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Senators Becker, Gonzalez, Stern and Assemblymembers Friedman and Ting Title 24 Comments

Additional submitted attachment is included below.

STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0115



October 5, 2023

The Honorable Gavin Newsom Governor, State of California 1021 O St., Room 9000 Sacramento, CA 95814

Re: 2025 Building Energy Efficiency Standards – Support Zero-Emission New Construction Building Standards and Central A/C Retrofit with Heat Pump Requirements

Dear Governor Newsom:

The 2025 Title 24 Building Energy Efficiency Standards ("2025 Building Code") is an important opportunity to help California achieve its existing climate targets to decarbonize buildings, including developing and retrofitting 3 million climate friendly homes by 2030, phasing out fossil fuel heating and cooling in new construction by 2027, and installing six million heat pumps in California and 20 million heat pumps U.S. Climate Alliance-wide by 2030. To achieve these targets, we call on the state to adopt the strongest 2025 Building Code that the market is ready for.

The California Energy Commission's (CEC) current 2025 Building Code proposal currently takes important steps to move California's buildings towards clean, efficient electric appliances. We strongly support the CEC's proposed inclusion of both heat pump space and water heating as the new construction baseline in single- and multi-family buildings. We also support the proposed requirements that gas-fired single zone rooftop cooling units in existing buildings be replaced with heat pumps when equipment is changed out.

However, reducing emissions from buildings at the rate the climate crisis calls for will require us to take even bolder actions for both new and existing buildings. We challenge the state to go a step farther by both:

- Adopting a zero-emission new construction building standard through the Building Standard Commission's CALGreen process (Title 24, Part 11), and;
- Requiring the replacement of residential central air conditioning ("A/C") units with heat pumps upon burnout through the CEC's energy code (Title 24, Part 6).

On the new construction front, we simply cannot wait any longer for a unified zero-emission state standard that ensures our new homes and buildings are fully

powered by clean energy and efficient, electric appliances. According to the California Air Resources Board's 2022 Scoping Plan:

"California also has an opportunity to adopt zero-emission building standards for new construction as part of the CALGreen Code. The CALGreen Code improves public health, safety, and general welfare through standards that promote sustainable design and construction of buildings. Based on the significant emission reduction potential, cost-savings, and public health benefits, California could adopt zero-emission building standards for new construction in CALGreen"

Compared to those fueled by natural gas, efficient electric buildings cost less to build and operate, reduce barriers to construction of more housing units, and help make housing more affordable for Californians. Through the U.S. Climate Alliance, California just committed to phasing out fossil fuel heating and cooling in new construction by 2027. As the 2025 update to the Building Code won't go into effect until 2026, this is the last opportunity to follow through on the Governor's commitments. While the existing proposal goes far in establishing a heat pump baseline for new construction, it will encourage all-electric construction but won't require it. Mandating all-electric in CALGreen will ensure we don't keep investing in new fossil-fuel infrastructure. While the CEC is limited in its authority due to federal appliance standards, CALGreen has authority through air quality and health regulations to set an all-electric requirement. Without this zero-emission standard in the 2025 Building Code, we risk constructing additional homes with fossil fuel infrastructure that both slows the building process and increases building costs.

Additionally, this year $\frac{25 \text{ mayors have officially supported this proposal}}{100 \text{ construct}}$ because they recognize California cannot hit its 2030 climate targets without ambitious reductions from this sector. Establishing this standard at the statewide level provides support for the 75+ jurisdictions in California that have already signaled they do not want further development of fossil fuel infrastructure in their communities by passing local ordinances encouraging or requiring all-electric construction. These jurisdictions are stuck in a long-term court proceeding through the City of Berkeley ruling; establishing this standard at a statewide level will provide support and clear market signals. Further, the California Air Resources Board (CARB) has signaled its intent to adopt a zero NO_x appliance standard by 2030, phasing out the sale of fossil combustion appliances in California. Adopting a zero-emission standard for new construction is a common sense measure to align California agencies on climate policy and tackle California's second largest source of climate pollution; there is simply no excuse for continuing to construct buildings with outdated equipment that rely on fossil fuels in the 2020s.

In addition to the request to include mandatory all-electric in the CALGreen standards, we recommend the CEC go further than its existing voluntary CALGreen proposal by requiring all customers who seek a replacement AC to install a heat pump. Achieving our climate and heat pump targets will require a significant increase in market scale, a

rapid shift towards clean heating technologies, and transparent clear market signals from policies like the 2025 Building Code toward heat pumps. Furthermore, with the market on track to support this transition, a statewide approach is preferred over the current voluntary proposal in CALGreen to prevent a patchwork, city-by-city approach. As heat pumps flood the California market, we believe by 2026 – when the 2025 Building Code kicks in – it will make both economic and policy sense to require residential households seeking a replacement A/C system to shift to a heat pump.

Heat pumps are ready for mass deployment because they can do both heating and cooling and are cost competitive when compared to other options. Due to their similar installation requirements, replacing central A/C units with a heat pump is a low-cost intervention that can improve the efficiency of cooling in homes, protects against gas price volatility, reduces fossil fuel dependency, improves air quality and public health, and avoids the need for future gas furnace replacement. With approximately 1.9 million residential A/C units currently due for replacement in California today, these households should be installing a heat pump instead of a new A/C unit now both to displace fossil fuels near term and to save money later by avoiding the need to install a separate heat pump when their furnace breaks starting in 2030 due to CARB's zero-emission appliance standards. In fact, with generous incentives available from the Inflation Reduction Act, installing a heat pump will often be less expensive than installing an A/C unit, so a requirement in the building code to install heat pumps instead of central A/C units will help consumers avoid making a costly financial mistake.

California's leadership in confronting the climate crisis and 2045 carbon neutrality goal require the state to plan for a carbon-free economy. To achieve this goal, the state must set standards for both builders and households to transition to the all-electric future. The health, economic, and environmental benefits from a stronger Building Code are undeniable.

Sincerely,

Josh Becker Senator, 13th District

Lena Gonzalez Senator, 33rd District Jan Jach

Laura Friedman Assemblymember, 44th District Phil Ting
Assemblymember, 19th District

Henry Stern Senator, 27th District

CC: Amy Tong, Chair, Building Standards Commission
Gustavo Velasquez, Director, Department of Housing & Community Development
Liane Randolph, Chair, California Air Resources Board
David Hochschild, Chairman, California Energy Commission
Andrew McAllister, Commissioner, California Energy Commission
Yana Garcia, Secretary, California Environmental Protection Agency
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