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June 23, 2022

The Honorable Luz Rivas  
Chair, Assembly Natural Resources Committee  
1020 N Street, Room 164  
Sacramento, California 95814

Dear Assemblymember Rivas,

**We, the undersigned organizations, write to express our strong support for SB 1261 (Stern)**, which would create the Multifamily Rapid Deployment Building Decarbonization and Extreme Heat Program, as well as allocate funds for the existing Technology and Equipment for Clean Heating (TECH) initiative. These programs prioritize low-income and environmental justice communities in the energy transition among building stock.

The undersigned organizations would like to express our strong support for California's building decarbonization goals which include achieving carbon-free homes by 2045 and a target of installing six million heat pumps by 2030. These efforts are necessary in advancing California's climate goals. California must target incentives and investments to help achieve these goals, including towards low-income and environmental justice communities among the early adoption of zero-emission technologies to ensure that all communities have access to the benefits of zero-emissions appliances.

Though zero-emission appliances are available in California, further development of the market is critical to driving down the cost curve of this technology. Investments in market development programs will unleash lower-cost, pollution free, grid-flexible technology.

SB 1261 will invest in two critical programs:

**Multifamily Rapid Deployment Building Decarbonization and Extreme Heat Program (CSD)** - This program will build on the Department of Community Services and Development's experience running the

Low Income Weatherization Program (LIWP), by developing “cookie cutter” retrofit packages to install zero-emissions appliances and heat mitigation measures and improve habitability in multifamily buildings that are similar in structure and design. This will enable improved efficiencies and decreased costs, so that available funding can serve a larger number of renters. This will be paired with renter protections to ensure vulnerable households benefit from these improvements.

**Technology and Equipment for Clean Heating (TECH) Initiative** - This existing program focuses on transitioning households towards zero-emission space and water heating. In just six months, TECH has enrolled over 900 contractors statewide and processed or reserved nearly \$50 million of incentives for over 20,000 projects across California, with a significant portion of program benefits directed to disadvantaged communities or low-income households. This rapid uptake demonstrates the supply chain is ready to support scaling up further and the demand for heat pumps across the state far exceeds the current TECH incentive budget. Rapid investment in and deployment of TECH funding will continue the State’s momentum towards achieving its decarbonization goals and avoid gaps in funding which would prove detrimental to decarbonization progress.

By supporting these critical building decarbonization programs, SB 1261 will help reduce climate and air pollution, mitigate the impacts of extreme heat, address historic burdens and structural inequities in working-class communities, spur economic growth, reduce strain on the grid through efficient and grid-responsive technology, and build climate resilience in households and communities. We, the undersigned, are dedicated to being partners in supporting California’s building decarbonization efforts, and we look forward to continued collaboration to reduce greenhouse gas emissions and make progress towards California’s climate goals. For these reasons, we strongly support SB 1261.

Sincerely,

California Efficiency + Demand Management Council  
Center for Sustainable Energy  
Fujitsu General  
Advanced Energy Economy  
Rheem Manufacturing Company  
Daikin U.S. Corporation  
Mitsubishi Electric Heating & Air Conditioning

CC: The Honorable Henry Stern  
Members, Assembly Natural Resources Committee