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Ceres BICEP Network Support Comments on the Title 24 2022 Express Terms

The Ceres BICEP Network is encouraged by the steps taken by the California Energy Commission (CEC) to incentivize building electrification in the Express Terms and see the 2022 Title 24 update as an opportunity for California to shift the market towards all-electric new construction. The steps that the CEC is taking to accelerate this transition are critical to maximizing progress in the building sector and avoid locking in carbon-intensive buildings for decades to come. It is important that the Commission keeps this ambition in the final regulation and looks for opportunities to further incentivize the transition towards all-electric buildings.

Additional submitted attachment is included below.

June 21, 2021

BICEP Members:

Adobe
Akamai Technologies
Annie's Inc
Autodesk
Aveda
Avocado Green Brands
Ball Corporation
Ben & Jerry's
Biogen
Blue Cross Blue Shield of MA
Burt's Bees
Burton Snowboards
Clif Bar & Company
CommonSpirit
Danone North America
DSM
eBay Inc.
Eileen Fisher
Etsy
Fetzer Vineyards
Gap Inc.
General Mills, Inc.
Hackensack Meridian Health
Happy Family Brands
IKEA Retail USA
Impossible Foods
Indigo Agriculture
JLL
Kaiser Permanente
KB Home
The Kellogg Company
L'Oreal USA
L Brands uSA
Levi Strauss & Co.
LinkedIn
Lyft
Mars Incorporated
Mass General Brigham
McDonald's
Microsoft Inc.
Nature's Path Foods
Nestle
New Belgium Brewing
Nike, Inc.
Novartis Corporation
Outdoor Industry Association
Owens Corning
Patagonia, Inc.
PayPal
PepsiCo
Portland Trail Blazers
REI
Salesforce
Schneider Electric
Seventh Generation
SFO
Sierra Nevada Brewing
Squaw Valley (Altterra)
Starbucks
Stonyfield Farm
Symantec Corporation
The North Face
Tiffany & Co.
Timberland
Unilever
VF Corporation
Vail Resorts
Vulcan, Inc.
Workday
Worthen Industries

The Honorable J. Andrew McAllister
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

**RE: Comments on the Title 24 2022 Express Terms Released May 6, 2021,
Docket Number 21-BSTD-01**

Dear Commissioner McAllister and Energy Commission Staff:

I write on behalf of the Ceres BICEP (Business for Innovative Climate and Energy Policy) Network — a coalition of over 70 major employers and large electricity customers across the United States, many of whom have substantial operations or are headquartered in California. As a representative of this Network, I write today to thank you for your leadership in bringing forward the Title 24 2022 Express Terms. We believe the proposal represents a critical step toward decarbonizing California's building sector and beginning the process of shifting our buildings toward an electrified future.

We are encouraged by the steps taken by the California Energy Commission (CEC) to incentivize building electrification in the Express Terms and see the 2022 Title 24 update as an opportunity for California to shift the market towards all-electric new construction. The steps that the CEC is taking to accelerate this transition are critical to maximizing progress in the building sector and avoid locking-in carbon-intensive buildings for decades to come. It is important that the Commission keeps this ambition in the final regulation and looks for opportunities to further incentivize the transition towards all-electric buildings.

Because of the risks climate change poses to operations and supply chains, companies and institutions in California and nationwide are making significant commitments to reduce their greenhouse gas (GHG) emissions and invest in clean energy resources.¹ Even with these steps being taken, the building sector remains both a major source of emissions for the state, as well as a significant cost center and component of companies' carbon footprint.² Without government leadership, businesses often face challenges in driving down their building-level emissions footprint. As a result, businesses seeking to reduce their carbon footprint have a significant interest in public policy opportunities that enable cost-effective investments to optimize their energy use, decrease emissions, and drive market transformation in the building sector. This is why, last December, [55 California companies and institutions](#) urged the state to pursue robust building decarbonization policies.



Electrification is a key component of building decarbonization. Policies and programs that incentivize building electrification create a variety of options for businesses and institutions seeking to make long-term investments consistent with their sustainability and financial goals. These options can help cut energy costs and free up significant capital that can be reinvested into their operations, employees, and communities.³ Such policies also support a company's decision, given competing investment options, to allocate capital towards clean energy products, systems, and services within California. A commitment to advancing building electrification in California will give the business community the confidence to invest and grow in the state.

All-electric appliances for space and water heating have the potential to create substantial long term cost savings by avoiding the addition of new gas lines to buildings and related infrastructure costs. As noted in [our previous comments](#), ratepayers will bear the cost for investments in gas infrastructure that California has already indicated that it plans to phase out. If the state plans to phase out natural gas, it is important that ratepayers are not left paying for stranded assets and/or that building occupants are not required to later pay for retrofits that were otherwise avoidable. We appreciate that the Express Terms include strengthened and expanded electric-ready requirements for appliances. We strongly encourage the CEC to maintain these details in the final standard and to look towards full electrification in future versions of the standards.

We also support the advancement of standards that enable market transformation, including compliance incentives that encourage efficient electric space and water heating. This approach would enable large-scale and rapid adoption of electric technologies, while continuing California's climate leadership. Again, we appreciate that the draft standard includes this incentive-based approach and strongly encourage the CEC to maintain these details in the final standard.

Given the immediacy of the climate crisis and economic benefits of bold action, we are encouraged to see that the draft Express Standards takes the necessary steps to transition California towards full electrification. Strategic steps taken in the 2022 code will help California businesses and institutions optimize their energy use, achieve cost savings, improve public health, and spur technological innovation, all while upholding California's legacy as a climate leader.

Thank you for your consideration.

Sincerely,

Anne L. Kelly
Vice President of Government Relations, Ceres
On behalf of Business for Innovative Climate and Energy Policy
kelly@ceres.org
www.ceres.org/bicep



The Ceres BICEP Network comprises influential companies advocating for stronger climate and clean energy policies at the state and federal level in the U.S. For more information on the Ceres BICEP Network, visit www.ceres.org/bicep.

CC: Governor Gavin Newsom
David Hochschild, Chair
Karen Douglas, Commissioner
Siva Gunda, Commissioner
Patty Monahan, Commissioner

¹ Ceres. "Power Forward 3.0: How the largest U.S. companies are capturing business value while addressing climate change" April 15, 2017. <https://www.ceres.org/2/resources/reports/power-forward-3>

² Energy and Environmental Economics. "Residential Building Electrification in California: Consumer economics, greenhouse gases and grid impacts." April 2019. ³ https://www.ethree.com/wp-content/uploads/2019/04/E3_Residential_Building_Electrification_in_California_April_2019.pdf

³ Electrifying commercial building space heating can achieve energy savings of 640 trillion Btu of energy. See: ACEEE. "Electrifying Space Heating In Existing 5 Commercial Buildings: Opportunities and Challenges." October 2020. <https://www.aceee.org/sites/default/files/pdfs/b2004.pdf>