



# **Item 7: Building Initiative for Low-Emissions Development (BUILD) Program Guidelines (Docket No. 20-DECARB-01)**

February 12, 2025, Business Meeting

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# Benefits to California



- New all-electric affordable housing
- Provides GHG reductions
- Improved indoor air quality
- Green jobs creation



# BUILD Overview: Designed to Address Market Barriers

## Authority & Governance

- Senate Bill 1477 (Stern, Chapter 378, Statutes of 2018)
- CPUC Decision 20-03-027
- BUILD Program Guidelines, First Edition, February 16, 2022

## Eligible Projects

- New all-electric affordable housing
- Targets: Low-income and Disadvantaged Communities and California Native American Tribes
- Designed to provide bill savings for residents

## Incentives

- Flexible to support the complicated financing and regulatory requirements of affordable housing
- Up to \$2,000,000 in incentives per developer
  - Based on the GHG avoided compared to a dual-fuel building
- 300 hours of technical assistance
- New Adopter incentive (up to \$100,000) to mitigate early upfront costs



Source: CEC



# BUILD Budget

| Budget Item                                     | Amount |
|---|--------|
| Incentives for Low-Income Housing Developments  | \$60M  |
| Technical Assistance Provider New Adopter Award | \$10M  |
| Administrative Costs                            | \$8M   |
| Evaluation Cost Share (CPUC)                    | \$2M   |
| Total   | \$80M  |

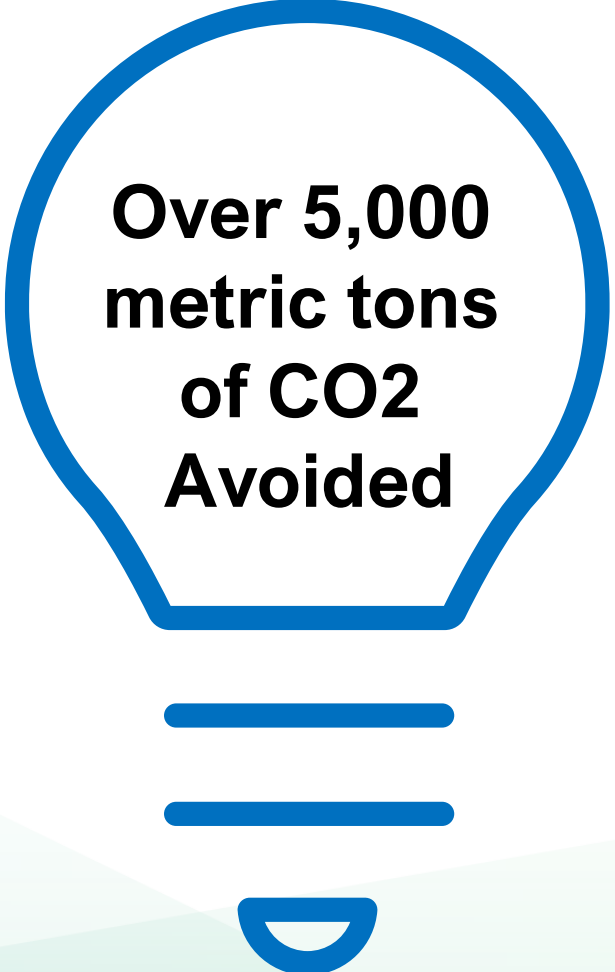
Incentives must be proportional to each gas corporation's contribution:

| Gas Territory | Percentages |
|---------------|-------------|
| SCG           | 49.26%      |
| PG&E          | 42.34%      |
| SDG&E         | 6.77%       |
| SWG           | 1.63%       |



# Program Activity as of January 2025

| BUILD Program Gas Territories | Number of Approved Housing Projects | Incentive Amount Approved | Incentive Balance |
|-------------------------------|-------------------------------------|---------------------------|-------------------|
| SCG                           | 35                                  | \$14.5M                   | \$15M             |
| PG&E                          | 52                                  | \$22.7M                   | \$2.2M            |
| SDG&E                         | 5                                   | \$ 2.7M                   | \$1.3M            |
| SWG                           | 0                                   | \$ 0                      | \$1M              |
| <b>TOTAL</b>                  | <b>92</b>                           | <b>\$39.8M</b>            | <b>\$19.5M</b>    |

