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Contra Costa County Comments on Direct Install Proposal

Additional submitted attachment is included below.

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June 30, 2023

RE: 23-DECARB-03, Equitable Building Decarbonization Program

Dear California Energy Commission:

The County of Contra Costa (Contra Costa) recognizes that converting the existing building stock in California to all-electric is a matter of the utmost importance to meeting the state's greenhouse gas (GHG) emission reduction targets. In 2022, Contra Costa County adopted an ordinance that requires most new construction permitted by us to be all-electric. Staff is now in the process of developing a roadmap to convert existing buildings to all-electric. As the CEC develops the final program design for the Direct Install portion of the Equitable Building Decarbonization Program, Contra Costa requests that the CEC consider in its deliberations the following priorities for a successful transition to all-electric buildings, specifically in impacted communities throughout the state.

Formula Funding Will Be More Accessible to Impacted Communities

Discretionary funding is effective because it gives the grant-making agency the ability to choose proposals that are most aligned with the priorities and goals of the effort. However, discretionary funding can also work against the stated priorities and goals, particularly when equity is a foundational component. Developing an effective grant application requires the applying entity to meet the guidelines established for the grant, and it requires sufficient staff resources and time to complete and submit an effective application. This means that jurisdictions that lack the bandwidth to develop and submit an application are critically disadvantaged in securing and distributing the funding to their most impacted communities whereas, jurisdictions with larger budgets and more resources have a competitive advantage. This is contradictory to the stated program goal of advancing energy equity.

To eliminate this potential outcome, Contra Costa recommends that the CEC explore an approach that designates, at minimum, a portion of the available funding as formula, or block, grants. This would be a better approach to ensure funds reach those communities historically underserved by these types of programs.

The funding made available through the Equitable Building Decarbonization program, though massive, is only a small portion of the estimated cost to convert the entire building stock to all-electric. Therefore, focusing on the most disadvantaged communities first (through guaranteed

funding) is the most logical approach for achieving the stated goals around energy equity. An example that shows how this approach can be successful is Senate Bill 73 (2013) which allocated funding from Proposition 39 to California's K-12 schools and community colleges for energy efficiency upgrades and clean energy generation measures. From a pot totaling over \$1.7 billion, close to \$1.4 billion was appropriated for local educational agencies (LEA) in the form of block grants with amounts varying based on established metrics.¹ In many cases, educational facilities operate in an environment that is perpetually underfunded and understaffed, yet through a program design process that focused heavily on ensuring an equitable distribution of funds, this program was able to reach school districts across the state. Contra Costa recommends that the CEC take a similar approach that simplifies the process of accessing funds in the Direct Install program.

Grid Interconnection and Reliability

Interconnection to the electricity grid has emerged as a significant barrier to transitioning existing buildings to all-electric. Oftentimes, incentive program recipients are limited in what energy efficiency and all-electric retrofits they can install because of insufficient electrical panel capacity in the home and exorbitant lead times from utility companies to upgrade the panel. This is true with businesses as well – at a recently built fulfillment center in Antioch, California, the company had to resort to using diesel generators to power its operations due to delays by PG&E to install a new transformer to service the fulfillment center facilities. These delays not only hinder the County's ability to reduce GHG emissions through energy efficiency and electric appliance retrofits, but they also inhibit the development of new business infrastructure, which hinders economic development. Contra Costa encourages the CEC to continue collaboration with the California Independent System Operator (CAISO), the California Public Utilities Commission (CPUC), investor-owned and public utilities, and others to ensure the electricity grid can accommodate new load.

As efforts to transition the existing building stock to all-electric continue to ramp up, it has become increasingly clear that these efforts must prioritize pathways that remove fossil fuels from homes and harden the grid simultaneously. Battery storage has the potential to offset the negative impacts to the grid from this transition, particularly as California's energy mix continues to move to more renewable sources. Furthermore, it will also serve to improve overall community resiliency against loss of power from unplanned power outages or during outages induced by climate-related events such as public safety power shutoff (PSPS) events. It is widely understood that renewable sources can be intermittent in nature and that battery storage is widely considered to be a viable mitigation approach. Contra Costa recommends that the CEC include stand-alone battery storage as an eligible measure to both strengthen overall grid reliability and reinforce community resilience.

Protections for Tenants

Contra Costa staff recognize the disconnect between property owners and tenants as one of the greatest challenges to equitably converting the existing building stock to all-electric, particularly in multifamily buildings. Contra Costa is encouraged to see that the CEC

¹ [The California Clean Energy Jobs Act Proposition 39 \(K-12\) Program](#)

has included a framework for tenant protections in the Direct Install Program draft. This key component will ensure that the final program design will produce results that are far more equitable than previous programs. Contra Costa encourages the CEC to also focus on the conditions that will induce property owners to make these investments, recognizing the tenant protections must be a top priority.

Thank you for the opportunity to submit these comments.

A handwritten signature in blue ink that reads "Jody London". The signature is fluid and cursive, with the first name "Jody" being more prominent than the last name "London".

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