SUMMARY
The California Solar Initiative (CSI) Thermal program provides rebates to customers to install solar water and air heating systems (also known as solar thermal systems) on their homes and businesses, reducing our state’s natural gas use and greenhouse gas emissions. AB 797 extends existing CSI Thermal program funding for 2 years to 2020 and increases resources for low-income housing and buildings in disadvantaged communities. AB 797 also provides the California Public Utilities Commission (CPUC) the flexibility to review and revise the program.

BACKGROUND
Solar thermal technologies capture the sun’s energy to heat water and air for homes, businesses and industrial processing. A solar water heating system works in concert with existing water heaters, essentially pre-heating the water for use, and creating a seamless experience for the consumer. They reduce natural gas or electricity use, help consumers save money on utility bills, reduce greenhouse gas emissions, and support California-based manufacturing and installation jobs.

The potential for solar thermal to reduce California’s greenhouse gas emissions is great. California homes and businesses use 2.5 billion therms of natural gas annually to heat water, according to the California Air Resources Board. This is comparable to 3% of total statewide greenhouse gas emissions and is roughly equal to the total storage capacity of natural gas in the state. The California Energy Commission estimates that 42% of residential natural gas usage is for water heating. Solar thermal can reduce a significant portion of this natural gas use—between 50 to 80% for an average residential solar water heating system.

The potential is large for industries, commercial buildings and multi-family housing, in particular. When analyzing cost-effective energy saving measures, the EPA-convened California Home Energy Retrofit Coordinating Committee stated “the single largest and most consistent opportunity in multifamily housing is reducing the energy consumed to heat domestic water.”

CSI Thermal
In 2007, AB 1470 (Huffman) created the CSI Thermal rebate program, but rebates were not available until 2010. Shortly after, natural gas prices plummeted and the CPUC was reticent to make the necessary adjustments to the program. Effective rebate levels were finally put in place in February 2015. Since then, program activity has increased, with some of the greatest growth within the multifamily housing sector.

The CSI Thermal program has saved 5.8 million annual therms since 2010, equal to the annual amount of natural gas used to heat water for over 32,000 homes. The program has reduced over 31,000 metric tons of annual CO2 emissions—the equivalent of taking 6,500 cars off the road—helping our state meet its greenhouse gas emissions goals. Now that the program is finally working as originally intended, the state should extend it for a long enough period of time for the industry to invest in growth. In so doing, the state will be supporting manufacturing and installation jobs, and helping lower energy bills, especially for low-income households.

AB 797 (Irwin)
California Solar Initiative Thermal Program:
Extension and Low-income Residential Housing

NEED FOR THE BILL

Solar thermal is a proven technology to significantly reduce natural gas use for heating water and air in homes and businesses. In the context of the Aliso Canyon natural gas leak, solar thermal is about helping move the state off of its reliance on natural gas, meeting our climate change goals while also protecting residents. As part of our state’s programs to target the reduction of our use of natural gas, the recently revamped CSI-Thermal program should be continued.

Importantly, low-income residents should be a central focus of the state’s growing solar water heating market. Low-income residents spend proportionately more of their income on energy, meaning the rebates will go further to help those households. Demand for solar thermal in low-income multifamily housing buildings is high, accounting for over half of the multifamily projects in 2015. In fact, by December 2015, the $25 million in funding originally set aside for low-income customers was fully exhausted. In early 2016, the CSI Thermal Program Administrators moved an additional $25 million for low-income projects, stating “low-income projects are crucial to maximizing the CSI-Thermal Program’s effectiveness.”

AB 797 will extend existing CSI Thermal program funding for two additional years to 2020, and target significant resources for solar thermal on low-income housing and buildings in disadvantaged communities. The bill will also ensure that the maximum rebate cap works for industrial customers, enabling solar thermal systems for the largest users of natural gas. The bill will also improve the effectiveness of the incentives by providing the CPUC the flexibility to review and revise the incentive levels to adjust for natural gas price fluctuations.

SUPPORT

California Solar Energy Industries Association (CALSEIA) (Cospsonor)
Environment California (Cospsonor)

Nonprofit organizations and Utility (14):
350 Bay Area ● American Lung Association of California ● Center for Sustainable Energy ● Brightline Defense Project ● Clean Water Action ● Coalition for Clean Air ● Environmental Defense Fund ● Food & Water Watch ● Greenlining Institute ● Mercy Housing ● Sierra Club California ● SoCalGas ● Union of Concerned Scientists ● Voices for Progress

Solar Industry (58):

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