



Building Decarbonization Coalition

**BDC**  
**California**  
**Policy Call**  
(For Decarbonizers and  
Trailblazers)

August 16, 2022

# MEMBERS





# Agenda

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- Proceedings
- Budget
- Legislature



# AB 32 Scoping Plan



- *Scope*

- AB 32 requires CARB to develop a Scoping Plan that describes the approach California will take to reduce GHGs to achieve the state's climate goals

- *Update*

- Governor Newsom [sent CARB Chair Randolph a letter](#) calling for the 2022 Climate Change Scoping Plan to provide a path to achieve both the 2030 climate goal and carbon neutrality no later than 2045.
- Requested final plan include new efforts to advance offshore wind, clean fuels, climate-friendly homes, carbon removal, and addressing methane leaks:
  - Goal of 3 million climate-ready and climate-friendly homes by 2030 and 7 million by 2035,
  - Supplemented by 6 million heat pumps by 2030
  - Directed 50 percent of investments to low-income and disadvantaged communities.



# Rulemaking on Building Decarbonization



- *Scope*

- A rulemaking to establish a building decarbonization policy framework ([more info here](#)).

- *Update*

- [Proposed Decision](#) in Phase 3 to eliminate gas line extension allowances, refunds and discounts for ALL customer classes starting July 1, 2023
- "Any new gas infrastructure is likely to become a stranded asset" (p. 16)

- *Timeline*

- Comments are due 8/28/2022
- Heard (at the earliest) at Sept. 15 Business Meeting



# State Implementation Plan



- *Scope*

- CARB is collaborating with local air districts on development of regional SIPs to comply with the Clean Air Act and soliciting stakeholder input on the development of the 2022 State SIP Strategy.

- *Update*

- Last week, CARB released their [proposed plan](#), which includes:
  - Beginning in 2030, 100% of sales of new space and water heaters (for either new construction or equipment replacement of burned-out equipment in existing buildings) would need to meet zero-emission standards.
- [Public Workshop on August 23, 4-6pm](#)

- *Timeline*

- [September 22: Workshop to Consider Adoption](#)
- If the SIP passes as is, CARB staff proposes to commit to engage in a public process and bring an item to the Board by 2025.



# EE Natural Gas Incentive Phase Out Staff Proposal



- *Scope*
  - This staff proposal suggests an orderly transition to phasing out ratepayer-funded energy efficiency (EE) incentives for most natural gas measures over the next 10 years.
- *Update*
  - Proposal responds to a motion from the Sierra Club.
  - Split the proposed policy into four tracks, one for NC, for retrofits, one for custom projects, and one for normalized metered energy consumption (NMEC) programs.
  - [Access Staff Proposal here](#)





# AQMD Appliance NOx Standards



- *Scope*

- Bay Area and South Coast Air Quality Management Districts are investigating the role that ultra-low or zero-NOx appliance standards can play in helping them achieve their Clean Air Act requirements

- *Update*

- Bay Area Zero-NOx Rule vote likely delayed until January:
  - Delayed due to additional required CEQA analysis.







# SGC Affordable Housing Sustainable Communities (AHSC)

- *Scope*

- AHSC is one of CA's largest affordable housing development programs, providing grants to projects that are transit-oriented and offer reduced GHG emissions

- *Update*

- AHSC team will extend the Round 7 release of the Guidelines and NOFA to better align with the next HCD SuperNOFA

- *Timeline*

- December 2022: Final Guidelines will be presented to the Council
- October 2022: Final Draft Guidelines





# Title 24, 2025 Building Code

- *Scope*

- The [2025 Energy Code](#) will set requirements for new construction / alterations to res and nonres buildings, which will go into effect in 2026.

- *Update*

- CEC hosted [preliminary workshop](#) to engage w/ stakeholders on cost-effectiveness methodologies.
- Enviro stakeholders have voiced concerns that the proposed for the 2025 life-cycle cost hourly factor calculations assumes CA fails to meet climate targets.
- This is the first of many workshops to start planning for the 2025 code cycle.



# Key Dates in the Legislature



- **August 15-31** – Legislature will be focused on passing bills out of each house.
- **August 25** – Last day for bills to be amended.
- **August 31 at midnight** – Last day for each house to pass bills.
- **September 30** – Last day for Governor to sign or veto bills passed by the Legislature in the last 2 weeks of Session.





# Budget Updates

- The Legislature still needs to work out the details of a \$19.3 billion General Fund climate and energy package. The Administration and Legislature have agreed upon the the following framework:
  - **Climate-Energy Package.** Approves a total of \$19.3 billion General Fund for the Climate-Energy Package (\$4.89 billion in 2021-22, \$4.83 billion in 2022-23, and \$9.59 billion for the outyears), with details to be determined in future legislation, as follows:
    - \$8.09 billion Energy
    - \$800 million Wildfire and Forest Resilience
    - \$2.7 billion Drought Response and Resilience
    - \$300 million Extreme Heat
    - \$773 million Nature-Based Solutions
    - \$3.53 billion 2022 Zero Emission Vehicles
    - \$5 million Lithium Valley
    - \$3.11 billion Flexible Climate Set-Aside
- The Legislature will have until August 25 to amend budget legislation.



