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Comment Received From: Nica C. Tanaka

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CEA Comments on CPUC's Drafted Statewide Code Compliance Evaluation Program

The California Energy Alliance shares its public input submitted to the CPUC regarding the Statewide Code Compliance Evaluation Plan published by Opinion Dynamics on April 25th, 2025 on Public Documents Area (PDA).

Additional submitted attachment is included below.



May 30, 2025

To: The California Energy Commission

Re: Drafted Work Plan Evaluating the Statewide Code Compliance Improvement Program

Dear California Energy Commission:

On May 9th 2025, The California Energy Alliance (CEA) submitted a public input comment letter to the CPUC in response to the Drafted Work Plan Evaluating the Statewide Code Compliance Improvement program published by Opinion Dynamics on April 25th, 2025. We are sharing the letter we sent to the CPUC on this Docket because of the CEC's crucial role in overseeing the implementation and compliance of Title 24 Part 6. Our letter, attached, highlights the importance of diverse stakeholder input, the significant costs of non-compliance, and the expertise of frontline energy workers in achieving effective Title 24, Part 6 implementation.

CEA is particularly concerned that the Opinion Dynamics' Draft Work Plan focuses on awareness and not compliance, which could lead to confusion between the two references. CEA believes that the funds allocated for this study should be spent on a study that measures real code compliance— equipment that is installed properly and operates according to actual code requirements.

Thank you for reading,

Nica C. Tanaka
Executive Director

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California Energy Alliance



May 9th 2025

To: The California Public Utilities Commission

Re: The Draft Work Plan Evaluating the Statewide Code Compliance Improvement Program

Dear California Public Utilities Commission:

This letter is written on behalf of the California Energy Alliance, a non-partisan coalition of industry stakeholders dedicated to advancing clean energy and energy efficiency policies for Californians. The CEA is made up of industry leaders, experienced professionals, and technical experts from business, government, and worker organizations advocating for energy productivity as means to achieve economic growth, environmental justice, energy security, resiliency, and affordability.

This letter is in response to the Commission's Drafted Work Plan Evaluating the Statewide Code Compliance Improvement program published by Opinion Dynamics on April 25th, 2025. Enclosed are critical points that should be reviewed by the CPUC as the Commission assesses the efficacy of PG&E's Compliance Improvement Program and the ways in which Title 24, Part 6 impacts California ratepayers and the state's energy efficiency goals.

Because the CEA regularly convenes experienced professionals who apply Title 24 as frontline energy workers and professionals who manage Title 24 in the field on a daily basis, CEA serves as a valuable resource for state regulators like the CPUC in understanding success and challenges of Title 24.

While the CEA appreciates the subject of a Statewide Compliance Improvement program as forefront to the CPUC's suite of assessments, we believe that the study needs a deeper analysis that includes a diverse stakeholder input so incomplete and potentially inaccurate understandings of real-world compliance could be avoided. The State of California and ratepayers have much to gain from an effective implementation of Title 24.



The CEA asserts that an effective Evaluation Plan must:

1. Include Diverse Stakeholder Input. Understanding the breadth of Title 24 compliance issues and the efficacy of PG&E solutions takes a community. Incorporating the participation of diverse perspectives during the beginning phases of a research or plan is crucial in ensuring how effectively compliance improvement is evaluated. The regulations are profoundly complicated on their own, and in conjunction with the construction industry, they become even more complicated. As a result, these layers of complexity could present significant misunderstandings in the Compliance Improvement ecosystem. To ensure that every part of the network is considered by evaluators, there should be repeated and scheduled opportunities for public input so diverse stakeholder perspectives are included and considered in ways in which compliance improvement is applied and implemented in a complex state like California.

For example: Discerning whether a dimmer requirement has a valid exception in a given room can require the analysis of 200 variables in a mid-sized office renovation. A program that increases awareness of the relevant code requirements may do little to improve enforcement with the requirement. Because compliance issues are experienced by those who apply and teach energy codes in their everyday jobs, perspectives from frontline energy workers should be included in the beginning of the process instead of the end. Technical assumptions made by researchers may not match on-the-ground realities.

