

CPUC and Building Decarbonization Programs

CEC Workshop on Equitable Electrification Program

Energy Division – Rory Cox

December 13, 2022



California Public
Utilities Commission

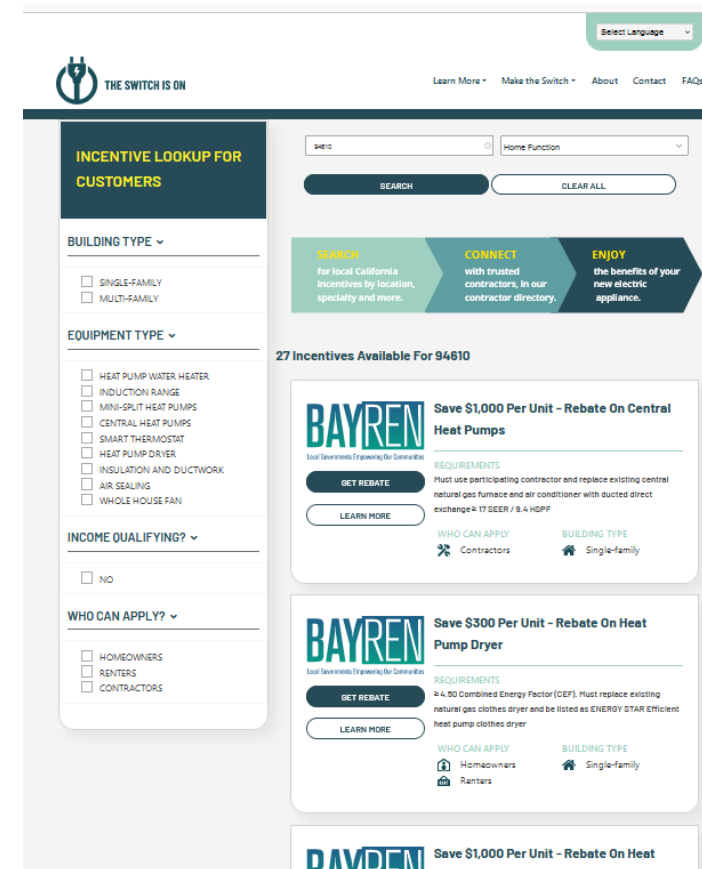
Implementing SB 1477 (Stern, 2018)

- In March 2020, the CPUC adopted D.20-03-027 allocating \$200 million in funding approved pursuant to SB 1477.
- **BUILD – Building Initiative for Low Emissions Development Program**
 - \$78 million
 - Focus on new construction, mostly low-income
 - CEC is administrator
- **TECH – Technology and Equipment for Clean Heating Initiative**
 - \$117 million + \$50 million (+ potential \$95 million envisioned for 2023 - 2024)
 - Focus on market development, midstream activities
 - Energy Solutions is implementer
- **Program Evaluation for both BUILD Program and TECH Initiative**
 - \$5 million
 - Opinion Dynamics is evaluator



The Role of TECH

- CPUC envisions TECH as leading cross-programmatic efforts for Building Decarbonization
- Has contractor training program, marketing platforms, and data tracking infrastructure that can benefit all programs
- Using TECH “backbone” provides seamless contractor and customer experience



Screenshot of Incentive Finder on “Switch is On” website

Other Equity-Related CPUC Programs

~\$335 million in additional funding to support building electrification

- **San Joaquin Valley (SJV) Pilots**

- SJV Pilots approved in December 2018 with \$56 million in funding
- 1,715 homes are eligible for the pilot
- Installations currently forecast to be completed in Q3 2023
- As of the end of November, there have been 1024 applications submitted, and a total of 628 homes have been retrofitted (79 natural gas line extension/549 electrified homes).

- **Mobilehome Park (MHP) Electrification Standard**

- Phase 2 will review electrical service size to support future electrification of existing and new manufactured homes.
- Will determine if it is appropriate to adopt this service size as a standard for all future MHP utility conversions.

Load shifting programs

- **Self-Generation Incentive Program (SGIP)**

- 2020: \$84.7 million in funding for utilizing heat pump water heater (HPWH) technologies as thermal energy storage (*i.e.*, load shifting)
- About half of budget dedicated to low-income customers, with more generous incentives
- Energy Solutions selected as implementer

- **PG&E's Water Saver Program & SCE's Smart Heat Pump Water Heater Pilot Program:**

- Programs would install smart controls and communications on existing heat pump water heaters and electric resistance water heaters to enable load shifting.
- Also provide incentives to replace propane water heaters with load shifting heat pump water heaters.
- PG&E program currently in market
- SCE seeking implementer

Wildfire and Natural Disaster Resiliency Rebuild (WNDRR)

- Incentivizes rebuilding homes destroyed by natural disaster to all-electric and beyond Title 24 code.
- Uses flat base incentive structure for single family home or unit in multi-family building
- Equity incentive is 1.5X greater than the market rate incentive
- Program to be available in 2023



Photo: <https://www.cnn.com/2018/08/08/us/california-wildfires-santa-rosa-redding-lessons/index.html>

Fuel Substitution within Energy Efficiency Portfolio

- Oct 2019 Fuel Substitution Calculator and Technical Guidance Document issued
- Aug 2020 Workpapers for Natural Gas-to-HPWH substitution approved
- 2021 EE Potential and Goals Study includes Fuel Substitution potential for the first time
- Aug 2022 ruling with a staff proposal released relating to the future of natural gas EE incentives, with the 1st step being phasing out EE incentives for non-cost-effective natural gas equipment.
- Late 2022/early 2023
 - Fuel Substitution Calculator and Technical Guidance Document to be updated
 - SCE launching retrofit and new construction electrification pilots for income-qualified customers (\$50M between 2022 and 2026)



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