# On the Floor



- [AB 1240 \(Ting\)](#): Indoor air pollution
  - Requires CARB to create an addendum to their 2004 report on indoor air quality, including the potential health effects from natural gas sources.
  - Passed out of Senate Appropriations and headed to the floor.
- [AB 2204 \(Boerner Horvath\)](#): Deputy Secretary for Climate Labor Workforce Dev Agency
  - Establishes a position for focused on the Clean Energy Workforce dedicated to coordinate state agencies moving CA toward 100% clean energy.
  - Passed out of Senate Appropriations and headed to the floor.
- [AB 2446 \(Holden\)](#): Embodied carbon: construction materials
  - Requires the CEC develop a framework to achieve a 40% net reduction of the carbon intensity of construction and materials used in construction by 2035, with interim goals.
  - Passed out of Senate Appropriations and headed to the floor.



# On the Floor



- [SB 1020 \(Laird\)](#): Clean Energy, Jobs, and Affordability Act
  - Adds interim zero carbon electric sector targets to the existing SB 100 framework, require state agencies to purchase zero carbon electricity by 2030, establishes the Climate and Equity Trust.
  - Passed out of Asm. Appropriations and headed to the floor.
- [SB 1112 \(Becker\)](#): Clean Energy Financing
  - Potential vehicle to provide statutory clarity that the CEC can work with the DOE to use federal funding for innovative and inexpensive financing for zero-emission appliances.
  - Passed out of Asm. Appropriations and headed to the floor.
- [SB 1203 \(Becker\)](#): Zero Net Emission State Agency Operations
  - Declares the intent of the Legislature that state agencies achieve zero net emissions of GHGs resulting from their operations no later than January 1, 2035 & require them to develop plans by 2025 to achieve this.
  - Passed out of Asm. Appropriations and headed to the floor.



# From the Suspense Files



- [SB 560 \(Rubio\)](#): Climate Pollution Reduction in Homes Initiative
  - Dead
- [SB 1164 \(Stern\)](#): Statewide HVAC Installation Compliance Report
  - Dead
- [SB 1297 \(Cortese\)](#): Embodied Carbon & Carbon Sequestration
  - Dead
- [SB 1393 \(Archuleta\)](#): Limitations on Existing Building Reach Codes
  - Dead
- [AB 2076 \(Rivas\)](#): Extreme Heat Resilience Program
  - Dead
- [AB 2419 \(Bryan\)](#): Justice40 Advisory Committee
  - Dead



Questions and Discussions?



# Affordable Housing Financing: TCAC & CDLAC



- *Scope*

- TCAC and CDLAC are two of the biggest programs that finance the development of affordable housing. The programs' current regulations inadvertently penalize all-electric projects in the funding selection process ([see comment letter here](#)).

- *Update*

- Meeting on April 27 to discuss CDLAC

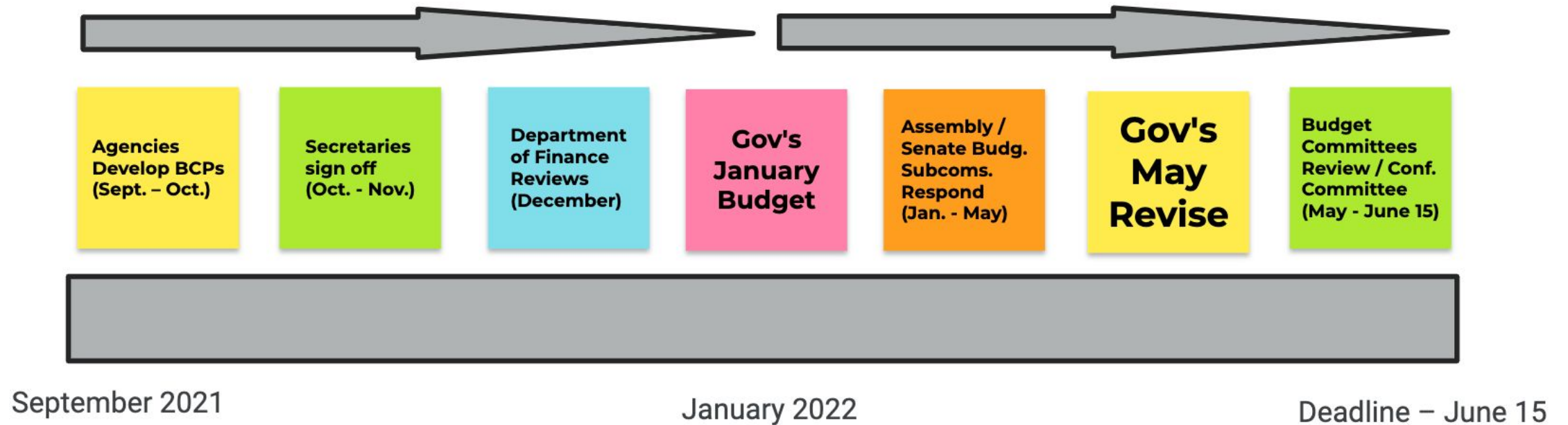


# Self Generation Incentive Program (SGIP)

- *Scope*
  - SGIP provides incentives to support existing, new, and emerging distributed energy resources.
  - \$84.7 million allocated for HPWHs
- *Update*
  - The CPUC voted 5-0 to pass their revised [HPWH Program Proposed Decision](#).



# CA Budget Process: Overview



# BUILD 2.0: CA Electric Homes Program



- *Scope*

- The CalEHP program will provide incentives for the construction of new all-electric market-rate residential buildings and installation of energy storage systems.

- *Update*

- The CEC's grant solicitation to hire a third-party administrator for the CalEHP has been posted and is open for application submission.
- The solicitation can be found [here](#) and a recording of the pre-application workshop can be found [here](#).

- *Timeline*

- The submission period is until August 1, 2022.