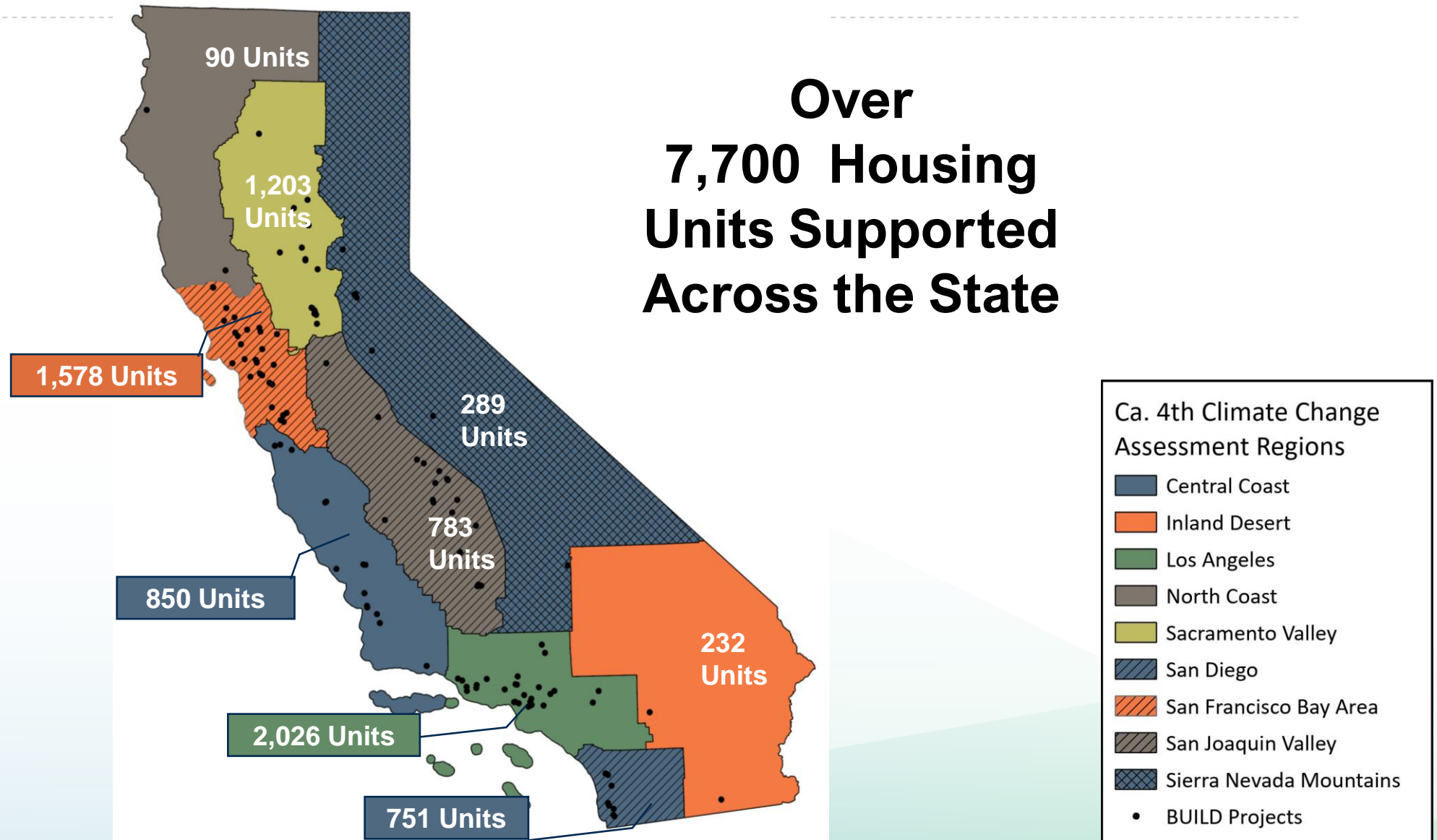
A large blue outline of a lightbulb with a base consisting of three horizontal lines and a semi-circle.

**Over 5,000  
metric tons  
of CO2  
Avoided**





# New All-Electric Affordable Housing Across the State



Source: CEC



# Summary of Proposed BUILD Guidelines Revisions

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- 1. Increase Participation:** Expand developer eligibility requirements to accommodate combined developer experience
- 2. Accommodate Projects:** Expand options to program's "utility cost savings requirements" to allow projects that do not have virtual net energy metering
- 3. Ensure Accuracy:** Simplify approaches to the BUILD incentive calculation to strengthen accuracy
- 4. Update Equipment Lists:** Align with 2022 Energy Code and current industry trends



# Public Process

| 2024 - 2025   | Milestone  |
|---------------|--|
| Nov 19        | Public workshop on proposed modifications to the program guidelines          |
| Nov 6 – Dec 3 | Public comment period (18 Days)  |
| Dec – Jan     | CEC Staff consideration of public comments                                   |
| Jan 31        | Post final guidelines for consideration for adoption by the CEC              |
| Feb 12        | CEC consideration of guidelines adoption at business meeting                 |
| Feb 12        | Anticipate filing Certificate of Service with CPUC, pursuant to D. 20-03-027 |
| Feb 27        | Anticipate guidelines to be effective  |





# Recommendation

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- Approve BUILD Program Guidelines, Second Edition
- Adopt determination that approval of the BUILD Program Guidelines, Second Edition, is exempt from CEQA