

Building Decarbonization Activities at the CPUC

CARB workshop on Building Decarbonization for 2022 Scoping Plan Update
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California Public
Utilities Commission

TECH Initiative

In March 2020, the CPUC adopted D.20-03-027 allocating \$200 million in funding to be collected over a four-year period pursuant to SB 1477 (Stern, 2018).

- **TECH – Technology and Equipment for Clean Heating Initiative**

- Budget: **\$117 million** of the total SB 1477 budget of \$200 million
- Focus on market development, upstream and midstream activities
- Launched August 2021
- Energy Solutions serving as prime implementer
- Branded as “TECH Clean California” September 2021



TE Incentives

September

Launched incentives in SCE territory on Aug. 12 and held first stakeholder meeting.



August



Conducted targeted **contractor outreach** to 80 contractors and three contractor networks, enrolling six contractors as of Oct. 13.

Launched incentives in the BayREN and PG&E Central Valley territories on Oct. 8.



Hosting four **contractor forums** between Oct. 19 and Oct. 21.

October

Finalizing incentive designs by end of October for **statewide incentives launch** (Dec. 2021).



Pilots Overview

List of Pilots
Tariffed On-Bill Financing
Low Income
Multifamily
HPWH Load Shifting
Streamlining Permitting & Installation
Customer Targeting
Quick Start Grants

