



April 2, 2024

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

The Honorable Mike McGuire
Senate President pro Tempore
1021 O St., Room 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Scott Wiener
Chair, Senate Budget Committee
1021 O St., Room 8518
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Josh Becker
Chair, Senate Budget Subcommittee #2
Legislative Office Building, Room 502
Sacramento, CA 95814

The Honorable Steve Bennett
Chair, Assembly Budget Subcommittee #4
1021 O St., Room 4710
Sacramento, CA 95814

RE: Support Maintaining \$922 million for the California Energy Commission's Equitable Building Decarbonization Program & Support \$400 million in a Climate Bond to Bolster Funding

Two years ago, the state of California committed to a climate and energy package that included comprehensive solutions for decarbonizing homes and buildings and expanding access to efficient home cooling. This historic investment made a bold statement in support of advancing environmental, economic and racial justice in California. Thanks to Governor Gavin Newsom and leadership from the Legislature, the investments promised to help reduce climate pollution, mitigate the impacts of worsening extreme heat, address historic burdens and structural inequities in working-class communities of color, spur economic growth by creating good-paying, high-road clean energy jobs, and build climate resilience in households and communities. These investments were a down payment on the state's commitment to prioritize working-class communities in the transition to a zero-emission future, while ensuring we create a skilled and trained workforce and career opportunities to support the transition.

On behalf of a broad coalition of environmental, environmental justice, appliance manufacturers, and local governments, we are writing to request the Governor and Legislature maintain \$922 million for the California Energy Commission's Equitable Building Decarbonization (EBD) Program. The EBD Program is a first-of-its-kind program that helps low and moderate income Californians access comprehensive home retrofits to improve indoor air quality, health, comfort, and energy affordability, all while furthering California's

climate goals. To bolster funding for this important program, we also support \$400 million in a final climate bond.

The budget agreement from 2022 committed to \$922 million over four years for the EBD program. We understand that the current fiscal outlook requires difficult budget decisions, but we urge the state to maintain the \$922 million in General and Greenhouse Gas Reduction Funding for this program given the air conditioning and other life-saving home upgrades it will offer to those most in need. Additionally, a climate bond offers another opportunity to ensure programs like EBD that prioritize environmental justice communities receive the funding they need to begin addressing the issues of extreme heat and harmful air pollution. In an effort to strengthen the program moving forward, we support any final climate bond package including at least \$400 million for the EBD program.

As we look back at the recent year's changing climate and extreme weather, it is crucial to keep top of mind that moving towards clean energy will help us protect our environment and our health. This is particularly true in low-income and disadvantaged communities where exposure to emissions is not a choice. In acknowledgment of these concerns, the state committed to critical clean building targets of:

- 3 million climate-ready and climate-friendly homes by 2030
- 7 million climate-ready and climate-friendly homes by 2035
- 6 million heat pumps statewide by 2030
- At least fifty percent of the funding to achieve these goals directed toward disadvantaged communities

The EBD program is critical for meeting these ambitious targets; even with the full \$922M plus federal funding, there is still an estimated gap of over 4 million heat pumps.¹ We must continue to invest and protect both state and federal funding for programs that make climate solutions accessible to vulnerable communities and develop a high road clean energy workforce that supports the transition. By supporting those with the least resources and highest barriers to access clean energy technologies, we can provide them with the opportunity to lead in the fight for a zero-emission future.

Sincerely,

¹ **With all funds, there is still a 4.2 million heat pump gap.** According to an analysis by SoCal Edison, pre-IRA, SoCal Edison estimated a 4.3M heat pump gap in this [report](#). IRA funding to CA is only about **\$582M**, so assuming \$5k per heat pump (which is a conservative estimate), that's only an additional 116,400 heat pumps, so still about a 4.2M statewide gap compared to the 2030 goal of 6 million heat pumps.

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