# **Energy Efficiency and Housing: Public Engagement Session**

February 4, 2021



## **Logistics and Meeting Procedures**

#### A few reminders to ensure a smooth comment period:

- > If technical issues arise, please contact <u>James.Bottomley@cadmusgroup.com</u>
- > Please be on mute if not speaking.
  - If using computer for audio, please click the mute button in WebEx on the computer screen. If using phone for audio, please tap the phone mute button.
- > Please use the chat function to provide written comments or questions; or if you would like to speak and did not preregister, let us know your interest, name, and organization via the chat.
- > Please ensure your full name is visible if you would like to speak. If using phone for audio, enter your Attendee ID # or have WebEx call you.





## **Agenda and Objectives**

#### Agenda

- > Welcome and Introductions (5 min)
- > CLCPA and this Panel's Contribution (5 min)
- > Preliminary Draft Recommendations Under Consideration (15 min)
- > Public Input Period (90 min)
- > Wrap Up (5 min)

#### **Objectives**

- Educate and inform about the Climate Action Council (CAC) process and the ongoing work of the Energy Efficiency and Housing Advisory Panel
- Solicit public input to contribute to the Panel's recommendations to the Climate Action Council

#### This webinar is being recorded to accurately capture public comments

# Introductions: Energy Efficiency and Housing Advisory Panel Members

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Gina BocraKyleChief SustainabilityPresidenOfficer: NYC Dept. ofAmyBuildingsDirectorLeg		Bragg : 32BJ SEIU Sugimori of Policy and slation	Da Senior V of E Susta Vornado	<b>n Egan</b> ice President inergy & ainability: Realty Trust	t Chief E Officer Leasin	<b>arwood</b> xecutive r: Home ng, LLC	
<b>Jin Jin Huang</b> Executive Director: Safari Energy, LLC	<b>Clar</b> Directo Stra	<b>ke Gocker</b> r of Policy and tegy: PUSH Buffalo	Elizab Actin Directo Housin	<b>beth Jacobs</b> Ig Executive or: Akwesasne Ing Authority	J. Sr. Pe Assis Gr Ho	amal Lewis olicy & Technical stance Specialist: reen & Healthy omes Initiative	Sadie McKeown EVP & COO: The Community Preservation Corporation
Bill N Executive Geothern Organ	<b>Jowak</b> Director: NY mal Energy hization	Molly Rama Head of D Reduction Baum	<b>y (Dee)</b> asamy Deep Carbon ion: Jaros, & Bolles	Daphar Executi Kinetic O Cor	<b>ny Sanchez</b> ve Director: Communities nsulting	z Laura Senior Vic & Dire Sustaina Green Re	a <b>Vulaj</b> e President ector of ability: SL ealty Corp.

## Introductions

#### Panel is supported by agency staff from the New York State:

- > Agencies:
  - Energy Research and Development Authority (NYSERDA), Homes and Community Renewal (HCR), Department of Environmental Conservation (DEC), Department of Health (DOH), Department of Public Service (DPS), Department of State (DOS), Dormitory Authority of the State of New York (DASNY), and New York Power Authority (NYPA)
  - <u>Staff speaking today</u>: Vanessa Ulmer (NYSERDA), John Lee (NYSERDA), and Kelly Richardson (HCR)

#### **Public participants**

Environmental and environmental justice advocates, housing professionals and advocates, energy efficiency and heat pump installers, trade organizations, local government entities, and private citizens are among those who will offer comments today

#### **Today's session moderators**

- > Hester Street
  - Nisha Baliga, Isella Ramirez, Wendy Fleischer, Priya Mulgaonkar

## Climate Leadership & Community Protection Act of 2019 (CLCPA)

- Mandates 85%+ greenhouse gas (GHG) emissions reduction by 2050
- > Puts NY on a path to carbon neutrality by mid-century
- > 100% zero-carbon electricity by 2040
- > Codifies clean energy targets
- > First statutory Climate Action Council