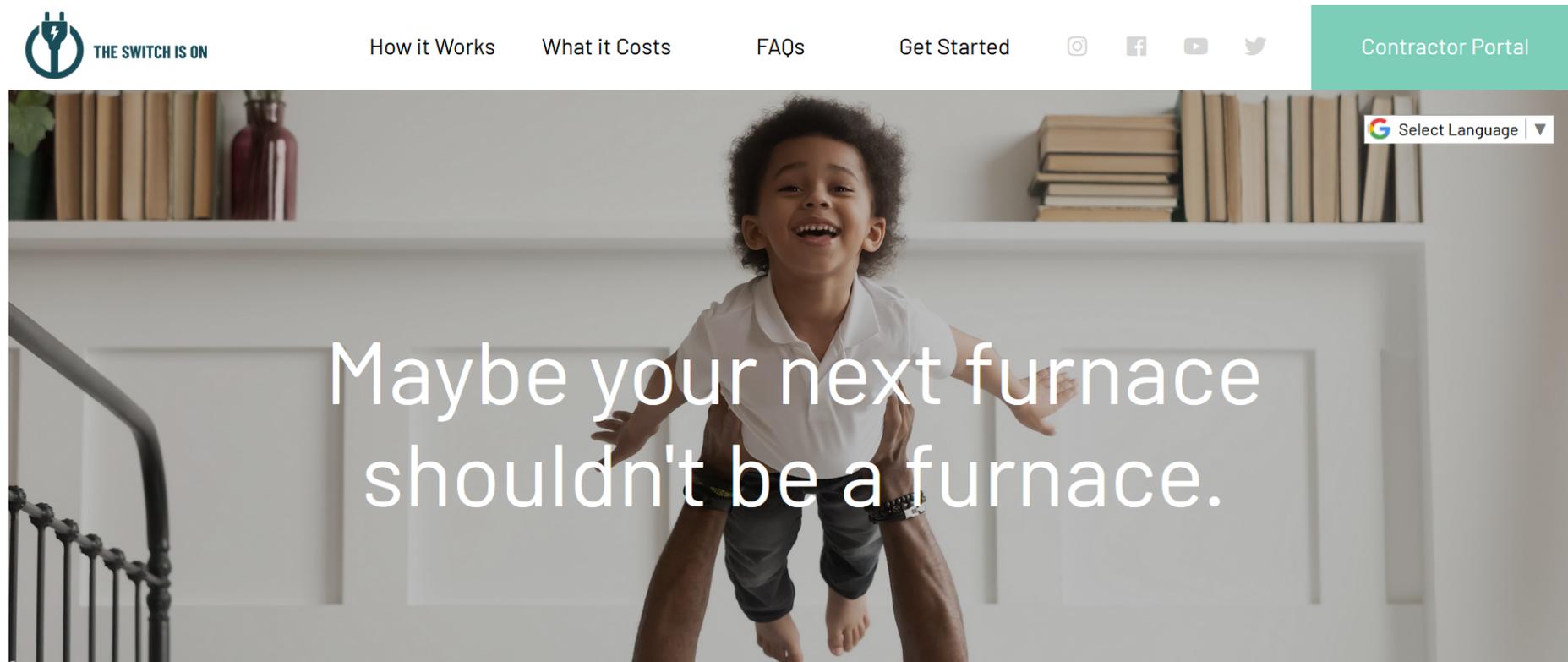
Key Updates

- Finalized the Pilot Implementation Plans
- The TOB Financing Pilot held an informational workshop on September 16 and launched a series of seven working sessions
- The Permitting Pilot assembled a Stakeholder Group and Working Group that met on September 30
- The Customer Targeting Pilot is currently working with SCE to execute a customer meter data sharing agreement

Consumer and Contractor Outreach

Consumer-facing website: www.switchison.org

Market/industry-facing website: <https://energy-solution.com/tech/>



Wildfire and Natural Disaster Recovery and Resilience (WNDRR)

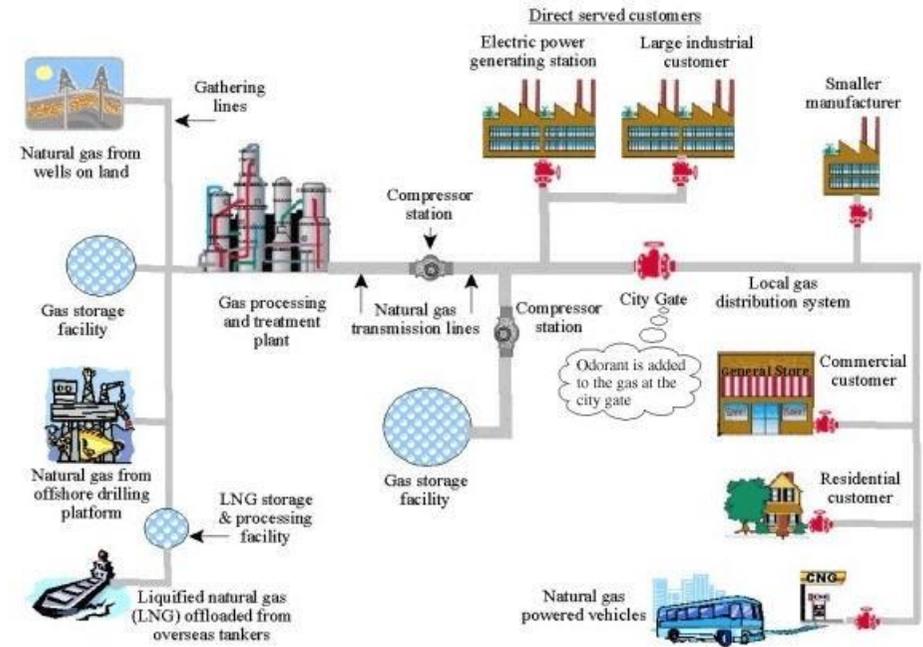
- **Flat incentives** to homeowners in post-disaster, red-flagged homes in electric IOU territories, for all-electric rebuilding
- Funding level: **\$50 million**
- **1.5 times** higher incentives for low-income
- Single-family, multi-family, manufactured, modular, and ADU structures all eligible
- **Additional incentives** for beyond code-minimum all-electric construction (e.g., Passive House); incentive levels TBD by implementer



Paradise, CA, after the Camp Fire, 2018. Photo: LA Times

Gas Line Extension Rules

- In a November 2021 Staff Proposal, Energy Division staff address the future of Line Extension Allowances, Discounts, and Refunds for natural gas infrastructure build-out.
- A new home qualifies for between \$1,727 and \$2,713 in subsidies for natural gas line extensions, usually paid to the builder.
- Staff recommend the following become effective July 1, 2023:
 - 1. Elimination of all of gas line extension allowances.
 - 2. Elimination of all gas line extension refunds. These are sometimes given when a hookup exceeds the amount of an allowance.
 - 3. Elimination of all gas line extension discounts. These allow builders to pay only half of the project costs that would otherwise be considered “refundable” and forgo the option for future refunds.



