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April 14, 2025

Dr. Hanjiro Ambrose California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: Comments to Workshop on Building Embodied Carbon March 13, 2025

Dear Dr. Ambrose:

Thank you for the opportunity to provide these comments on the Building Embodied Carbon proposal discussed at the March 13, 2025, webinar. The California Building Industry Association (CBIA) represents approximately 3,000 member companies who produce more than 85% of the new homes built and sold annually in California.

In slide 33, you have requested feedback on the following questions and our feedback follows:

- 1. **Definitions for building material, building sector and baseline.** The definition of baseline works in the context cited in slide 14. We don't think it is appropriate to define baseline in the context of feasibility or cost impact since in that case it will depend on what the entity undertaking the construction of the project would have used if the legislation did not exist and would cover factors other than embodied carbon.
- 2. LCA scope and system boundary for the baseline. We believe that only A1-A3 should be used for several reasons. First, it is expressly called out in the legislation. The reason for that is that we anticipated that the entire embodied carbon scheme would be based on the use of EPDs which most commonly cover only that scope. Second, A4 and A5 are already addressed in other laws. For example, transportation is addressed though CARB's Low Carbon Fuel Standards, Advanced Clean Fleets and CEQA, which already addresses all GHG emissions and energy use during the construction and post construction phases of a project. These are project specific analyses that are more accurate than a product EPD could be, whether they are an industry average or some other generalized attempt to measure them such as USEEIO appears to be. Third, the production of new homes for sale to buyers, upon sale, is no longer subject to the legislation since the home would fall below the 5 unit minimum. Therefore B1-B7 and

C1-C4 should not apply to owner occupied homes. Fourth, energy and water use are only relevant to appliances and electronic devices (e.g., phones, computers, TVs) which are not regulated by the legislation. These are also regulated by the California Energy Commission in its administration of the energy code and DWR and the State Water Board regarding water efficiency requirements.

- 3. What is an acceptable cutoff year for historic data that should be used to estimate the 2026 baseline? When the data from 2026 has been collected.
- 4. Are there other models or platforms that CARB should consider using for estimating a top-down baseline other than USEEIO? The USEEIO is not generally used in the construction industry and is largely unknown. Our own attempt to access its data or methodology was unsuccessful even though we used the links provided in the slide deck.

On slide 56 you asked for the following feedback:

- 5. Staff are requesting feedback on the initial concept for delegating reporting responsibility. Adding architect, engineer or contractor to the list of those to whom the project owner may delegate is a good idea. However, it should not exclude those responsible for the Certificate of Installation pursuant to paragraph (3) of subdivision (a) of Section 10-103 of Title 25 of the California Code of Regulations.
- 6. What concerns are there with the initial concept presented for inclusion considerations for residential and non-residential projects? Slide 53 asks for project costs. We anticipate reluctance by entities undertaking the construction of a project to share this information for privacy, anti-trust and competitive reasons. We believe that since the legislation focuses on materials, project costs should be limited to the design costs, the material costs, and the installation costs of the materials. These are essentially design and construction costs. This makes sense since the design and the materials are the pathways to incorporating lower carbon materials into a project. Total project costs would include items that are not relevant to this goal, e.g., land, fees and exactions, insurance, etc. For cost reasons described in #7 below, we don't believe that a WBLCA should be required for residential projects.
- 7. What are the barriers to producing WBLCAs for more projects? Cost and time is going to be a big barrier. Costs depend on the complexity of the LCA. CARB should stick to requirements that result in an LCA that can be

produced for \$1,000 per residential unit. A \$1,000 increase in the cost of home prices 8,905 households out of the housing market in California. <u>2025-state_2025.pdf</u>. More complex LCAs can cost \$50,000 to \$100,000 making the project infeasible and failing the cost impact test. In addition, it wouldn't be appropriate to require operational and end of life stages in an LCA for residential for sale projects for the reasons set forth in #2 above.

- 8. How could the proposed reporting requirements impact the cost, timeline or feasibility of projects you conduct? See response to #7. Timeline delays can also be significant if new suppliers need to be identified to find a supplier who can provide the lower carbon materials in sufficient quantities to meet demand in the location of the project. For residential projects that use models that buyers can choose from, LCAs should only be required for models since they will be reproduced in substantially similar form on different lots.
- 9. Are there specific occupancy types that face unique reporting challenges? Owner occupancy of single family detached homes for the reasons stated in #2.
- 10. At what stage of the project schedule should covered projects report? Planning permit? This is too early to know the size, type or number of homes that will be allowed, much less the materials that would be used if approved. Building Permit Issuance? Obtaining a certificate of occupancy? Certificate of occupancy is the stage at which the construction is complete and a reasonable time after this would be appropriate as all materials would be known at this time. Where homes are constructed based on models, simply reporting the location and model number should be all that is required.
- 11. Are there specific WBLCA standards and methodologies staff should review? We believe this approach is too costly and takes too long and therefore we suggest that it not be pursued.

Generally, we think that the framework and strategy should account for the GHG benefits of some project such as carbon stored within the product or GHG emissions avoided through the use of materials or methods. A common example is the use of wood, mineralized carbon, and other products currently being developed or soon to be required.

We appreciate the opportunity to provide these comments and look forward to future discussions to ensure that the final product is implementable.

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Sincerely,

Nick Cammarota Senior Vice President and General Counsel California Building Industry Association