



**EPIC Strategic Goals:
Low Income Electrification
Gaps & Metrics
9/19/23**

San Diego Building Electrification Coalition



Gap: Misalignment of IOU Incentives and the State's Climate & Equity Goals

- Like all good for-profit corporations, IOU's first priority is their shareholders
- Current business model incentivizes:
 - Building more infrastructure (risk of "gold plating")
 - Prioritizing capital expenditures like new power plants over operating expenses like energy efficiency or demand-side resources
 - Utility rates that increase when electrify compared to gas
- Not even the special rate plans to address low-income households are working.
 - E.g. major affordable housing developer: "The cost to build code compliant affordable housing went up significantly with the advent of NEM3.0 rates."
- Recommend analyzing pathways to address this gap, e.g. performance-based incentives, public utilities



Gap: Increasing System Costs Impact all Ratepayers

- Recommend system-level strategies to reduce ratepayer costs, e.g.
 - No new gas infrastructure
 - All-electric buildings & neighborhoods, minimal hard-to-electrify exceptions
 - Retire existing gas infrastructure
 - Neighborhood & city-based demonstration projects
 - Encourage distributed solar - rooftop, commercial, community
 - Include transmission costs in utility-scale solar cost models
 - Leverage EV batteries for building resilience and peak reduction
 - Assess cost of providing solar w/battery in rural areas over hardening distribution
 - Early retirement of fossil fuel infrastructure via incentives, e.g. [DOE EIR](#)
 - Limit hydrogen to hard-to-electrify uses, e.g. not needed for homes & most comml
 - Avoid mass upgrading pipelines for hydrogen
 - Assess alternate delivery options - trucks, zones



Gap: Low Income-Focused Transition Support

- Recommend statewide strategies to increase deployment in Low Income areas, co-designed with communities
 - Whole home approach including remediations, energy efficiency, electrification, solar
 - Technical assistance (aka One-Stop Shop) - a human not a website
 - Assist low income building owners in project assessment, design, incentives/financing, contractor selection, project management
 - Procurement strategies, e.g.
 - Bulk purchases for cost savings, new product development
 - Products readily available for emergency repairs
 - Eliminate or cover utility cost increases for electrification
 - E.g. incorporate into Inclusive Utility Investment (IUI), aka tariffed on-bill financing
 - Ensure tenant protections against evictions and rent increases due to electrification
 - Invest in local workforce transition and development, build community support



Metrics: Keep it Simple

- kWh cost
- % buildings all-electric
- % buildings using distributed solar
- % of gas pipeline miles decommissioned