#### **Commitments to Climate Justice & Just Transition**

Invest or direct relevant program resources so that disadvantaged communities (DACs) receive at least 35% of benefits of clean energy & energy efficiency programs, projects, & investments in: Housing, workforce development, pollution reduction, low-income energy assistance, Transportation, & economic development

## Climate, Equity, and Buildings

# Economy-wide GHG emissions in NYS, 2016



- > Over a quarter of economy-wide GHG emissions in NYS are <u>direct</u> emissions from fossil fuel burned for heating and hot water in buildings
- > Benefits of building electrification and energy efficiency include safe, comfortable buildings for occupants and health benefits from improved outdoor and indoor air quality
- > Climate justice, housing affordability, and resiliency are critical
- > Jobs, innovation, and economic development opportunities are growing in the clean energy economy

### **Energy Efficiency and Housing Advisory Panel**

Developing recommendations <u>specific to the buildings sector</u> for emissions reducing policies, programs, or actions that contribute to achieving the statewide emissions reductions established in the CLCPA, for consideration by the Climate Action Council for inclusion in the Scoping Plan.

# The Panel's scope addresses three pillars of deep building decarbonization across single family (SF), multifamily (MF), and commercial and institutional (C&I) buildings

Energy Efficiency and Conservation	Building Electrification and Low Carbon Fuels	Decarbonizing Electricity Supply
<ul> <li>Efficient building shell and weatherization measures</li> <li>Behavioral conservation, operations and maintenance</li> </ul>	<ul> <li>Beneficial electrification of space heating, hot water heating, and appliances</li> <li>Cross-panel work on Bioenergy</li> </ul>	<ul> <li>Site-based solar PV</li> <li>Flexible building loads</li> <li>Cross-panel work with Power Generation Advisory Panel</li> </ul>
<ul> <li>Codes and standards</li> </ul>		

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Cross-cutting consideration of embodied carbon and climate adaptation and resilience

# **CLCPA** Timeline



#### Programs

Renewable Energy Programs Established (PSC, NYSERDA)

## Early stakeholder engagement

### Input to date

- > Panel members bring a range of perspectives and stakeholder contacts
- > 70 stakeholders provided direct written input on priority policies/actions for the Panel to consider, via a survey or email
- > Panel convened three dedicated roundtables with single family and multifamily housing stakeholders, and reviewed notes from stakeholder meetings convened as part of the Carbon Neutral Buildings Roadmap process
- > During Panel meetings, public input is invited via "chat" and captured in the meeting notes

## **Public engagement will continue**

### **Looking forward**

- > This Panel anticipates making recommendations by mid-March
- > Input is encouraged both today and in written comments through February 18<sup>th</sup>
- > Comments may be submitted to the Panel via email to: <a href="mailto:eehpanel@nyserda.ny.gov">eehpanel@nyserda.ny.gov</a>
- > Verbal and written comments will be documented as part of the Panel's deliberations
- Staff will produce a thematic summary of comments that the Panel receives by February 18<sup>th</sup>, including responses to clarifying questions by theme, which will be posted to the CLCPA website at: <u>https://climate.ny.gov/Advisory-Panel/Meetings-and-Materials</u> > Energy Efficiency and Housing Advisory Panel
- > Public engagement efforts will be ongoing as the Climate Action Council continues its work to meet New York State's climate and equity goals

# Preliminary Draft Recommendations Under Consideration

### **Regulations to phase out fossil fuel use in buildings** Strategy and components under consideration

Strategy and Components Under Consideration: Require electric space heating and hot water equipment and appliances in very energy efficient buildings through codes and regulations\*

Very efficient State Energy Code, as soon as possible

Electric new construction code (ban on gas/oil equipment for space and water heating) – in single family (potentially starting in ~5 years) and in multifamily/commercial buildings (potentially starting in ~10 years)

Ban on gas/oil replacements (at end of useful life) of heating/hot water equipment – in single family (potentially starting in ~10 years) and in multifamily/commercial buildings (potentially starting in ~15 years)

Ban on gas replacements (at end of useful life) for cooking and dryers (potentially starting in ~10 years) for single family and multifamily

Third-party energy code inspectors and funding for local code enforcement (staff, training, supplies)

State appliance efficiency standards for products exempt from federal preemption (e.g., computers and monitors, fluorescent and LED light bulbs, air purifiers, commercial dishwashers and fryers), as soon as possible

\*Note: Proposed timeframes to adopt each regulation will depend on the type of regulation and its governing body and legislation, State Administrative Procedure Act rulemaking requirements and timelines, an ongoing assessment of feasibility, impacts and analysis of what timeframes are needed to meet New York State's climate goals.

