridworks.org/wp-content/uploads/2019/09/CA Gas System in Transition.pdf

<sup>&</sup>lt;sup>4</sup> See, e.g. Sammy Roth, "California Ditched Coal. The Gas Company is Worried it's Next" (Oct. 22, 2019) https://www.latimes.com/environment/story/2019-10-22/southern-california-gas-climate-change

<sup>&</sup>lt;sup>5</sup> Sasan Saadat, "SoCalGas' Reckless Strategy to Keep California Tied to Combustion" (July 26. 2019) https://earthjustice.org/blog/2019-july/socalgas-reckless-strategy-to-keep-california-tied-to-combustion

<sup>&</sup>lt;sup>6</sup> See, e.g., City of Berkeley, Berkeley Existing Building Electrification Strategy (Jan. 27, 2021) <a href="https://www.cityofberkeley.info/uploadedFiles/Planning">https://www.cityofberkeley.info/uploadedFiles/Planning</a> and Development/Level 3 - Commissions/Commission for Energy/2021-01-

<sup>&</sup>lt;u>27 EC Item%209 Late%20Communication Item%204 Proposed%20Existing%20Building%20Electfication%20Strategies.pdf</u>

Sincerely,

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