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CALIFORNIA ENERGY COMMISSION

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CEC-057 (Revised 1/21)



**NINE-POINT CRITERIA ANALYSIS
FOR PROPOSED BUILDING ENERGY EFFICIENCY STANDARDS
OF THE CALIFORNIA ENERGY COMMISSION
REGARDING THE 2022 ENERGY CODE,
CALIFORNIA CODE OF REGULATIONS, TITLE 24, PARTS 6 AND 1**

Docket No. 19-BSTD-03

Building Energy Efficiency Standards (building standards) submitted to the California Building Standards Commission (CBSC) for approval are required by Health and Safety Code Subsection 18930(a) to be accompanied by an analysis which will, to the satisfaction of CBSC, justify their approval. The approval of these proposed building standards is justified as follows:

18930(a)(1)

The proposed building standards do not conflict with, overlap, or duplicate other building standards.

The California Energy Commission (CEC) is the only state agency authorized to set efficiency standards for buildings. Therefore, there should be no overlap, duplication, or conflict with other regulations. The CEC is not aware of any provision of these proposed standards that conflicts with, overlaps, or duplicates other building standards.

18930(a)(2)

The proposed building standards are within the parameters established by enabling legislation and are not expressly within the exclusive jurisdiction of another agency.

The CEC has statutory authority under Public Resources Code Sections 25213, 25402, 25402.1, 25402.4, 25402.5, 25402.8, and 25910 to promulgate and update energy- and water-efficiency standards for residential and nonresidential buildings, including both newly constructed buildings and additions and alterations to existing buildings. The CEC is the only state agency with the authority to set efficiency standards for buildings.

18930(a)(3)

The public interest requires the adoption of the building standards. The public interest includes, but is not limited to, health and safety, resource efficiency, fire safety, seismic safety, building and building system performance, and consistency with environmental, public health, and accessibility statutes and regulations.

California law declares that the welfare of California's citizens and economy depends on an adequate, reasonably-priced, and environmentally-sound supply of energy and that wasteful, uneconomic, inefficient, and unnecessary uses of energy will result in serious depletion or irreversible commitment of energy, land, and water resources, and potential threats to the state's environmental quality.¹ It is the policy of the state to employ a range of measures to reduce wasteful, uneconomical, and unnecessary uses of energy, thereby reducing the rate of growth of energy consumption, prudently conserve energy resources, and assure statewide environmental, public safety, and land use goals.² It is further the policy of the state to promote alternative energy generation, including through the use of solar photovoltaics.³

The proposed standards serve all these public interests by carrying out the CEC's statutory mandate to provide energy- and water-efficiency and conservation standards for both newly constructed residential and nonresidential buildings. By saving large amounts of energy, the standards will make a major contribution in meeting the state's goals for reductions in greenhouse gas emissions in buildings. By making buildings more efficient and affordable to operate, the standards encourage investment in new construction, making capital available for other investments, thereby stimulating economic growth. The proposed 2022 building standards will continue to improve upon the existing building standards and continue to address past and new policy directives.

18930(a)(4)

The proposed building standards are not unreasonable, arbitrary, unfair, or capricious, in whole or in part.

As discussed above, the Building Energy Efficiency Standards respond to existing California law, including but not limited to the Warren-Alquist Act, the Global Warming Solutions Act of 2006, California's Energy Action Plan 2008 Update, the California Energy Efficiency Long-Term Strategic Plan, the 2011 Integrated Energy Policy Report, the California's Clean Energy Futures Initiative, Governor Brown's Clean Energy Jobs Plan, and the Clean Energy and Pollution Reduction Act of 2016.

¹ Public Resources Code Sections 25001-25002.

² Public Resources Code Section 25007.

³ Public Resources Code Section 25008.

The proposed standards, as a whole and with respect to each part, are carefully developed through an open, transparent, data-driven process that necessarily responds to, incorporates, and reasonably balances a broad array of interests, state policy goals, and legal requirements. The proposed standards originate with proposals that describe measures that are technically feasible and cost-effective, including supporting data and analysis. These proposals were vetted during the public pre-rulemaking process, including dozens of public workshops, during which time CEC staff received stakeholder input and refined the proposed standards based on stakeholder input and evidence in the record.

18930(a)(5)

The cost to the public is reasonable, based on the overall benefit to be derived from the building standards.

The CEC must determine that any efficiency or conservation standards it adopts, including the proposed Building Energy Efficiency Standards are cost-effective pursuant to Public Resources Code Section 25402. To be cost-effective, efficiency standards must result in greater savings to consumers than the up-front costs required to attain that efficiency.

Furthermore, in the proposed standards, the CEC continues its longstanding adoption process of requiring that *each individual measure* (except for indoor air quality measures) be cost-effective, not just the standards when taken in its entirety. In most cases, the total value of these economic and environmental benefits substantially outweighs up-front costs. As discussed in greater detail in the Form 399 and accompanying narrative, the cost of new construction is primarily the result of supply, with the proposed standards playing a minimal role in determining up-front costs.

As a result, to the extent that the proposed standards result in any added up-front costs, they are both directly offset by lifetime benefits to the individual consumer and to the broader public, and therefore, the proposed standards will be cost-effective pursuant to the CEC's adoption process.

Additionally, although this cost-benefit calculation does not take into account other co-benefits of the proposed standards, such as reduced pollution, improved public health, reduced greenhouse gas emissions, and other similar benefits, the proposed standards are significant to the state of California in that they support state clean energy goals, policies, and legislation. The proposed amendments will increase the deployment of on-site renewable energy generation, reduce carbon emissions from new buildings (building decarbonization), reduce growth in energy demand, increase energy demand flexibility, and ensure that California buildings are as energy efficient as is found to be technically feasible and cost-effective. The added construction costs that the building

standards will impose are reasonable based on the economic and environmental benefits that will be derived from the building standards.

Therefore, the benefits will substantially outweigh the upfront costs of the proposed standards.

18930(a)(6)

The proposed building standards are not unnecessarily ambiguous or vague, in whole or in part.

The CEC has proposed many changes in the Final Express Terms that ensure clarity and prevent ambiguity, and anticipates making further changes throughout the rulemaking proceeding to continually improve the proposed language. Proposals or comments suggesting further clarifying improvements are incorporated into the building standards where staff determines that they provide a benefit to clarity without otherwise changing the application or effect of the intended regulatory change.

18930(a)(7)

The applicable national specifications, published standards, and model codes have been incorporated therein as provided in this part, where appropriate.

There are no federal laws applicable to nonfederal buildings in their entirety, so nothing in this realm has been incorporated into the building standards. However, the adopted building standards do incorporate (as previous editions of the building standards have for decades incorporated) federal energy standards for particular appliances that may be installed in buildings. In addition, the CEC included model and national codes and specifications in the proposed building standards wherever appropriate.

18930(a)(8)

The format of the proposed building standards is consistent with that adopted by CBSC.

The proposed standards continue to use the format of the other building standards in the State Building Code.

18930(a)(9)

The proposed building standards, if they promote fire and panic safety as determined by the State Fire Marshal, have the written approval of the State Fire Marshal.

The CEC has obtained the written approval of the State Fire Marshal, and determination that the proposed building standards do not promote fire or panic safety.