### Energy benchmarking, disclosure, and performance standards for buildings Strategy and components under consideration

Strategy and Components Under Consideration: Require measuring energy usage and making that information accessible – and to inform later energy performance standards for commercial buildings\*

Energy benchmarking for MF, C&I buildings larger than 10,000 sq. ft.

Energy usage data disclosure at point of sale and point-of-lease for SF, MF, C&I buildings

Require lighting upgrades to current Energy Code standards and periodic energy audits for commercial buildings larger than 25,000 sq. ft.

Energy efficiency performance standard for MF and C&I buildings larger than 25,000 sq. ft. (with credit for beneficial electrification), informed by statewide benchmarking data

\*Note: Implementation of these policies statewide will require assessment of the interplay with existing local policies (such as Local Laws enacted by the City of New York) and policy design such that building owners are not subject to conflicting or duplicative requirements.

### A workforce enabled to meet consumer demand for energy efficient, all-electric buildings Strategy and components under consideration

Strategy & Components Under Consideration: Support workforce development & informed consumers

Scale up training for incumbent and new clean energy workers and adjacent industries (e.g. home visiting workforce) to understand, design, construct, operate, and maintain highly efficient, electrified, and healthy buildings; give preference in training and job placement services to priority populations, incl. low-income people, residents of disadvantaged communities, and veterans

Increase ranks of MWBEs, coops., and employee-owned businesses through capacity building and business development support

Create community-to-employment pipelines and career pathways in disadvantaged communities. Requirements for training/employment for low-income people, for energy projects funded by government or public-private partnerships (e.g. HUD Section 3 or similar models)

Include building decarbonization curricula in State-funded education, incl. K-12, technical schools, and engineering and architecture programs at public universities; encourage private universities to similarly update curricula

Require continuing education and licensing in trades and professions in buildings operations and maintenance, design, construction, and real estate professionals

Provide technical assistance and resources for building decision-makers, incl. case studies and guidance for key building segments

Scale up strategic partnerships for education/outreach efforts, implement multilingual public awareness campaigns, and target resources for education and technical assistance within disadvantaged communities with a focus on efforts led by environmental justice and community-based organizations located in or serving those communities

## Low-cost financing for energy efficiency, electrification, and related improvements in buildings Strategy and components under consideration

Strategy and Components Under Consideration: Provide SF/MF/C&I building owners with access to low-cost capital to pay for the energy efficiency and building upgrades necessary for decarbonization

Apply a "Clean Water Model" to building decarbonization: e.g. enable public mandates coupled with access to low-cost capital

Provide greater access to financing products (e.g. utilities, NYS, other entities) for capital for upgrades (e.g. for lowincome households, DACs, renters)

Expand the use of performance contracting to achieve goals for State, municipal, and K-12 school building upgrades

Support underwriting to energy cost savings

## Incentives to lower the cost of energy efficiency, electrification, and related improvements in buildings Strategy and components under consideration

Strategy and Components Under Consideration: Provide incentives for SF/MF/C&I owners that speed uptake and help to transform the market for efficiency and electrification, and that enable uptake in low- to moderate-income (LMI) households, disadvantaged communities, and affordable housing

Direct cash incentives for energy efficiency and electrification, with priority on LMI households and DACs

Create a "Retrofit and Electrification Readiness Program" for LMI households, affordable housing, and DACs to cover costs of non-energy building improvements deemed necessary for energy measures to be installed, incl. broadband installation

Direct cash incentives for electrical service upgrades and in-building wiring and equipment

