

CONCURRENCE VOTE

AB 3232 (Friedman)

Vote on Concurrence in Final Form pending August 22, 2018

Majority vote

This analysis is drafted in accordance with Assembly Rule 77 and reflects the Senate version of the bill in its final form.

ASSEMBLY: 55-23 (May 31, 2018) SENATE: 31-6 (August 21, 2018)

Original Committee Reference: **NAT. RES.**

SUMMARY: Requires the California Energy Commission (CEC) to develop a plan to ensure that all new residential and nonresidential buildings be zero-emission buildings and a strategy to achieve a 50% reduction in greenhouse gas (GHG) emissions generated by the state's residential and nonresidential building stock by 2030. Specifically, *this bill*:

- 1) States legislative findings relating to the GHG emissions associated with buildings and states legislative intent to:
 - a) Achieve significant reductions in GHG emissions by the state's residential and nonresidential buildings building stock on or after January 1, 2030.
- 2) Requires CEC to do all of the following:
 - a) By February 1, 2019, open a proceeding to consider load management standards and strategies needed to optimize building energy use in a manner that reduces GHG emissions.
 - b) By January 1, 2020, assess the potential for the state to reduce GHG emissions by the state's residential and commercial building stock by at least 40% below 1990 levels by January 1, 2030.

Beginning in 2021, requires the Integrated Energy Policy Report (IEPR) to include a report on the GHG emissions associated with the supply of energy to residential and commercial buildings by fuel type and by geographic area, as appropriate. Requires CEC to make this information available on its website.

FISCAL EFFECT: According to the Senate Appropriations Committee, \$520,000 for 3 permanent positions for the CEC (no specified funding source).

COMMENTS: According to ARB, the building sector is the second largest source of GHG emissions in the state and offers significant potential to reduce GHG emissions through the sustainable construction, operation, and renovation of new and existing buildings. The Climate Change Scoping Plan identifies actions to reduce GHG emissions from the building sector, including progressively improving building codes and standards, pursuing voluntary efforts to exceed code requirements, and completing existing building retrofits. According to the California Greenhouse Gas Inventory, in 2015 residential building fuel use generated 23.17 million tons of CO₂ equivalent and commercial building fuel use generated 12.77 million tons of CO₂ equivalents. The majority of these emissions were generated by burning natural gas.

The Governor has established "climate change pillars" to achieve 2030 GHG reduction goals. The pillars include achieving 50% renewable energy; reducing petroleum use in vehicles by 50%; doubling the energy efficiency in existing buildings; increasing carbon sequestration in natural and working lands; reducing short-lived climate pollutants; and, the Safeguarding California Plan to address climate adaptation. In the Governor's January 15th inaugural address, he stated that by 2030, California will double the energy efficiency savings in existing buildings and make heating fuels cleaner.

In 2015, the Legislature adopted SB 350 (De León), Chapter 547. Primarily, SB 350 increased California's renewable energy procurement goal from 33% by 2020 to 50% by 2030. SB 350 also requires CEC to take specified actions to double the statewide energy efficiency savings in electricity and natural gas by January 1, 2030. In October 2017, CEC adopted energy efficiency targets and subtargets to achieve the SB 350 goal in its report, *Senate Bill 350: Doubling the Energy Efficiency Savings by 2030*.

In 2010, BSC, with the assistance of other state agencies that develop building standards, adopted CalGreen, the state's green building standards. The CEC develops water and energy efficiency standards that are incorporated into CalGreen. CalGreen was adopted as a new Part within Title 24 and established new requirements relating to planning and design; energy efficiency; water efficiency and conservation; material conservation and resource efficiency; and, environmental quality. The standards are separated into "tiers" that include minimal mandatory standards and voluntary standards separated into Tier 1 and Tier 2 (Tier 2 indicating the highest level of green measures.) Local authorities may opt to make the tiered standards mandatory within that jurisdiction.

Analysis Prepared by: Elizabeth MacMillan / NAT. RES. / (916) 319-2092

FN: 0004634