2. Acknowledge the Significance and Costs of Non-Compliance. The Work Plan should provide estimates on the negative implications of non-compliance, including higher energy costs for consumers. The estimated cost of non-compliance should be considered in the analysis to understand the suitability of PG&E Compliance Improvement solutions in the context of ratepayer impacts. In December 2024, the CEC provided an initial estimate of statewide costs from Title 24 noncompliance during a public workshop. When assessed over the 30-year lifecycle of building efficiency measures, the CEC's initial estimate of noncompliance costs solely for measures added in 2022 is \$2.8 billion / yr (Reference: Page 14 of Docket 24-BSTD-05)¹.

¹ Measures from Title 24 2019, 2016, etc, are still active and still face numerous compliance challenges, meaning noncompliance with the whole of the Standards is likely well in excess of the \$2.8 billion / yr. (Note that the CEC's estimate uses the Long-term System Cost (LSC) by E3 to extrapolate to lifetime values, which differs from the CPUC's ACC in that the CEC's estimate uses a retail rate adder. The same analysis using the ACC would produce a lower number, although once inclusive of Title 24 2019, 2016, etc, the result would almost certainly still be in the billions of dollars per year.)



- 3. Regional Energy Networks (RENs) complement PG&E's Compliance Programs. The communities of California are better served because RENs across the state provide training and programs that meet the socioeconomic, cultural, and language diversity of Californians. Given the State's high cost of living where utility expenses are a major factor for everyday ratepayers, reducing energy costs is paramount. While the energy efficiency programs provided by the IOUs satisfy many energy efficiency goals, they do not entirely satisfy the diverse needs of ratepayers across the state. Recognizing this, it is crucial that investments made in these energy efficiency initiatives directly benefit those ratepayers whom the RENs carefully programmatically serve. The RENs play a vital role in providing regionally and locally focused programs that IOUs cannot do on their own; thus, addressing gaps in energy efficiency coverage.
- 4. The Frontline Expertise of Acceptance Test Technician Certification Providers (ATTCPs) provide invaluable on-the-ground experience that should inform how Compliance Improvement Programs are designed and executed in California. Given their direct application of Title 24 to California's diverse infrastructures, Including Acceptance Test Technician Certification Providers (ATTCPs) in the stakeholder engagement process is crucial in addressing widespread compliance challenges in the State. ATTCPs have routinely encountered Title 24 compliance issues during field review that other entities involved in the compliance chain thought were compliant. This experience code expertise matched with field exposure can help the evaluators not just assess perceptions of Compliance Improvement efficacy, but also understand how actions are propagating into the field, where kWh and therms are actually saved or wasted.
- 5. Studies should include an analysis of potential statewide initiatives and programming that were overlooked and missed. Developed analyses, such as what the CPUC is undertaking, usually include an evaluation of what a program is not doing and asking the questions why. It is possible that the CPUC and legislators are relying on the assumption that programs effectively utilize ratepayer resources to best serve their interest, for example: improved cost of living; however, it is critical to ask what statewide opportunities are being missed. This optimization and asking who the optimization is for requires an understanding of what is happening, how well it is going, and what is being foregone (to the extent that is a choice by PG&E). Understanding missed opportunities takes a community.



As a result, this letter's response is to set in motion the urgent need to schedule a public input industry-wide discussion on California's Code Compliance Evaluation plan which should include the participation of California's diverse energy stakeholders group. For future and now planning, the CEA recommends a methodology that actively seeks early input from California industry professionals and technical experts from business, government, and worker organizations on Title 24 Part 6 to ensure a thorough and accurate understanding of the Compliance improvement landscape.

The CEA appreciates the channel in which our voice and perspectives are considered. Attached to this comment is <u>a letter submitted by the CEA to CPUC staff</u> on July 6th, 2023 for the Commission's further reading.

Thank you for serving the people of California and fostering a resilient energy future.

Sincerely,

Nica C. Tanaka

Executive Director

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California Energy Alliance