Support demonstration projects and R&D for reducing embodied carbon in buildings, low global warming potential refrigerants, grid-interactive buildings, and all-electric or electrification-ready buildings

## **Policy transition from gas to clean energy** Strategy and components under consideration

Strategy and Components Under Consideration: A managed, just transition from reliance on gas to clean energy

Stop utilities advertising gas as "clean" or "climate friendly" and phase-out incentives/rebates for gas equipment

Eliminate the "100-foot rule" subsidy under which the utility covers most or all of the cost of new gas connections for residential consumers, socializing this cost across ratepayers and creating an incentive to install gas service in buildings

Adopt CLCPA-aligned depreciation rates for utility investments in gas infrastructure to minimize long-term rate impacts

Develop legal steps to allow access for thermal/ground source loops to utility and public rights of way

Undertake a planning study and process to examine the regulatory, legislative, and other policy changes needed for a managed and just transition of the gas system, with attention to safety, reliability and affordability of service, safeguarding that low-income and disadvantaged communities are not left behind, and the long-term role for gas utilities

Create transition plan for the gas industry workforce, including protections and job transition opportunities

Publish analyses of building and grid readiness for electrification, with attention to building typologies that are harder to electrify, in order to support sound policy and planning for building electrification

# Additional policy areas under discussion

- > Federal tax credits and funding, federal program advocacy, federal support for R&D
- > Resilience and climate adaptation for buildings, communities, and the electric grid
- > Utility rate design
- > Consumer protections
- > Support living wage jobs and prevent wage erosion
- > Economy-wide carbon fee or climate pollution fee and investment approach

# **Public Input**

## **Questions to consider**

- > What do you see as the most pressing issue(s) for the Energy Efficiency and Housing Advisory Panel to address?
- > Today we shared preliminary draft recommendations to meet New York's CLCPA goals in the **buildings sector** that are under consideration by the Panel.
  - What recommendations would you like to see the Panel take up? Why?
  - What recommendations would you like to see the Panel modify? Or drop? Why?
  - What recommendations would you like to see the Panel add? Why?
  - What concerns do you have?
- > Are there considerations that are impactful at a local level that you think the Panel needs to consider?
- > Climate justice and equity are important CLCPA goals. What are your ideas for making sure that the CLCPA is implemented in an equitable way concerning housing and the buildings sector?

#### You may offer any comment(s) on the work of the Panel, speaking for up to 2 minutes or via the chat function

## **Opportunities to provide input to this Panel**

- > Comments are encouraged today as well as in written comments through February 18th.
- > Written comments may be submitted to the Panel via email to: <u>eehpanel@nyserda.ny.gov</u>.
- > Your comments (verbal or written) will be documented as part of the Panel's deliberations.
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## Public Engagement Session: Process

- 1. This webinar is being recorded to allow comments to be captured accurately.
- 2. If you want to read a comment and have not yet signed up, please share your name and organization in the Chat.
- 3. In order to hear from a diversity of participants representative of different communities/organizations, the speaker order is being created by the NYS team and Hester Street. The speaker list is not first come, first served.
- 4. Please be patient with the process. Not everyone will get a chance to speak, even if you signed up in advance. However, all comments and questions will be addressed in a thematic manner.
- 5. You also may enter written comments into the "chat" feature of the webinar, which is visible to all participants. Please note that the moderator might read your comments aloud.

## **Public Engagement Session:** Format and Guidelines

- 1. The Comment period will consist of a block of 5 participants speaking for **2 minutes each**, followed by a space for NYS agency staff to react in between each set of participants.
- 2. The HST Moderator will begin each comment block by announcing which 5 participants will speak in that block. If your name is called, please be ready to speak.
- 3. When it is your turn, please turn on your camera and/or microphone.
- 4. Before contributing, please announce your name and organization (if you are representing one).
- 5. The moderator will give you a 30 second warning, and then place you on mute when your 2 minutes are up.
- 6. If someone has already stated a point you would like to support, consider mentioning your support of their statement by naming the person or organization, rather that repeating the whole point.

