Overall Existing Building Incentive Program Status

• Launched in January 2021
• Initially $1,000 for heat pump water heater
• Integrated with BayREN (submit through BayREN for both incentives)
• Major program update in October 2022:
  • Increased incentives ($3,000 for HPWH + short term $500)
  • Added HP HVAC
  • Added non-BayREN option
  • Added Zero Percent Loan
• Inflation Reduction Act $2,000 tax credit went into effect Jan. 2023
Rapid incentive uptake (as of 3/8/23)
Significant new volume with HVAC

Rebate application received by month by upgrade

Equipment Type
- Heat Pump Water Heater
- Electrical Panel
- Heat Pump HVAC

PCE application received date
Assessment

1. Uptake acceleration
   a. Inflation Reduction Act
      • communications on heat pump benefits
      • Tax credits
   b. Effects of program changes

2. May reflect pent up demand and may taper(?)

3. Still very small relative to overall replacement
   • ~12,000 water heaters replaced per year
Zero Percent Loan Program Overview

• Launched in October 2022
• $1M PCE capital fund
• Up to $10,000 per customer
• 10-year max. loan term
• 0% interest
• Electrification & related measures
Loan: Rapid Uptake (1 of 2)

Loan Budget - Total Funds Reserved & Spent

660k (66%)
Loan: Rapid Uptake (2 of 2)
Next Steps

Board Request

• Addition of $1M to Zero Percent Loan program

And

• Monitor program through 2023 for possible refinement
Backup

2035 Decarbonization Plan and Building Electrification v2
Background
2035: PCE Scope

• Primary Scope
  - Transportation
    - private passenger, local gov & small commercial fleets,
    - ride-hailing, alternative mobility
  - Buildings
    - residential (single family & small multifamily),
    - Office (incl. local gov.), small commercial

• Not in scope, or limited* (others lead)
  - Transportation: heavy-duty vehicles, off-road
  - Buildings: industrial, large commercial*, large multifamily*
  - Non-energy: land-use, compost, stationary sources, landfills
  - Out of territory: SF airport
  - Embedded carbon, Climate Adaptation, Sequestration/restoration
2035: Buildings Electrification

1. **Flexible Incentives**
   - All measures, incl. prewiring and panels
   - Broader building segments
   - Integrated load shaping & solar+storage options

2. **High touch support**
   - Advanced “right-sizing” design
   - One-stop shop, hotline assist, turnkey option
   - Procurement aggregation to lower costs
   - Greater contractor support

3. **Links to Finance**
   - Specific linkages by customer segment
Residential Programs – BE v2

“I want to choose” (DIY or self-managed)

Retail Partners
- Brick & mortar presence
- Dev supply chain
- Bulk buy

One-Stop Website
- Appliance marketplace
- Contractor network
- Info & education
  - Why, how, rebates, etc.
- Energy calculator

Hotline
- Program navigation
- Project planning
- Technical guidance

Turnkey install option
- Appliance install
- Emergency loaner
- Whole home pre-wiring

Finance Options
- Bulk buy
- Workforce development
- Pilot tech

Load Shaping
- PV + Storage

Rebates
- CPUC FLEXmarket
- PCE rebates
- BayREN rebates
- IRA rebates
- CEC rebates

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