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*Comment Received From: Lowell Chu*  
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**San Francisco Environment Department Reply to Equitable Building Decarbonization Program RFI**

Please see attached PDF-file.

*Additional submitted attachment is included below.*



January 13, 2022

California Energy Commission (CEC)  
715 P Street  
Sacramento, CA 95814

**RE: Equitable Building Decarbonization Program, Docket #22-DECARB-03 RFI**

Hello, CEC Staff:

The City and County of San Francisco Environment Department (SFE) is grateful for the opportunity to submit responses to the CECs Equitable Building Decarbonization Program. According to the latest data, buildings sourced nearly 41% of the San Francisco's greenhouse gas emissions.<sup>1</sup> To reach the goal of achieving net-zero by 2040, San Francisco must rapidly decarbonize its existing commercial and residential building stocks. Moreover, a recent study<sup>2</sup> found that the use of natural gas in cooking has a correlation to youth asthma. Therefore, decarbonizing buildings bring environmental and health benefits.

SFE has nearly twenty years of administering, marketing, and implementing direct install programs. Since 2004, SFE has implemented local government partnership programs with PG&E and the Bay Area Regional Energy Network (BayREN). As such, SFE's extensive experience informs the following responses:

***Direct Install Program Criteria***

1) Program Criteria

**a. What criteria should be weighted more heavily or prioritized when scoring program proposals?**

There are many factors that might influence the scoring of program proposal. Criteria that should be prioritized during proposal evaluation includes:

- an approach that results in projects completed at scale, such as whole communities or neighborhoods;
- experience with working with a diverse group of stakeholders including equipment manufacturers and distributors, community-based organizations (to conduct outreach and recruit participants), contractors / labor unions, and residential end-use participants;

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<sup>1</sup> <https://sfenvironment.org/sf-climate-dashboard>

<sup>2</sup> <https://www.mdpi.com/1660-4601/20/1/75>



- demonstrated ability to develop financial and cost modeling and project information database, and provide technical and participant enrollment support;
- demonstrated technical expertise in specific building sectors, particularly hard-to-reach participants – including projects serving low-income residents without regard to the income of their neighbors;
- demonstrated knowledge of building and electrical codes, permitting requirements, and other requirements from authorities having jurisdictions.

- a. The CEC plans to require the use of meter data and analytical-based tools to prioritize and target participant households and measures through the lens of greenhouse gas (GHG) emissions, energy usage, and bill impacts. Should the CEC require all proposals to include independent, data-driven targeting of participants and eligible measures, or should the CEC itself contract to provide a single, program-wide tool to target participants and eligible measures that program administrators would be required to use?**

SFE supports the plan for CEC to provide a single, program-wide tool to target participants and eligible measure that program administrators would be required to use. Having a single, program-wide tool brings several benefits. First, it avoids protracted delays caused by requesting individual data-sharing and non-disclosure agreements from the utilities. Second, it would also streamline the user experience. Finally, the process and cadence for data updates would be uniform improving program efficiency.

However, SFE strongly urges any CEC-approved methodology to include options to engage and serve low-income residents and hard-to-reach businesses without regard to location. A person in need of assistance is no less in need if other residents or businesses in the vicinity are wealthier or less impacted by pollution. For example, SFE implores the CEC to avoid solely relying on CalEnviroScreen (all versions) so that people subject to indoor air pollution and cost burdens from gas heating and appliances can qualify for assistance.

The need of an individual, a family, or business is no lesser just because a neighbor is less disadvantaged. Therefore, SFE recommends that the CEC allow census tracts to qualify for service based on consistent Area Median Income percentage thresholds, and also allow program administrators to serve individual properties utilizing the same income qualification procedures necessary for upcoming IRA-funded income-qualified programs.

- b. Should low-income and moderate-income households be incentivized at different levels? If so, how should that be approached?**

Yes, low- and moderate-income households should be incented at different levels. SFE supports participation based on individual household income in urban areas – since low-income households located in relatively high-income areas have just as valid of a need for assistance as low-income households located in areas with lower average income. For instance, the program should NOT exclude low-income households located in a census tract with CalEnviroScreen scores below 90%.



2) To optimize program funds, CEC may offer preference for proposals that layer incentives or leverage other programs.

**a. What best practices, program elements, or state actions would facilitate layering or leveraging different program offerings?**

As much as possible, please streamline and minimize administrative and paperwork submittals by aligning with other programs that are eligible for layering or leveraging. SFE supports an online application portal that is integrated into the overall program website. Where there is an established program providing directly aligned services, the Equitable Building Decarbonization Program should accept data derived from existing program intake processes, provided the Program Administrator incorporates any new data required by CEC into their existing intake data collection procedures. Another important program element to include is a clear referral process to complementary programs that reduce utility burdens, including energy efficiency, electrification, and water conservation. Finally, please standard the data to streamline reporting and evaluation.

**b. Should layering or leveraging other programs be a requirement for proposals or a prioritization when scoring proposals?**

Yes, the layering or leveraging of other programs should be a requirement when scoring proposals. Specifically, the CEC must require the layering of energy efficiency programs. Energy efficiency must precede decarbonization in order to mitigate increases in electricity costs after fuel-switching appliances. Also, layering or leveraging other programs increases CEC's program reach without increasing spending.

Please be aware that there are existing energy efficiency and electrification programs that could complement and support the CEC program. For example, the BayREN Home+ and BayREN's Bay Area Multifamily Building Enhancements Program (BAMBE) are currently serving low- and moderate-income residents across the San Francisco Bay Area with energy services. Working through all nine (9) Bay Area counties, BayREN programs have established, effective communication approaches and channels to increase awareness and enrollment. In addition, they are currently providing technical assistance, including roadmaps to full building electrification. BayREN programs also provide incentives to purchase and install energy efficient equipment and electric appliances.

Moreover, to minimize disruption to the participants' spaces and schedules, energy efficiency retrofits should be installed simultaneously with decarbonization measures. In addition, layering or leveraging of other programs will help extend the CEC's funding and allow it to serve a greater number of households. With additional funding streams and tax credits and incentives from the Inflation Reduction Act, now is an opportune time to complete whole-house retrofits.



3) **The inclusion of both low-income and moderate-income households allows flexibility for proposals that want to electrify specific neighborhoods or communities.**

**a. What program elements, geographic targeting, or state actions would facilitate this approach?**

Proposals to electrify specific neighborhoods or communities must be *able to provide services that are* comprehensive in scope. Specifically, proposals must include elements that affirmatively terminates all natural-gas end uses resulting in the complete shut-off of the natural gas services to participating buildings, and must provide supplemental funding to projects that result in the complete shut-off of gas service to neighborhoods or communities. If natural gas service is allowed to persist because a handful of homes still use gas-fired stoves, then ratepayers' burden with ongoing system upkeep will increase – but engaging participation by entire blocks, neighborhoods, or gas line segments will entail communication and support to residents who express concerns, as well as construction project coordination approaches.

Respectfully,

*Lowell Chu*

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