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# **Public Comments**

# Wrap up

# Next steps – and thank you!

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- > The Panel will make recommendations that will help inform the Climate Action Council as it works to develop a Scoping Plan
- > Public engagement efforts will be ongoing as the Climate Action Council continues its work to meet New York State's climate and equity goals

#### Thank you for your participation and input!

# Appendix

## **Definitions of terms in the Panel's scope**

- Greenhouse gas (GHG) means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, and any other substance emitted into the air that may be reasonably anticipated to cause or contribute to anthropogenic climate change.
- Deep Decarbonization describes steep reductions in energy-related greenhouse gas emissions through a transformation of energy and building systems.
- Weatherization helps reduce energy costs, conserves energy, and improves safety and health standards. Services include sealing of cracks and holes to reduce heat loss; insulation of attics and walls; heating system repairs or replacement; providing efficient lighting and refrigeration; window and/or outside door repair or replacement.
- Building Electrification describes switching from burning fossil fuels to increasingly clean electricity for space heating, water heating, cooking, and other energy end-uses.
- Building Load(s) describes the amount of energy required to provide energy services to occupants of a building, such as for space heating and cooling, lighting, plug load, and so on.
- Zero Emissions Electricity describes electricity that is generated from renewable resources such as wind and solar or otherwise results in net-zero greenhouse gas emissions.

## **Regulations to end fossil fuel use in buildings** Key Considerations

Key impacts and considerations

- Greenhouse gases (GHG): Electrifying buildings while cleaning the grid drives HIGH reductions in GHG emissions by 2050.
- Benefits incl. safe, comfortable buildings and health benefits from improved outdoor and indoor air quality.
- Disadvantaged communities: Pair regulatory requirements with financial and technical assistance for disadvantaged communities; take care that regulations do not lead to less affordable housing or disinvestment in low-income properties and disadvantaged communities.
- Workforce: Invest in workforce development to meet market demand and provide incumbent workers with paths to transition; new industries and jobs are growing in the clean energy economy.

## Regulations to end fossil fuel use in buildings Key Considerations (cont.)

Potential Barriers/Challenges	Possible mitigants
Cost premium today, in general (upfront cost, potential energy cost relative to cheap gas)	Upgrade appliances at end of life, with capital planning for large buildings; market development incentives and support for disadvantaged communities; low-cost financing; drive reduction in installation costs and change in relative energy costs
Lack of awareness in market; preference for gas (low cost, gas stoves)	Public awareness and education for consumers, trades, professions, contractors, suppliers, retailers
Need to address emergency equipment failure and replacement	Strengthen the supply chain and promote planning in advance of heating/cooling system failure
Grid reliability concerns	Grid resilience, building-level resilience (sustainable design, solar + energy storage)

### Financing, incentives and market enablement Key Considerations

Key impacts and considerations

- Greenhouse gases (GHG): Direct GHG reductions are often commensurate with the scale of public investment which also helps to transform the market
- Benefits incl. safe, comfortable buildings and health benefits from improved outdoor and indoor air quality.
- Disadvantaged communities: Design financing/incentive structures and workforce and consumer education initiatives with specific priority to and involvement from LMI and disadvantaged communities. Incorporate consumer protections.
- Workforce: Attract and prepare new entrants to clean energy jobs and ensure incumbent workers have access to training. In workforce training and placement, target communities that have historically lacked access to quality employment opportunities and support diversifying the workforce. Partnerships will be critical, e.g. with industry/trade orgs., unions, edu. institutions, social services agencies.

## **Financing, incentives and market enablement** Key Considerations (cont.)

Barriers/Challenges	Possible mitigants
Sources of funding - need to scale up beyond existing sources; economic downturn as a result of COVID-19	Analysis ongoing: unlock low-cost private capital; seek federal funding; explore ways to leverage other available funding, such as health and resilience funding; possible tax or carbon fee
Risk of predatory lending	Consumer protections
Risk of wage depression in the the building operations, maintenance and service industry to fund increased investment in building retrofits	Discussion ongoing: ways to maintain living wage standards, and protect against erosion of prevailing standard, for workers