



February 28, 2024

Re: Rulemaking 24-01-018 to Establish Energization Timelines

Dear Emmanuelle,

The undersigned organizations represent a diverse array of local community organizations, environmental advocates, and civic leaders who work on the electrification of the economy, and in particular the building sector, in their efforts to secure a healthy and resilient future for California.

Creating a timely and predictable process for energizing new electric customers and upgrading service for existing customers is a critical step in meeting California's clean air and climate goals. We recognize that SB 410 and AB 50 impose tight deadlines for the CPUC to adopt targets for energization timelines, but in adopting timelines it is critical that the CPUC include all types of energizations, including upgrades that are necessary for building electrification.

The state of California has set a target of reaching carbon neutrality by 2045, and the Investor-Owned Utilities (IOUs) have likewise set ambitious targets to reduce carbon emissions and air pollution from their energy sales. To achieve these goals the state must rapidly wean the building sector off onsite combustion of fossil fuels, which accounts for 10% of the state's carbon emissions. CARB is developing regulations to restrict the sale of new fossil fuel appliances and the Bay Area Air Quality Management District (BAAQMD) has adopted gas appliance bans that will go into effect in 2027. While these targets and mandates are critical to meeting GHG reduction targets and clean air standards, they will not be implementable for many utility customers unless the utilities improve their timelines for system upgrades that are necessary to support switching from gas to electric appliances in existing buildings. Additionally, the need to implement building electrification programs equitably will be more challenging without improvements in the current process for utility upgrades since it is likely there will be a higher percentage of low-income households needing system upgrades to electrify and these

households can not afford the direct and indirect cost imposed by the current processes and timelines.

State and local government agencies in partnership with the state's electricity providers need to develop programs that minimize the need for customers to replace their electric panels and upgrade their utility services when they switch to electric appliances including water heaters, and space heaters and coolers. However, given the aging buildings stock across California and the current learning curve for contractors performing this work, many homes will still go through service upgrades from the utility to support new all-electric appliances. The current timelines for utilities to complete these upgrades are unpredictable and create a barrier to electrification. There is a lack of data that tracks the timelines that utilities take to make such upgrades, but we know that in many, if not most, cases utilities will take months to complete a service upgrade, and it is not uncommon for customers to wait a year or more for a service upgrade. Longer upgrade timelines pose a significant barrier to helping homes transition away from fossil fuels to become more healthy and resilient.

One specific example of delays hindering energization is with the community-based organization PODER. PODER is a community-based environmental justice organization in San Francisco undertaking a demonstration project to do an energy retrofit of a zoned four-unit multifamily building that houses low-income families, including the owner of the property, who occupies one unit. For the projects PODER is working on, whole-home retrofits will require an electric service upgrade that could cost the owner/occupant of the property more than \$100,000. Additionally, their engineers said it would take many months to a year to get an estimate from PG&E of the cost and time frame and would take an unknown amount of time thereafter for PG&E to perform the service upgrade. While the information from PODER's engineers is preliminary, the undersigned organizations urge the CPUC to follow up with PODER during this proceeding to understand the extreme burden that the unpredictability of service upgrade timelines and costs imposes on low-income homeowners and rental buildings that house low-income residents. PG&E's timeline and cost create great barriers to the energy retrofit that are likely to prevent the ability to fully decarbonize the building. We further recommend that the CPUC invite PODER to present at one of the proceeding workshops.

SB 410 specifically requires the CPUC to establish energization timelines for both new customers and customers needing upgraded service and the Order Instituting a Rulemaking (OIR) suggests that timelines for upgrading service are within the scope of the new proceeding. However, we are concerned that the workshop on February 2, 2024 focused entirely on energization for new construction and transportation electrification. This proceeding needs to

focus on timelines for all types of energization including the critical timelines for upgrading customers moving from gas to electric appliances and heating.

In response to Question 5 posed in the OIR asking for additional actions necessary for the Commission to implement Section 934 of the Public Utilities Code, we recommend the CPUC take the following approach.

When considering the timelines for energization, the proceedings need to look at best practices across the utilities and base the timelines on adopting these practices across all the IOUs. The CPUC does not need to specifically impose each best practice on the utilities, which would be overly prescriptive. Rather the CPUC should set a reasonably high bar for energization timelines, and give each IOU the flexibility to determine how best to reach those timelines.

Even after timelines are adopted there will be processes that the IOUs should adopt to make the timelines achievable that may require additional CPUC action. To consider and implement these processes or rule changes, we recommend that the CPUC break this proceeding into two phases: Phase 1 will adopt the timelines and reporting requirements required by SB 410 and AB 50 and Phase 2 could be scoped to include consideration of the processes and rule changes needed to further streamline the energization process. We recommend that shortening the timelines set in Phase 1 be considered in Phase 2 as new streamlined processes are developed.

We appreciate the partnership of the CPUC and the electric IOUs on this critical issue. If you have any questions, please reach out to Laura Feinstein at lfeinstein@spur.org.

Sincerely,

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