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SCE Comments for the July 2021 IEPR Workshop

Additional submitted attachment is included below.

July 27, 2021

California Energy Commission
Docket Office, MS-4
Re: Docket No. 21-IEPR-06
1516 Ninth Street
Sacramento, CA 95814-5512
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Re: Southern California Edison Company’s Comments on the California Energy Commission
Docket No. 21-IEPR-06: Workshop on Building Decarbonization - Consumers,
Financing, and Workforce

Dear Commissioners:

On July 12 and July 13, 2021, the California Energy Commission (CEC) hosted a workshop to examine decarbonizing buildings from the viewpoint of building owners and consumers.

As the Commissioners acknowledged during the workshop, we are facing a climate crisis and we need to solve the social and structural problems that have negatively impacted low-income and vulnerable communities for years. While buildings are a major part of the decarbonization solution, the strategy needs to be comprehensive; we need an equitable path forward so we do not leave these communities behind. It is also important to explore clean energy financing and the impact of decarbonization activities on the workforce. Southern California Edison (SCE) appreciates the opportunity to submit comments on the workshop, as set forth below.

I. Decarbonization Requires a Just Transition for Skilled and Trained Workforce

Building decarbonization creates a new demand for skilled workers in several economic sectors, including construction jobs for energy efficiency improvements and building retrofits. However, as buildings electrify, workforce demand for gas workers, plumbers, and pipefitters in the natural gas sector will reduce. Therefore, workforce transition plans and job quality must be addressed alongside building electrification to ensure an equitable future that does not place undue burden on displaced labor and disrupted workforces.

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In November 2019, the UCLA Luskin Center for Innovation issued a whitepaper addressing the job impacts of electrifying California's buildings.¹ The whitepaper analyzed the potential employment impacts of building decarbonization, and recommended several approaches to engage affected workers and unions, prioritize demand strategies, and target investments in training strategies. SCE recommends that the Commission and other state agencies leverage this study to create a workforce transition plan that is just and equitable.

At the workshop, the Sheet Metal Workers Local 104 gave a presentation on "Current and Future Workforce and Training Ecosystems".² The presentation discussed the concerns associated with workforce training and development in the context of building decarbonization and recommended policy solutions to ameliorate these concerns. Some of these recommendations align with the ones discussed in the UCLA whitepaper referenced above. The sheet metal workers are a great example of a labor union that is taking a proactive approach to prepare for transitioning employment demand.

Lastly, market demand drives supplier and workforce change. SCE continues to stress the need for the state to develop quantifiable electric heat pump goals and targets so that local governments, manufacturers, builders, developers, and utilities can plan accordingly. Specifically, SCE urges the Commission to include in the AB 3232 Building Decarbonization Assessment a proposed target adoption scenario with quantifiable electric heat pump targets and a technology adoption trajectory, so that state agencies can develop a clear and coordinated transition plan to shift buildings towards electric end uses.

II. Clean Energy Financing is Essential to Realizing California's Carbon Neutrality Goals

As the state considers customer financing as part of the clean energy future, SCE recommends the Commission collaborate with the California Public Utilities Commission (CPUC) in their Clean Energy Financing proceeding.³

In the Clean Energy Financing proceeding, the CPUC seeks to develop a more cohesive and comprehensive strategy to help customers finance energy improvements to further support the state's ambitious goals to reduce greenhouse gas (GHG) emissions. SCE is committed to this effort and supports streamlining financing options in furtherance of those energy and environmental goals. SCE appreciates the complexity of the task because there are so many potential options with varying degrees of difficulty to implement and benefits to customers and the grid. The result will have downstream consequences. To strike the appropriate balance, SCE recommends that the clean energy

¹ California Building Decarbonization Workforce Needs and Recommendations, November 2019. Available here: <https://innovation.luskin.ucla.edu/california-building-decarbonization/>

² Presentation available here: <https://efiling.energy.ca.gov/getdocument.aspx?tn=238787>

³ Order Instituting Rulemaking to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers, filed August 27, 2020. Docket available here: https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R2008022

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financing approach be based upon the guiding principles of: (1) affordability; (2) maximum impact and uptake; (3) reduced complexity; (4) minimal risk; and (5) equity and inclusion.

III. Conclusion

SCE thanks the CEC for consideration of the above comments and looks forward to continuing its partnership with stakeholders for a just and equitable transition toward building decarbonization. Please contact me at (415) 929-5518 with questions. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Dawn Anaiscourt