The Gas Pipeline System. Graphic: US Department of Transportation

Energy Savings Assistance (ESA) Program

In June 2021, D.21-06-015 approved multiple building decarbonization opportunities for income-qualified customers through 2026.

- For all IOUs, customers are now able to receive electrification measures through:
 - Main ESA program for all home types
 - Pilot program for targeted homes to achieve up to 50% energy savings per home
 - Multifamily Whole Building (MFWB) program for qualified properties
- SCE pilot programs, expected to launch in Q3 2022
 - Building Electrification pilot funded at \$40M
 - Clean Energy Homes pilot funded at \$10M
 - New construction program for developers of affordable housing

Self-Generation Incentive Program (SGIP)

In September 2019, the CPUC adopted D.19-09-027, which allocated **\$4 million** from the SGIP budget to fund equity-focused residential HPWH installations. This was followed by CPUC adoption of D.20-01-021 in January 2020, which allocated **\$40.7 million** more for the installation of residential and commercial HPWHs.

- **SGIP HPWH Program - Overview**

- Total Budget: **\$44.7 million**
- Focus on technology deployment through downstream incentives
- Undergoing implementation in proceeding R.20-05-012
- SGIP HPWH Program Administrator(s) not yet determined

San Joaquin Valley (SJV) Affordable Energy Pilots

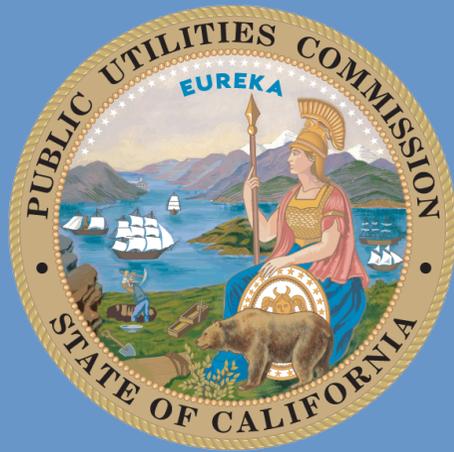
- R.15-03-010 was initiated in 2015 to implement AB 2672 (Perea, 2013), which directed the CPUC to analyze options to increase access to affordable energy for disadvantaged communities in the San Joaquin Valley.
- In December 2018, D.18-12-015 authorized 12 pilot projects in the San Joaquin Valley that would replace propane and wood burning appliances with all electric appliances or natural gas line extensions.
- Pilot budget: \$56 million
- 1,676 homes are eligible for the pilot
- Installations forecast to be completed in Q3 2023
- As of December 1st, there have been 843 applications submitted, and 232 homes have been converted (156 electric/ 76 natural gas)

Total System Benefit & EE Portfolio Segmentation

- For EE portfolio, D.21-05-031 adopts a “Total System Benefit” metric, which is an expression, in dollar terms, of lifecycle energy, capacity, and GHG benefits on an annual basis (i.e., moves away from a narrow focus on kWh reductions).
- Segments EE portfolio into three parts:
 - **Primary Resource Acquisition:** Programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity and natural gas systems.
 - **Market Support:** Programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building government partnerships, or moving beneficial technologies towards greater cost effectiveness.
 - **Equity:** Programs with a primary purpose of providing energy efficiency to hard-to-reach or underserved customers and disadvantaged communities in advancement of the Commission’s Environmental and Social Justice Action Plan.

Questions?





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