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*Comment Received From: Luke Morton*
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## Comment on Peak Cooling Memo Update

*Additional submitted attachment is included below.*

Dear CEC Docket:
I'm offering some response as requested to the recent posting of the Updated Peak Cooling Memo as well as proposed revision to the Peak Cooling threshold to 25/30% above Standard Design threshold for Climate Zones with significant cooling demand.

**Response to proposal to adjust PC threshold from 120% to 125/130%**
I think this is a fabulous idea. I hope that at least this proposal is adopted. Furthermore, I'll comment that a perfect threshold from my current estimation is none at all, with better being 100% or some multiple thereof. But if 125/130% is on the table, then great! Let's gopher greatness!

**Commentary:**
Before I reflect and reiterate past concerns I have of the Peak Cooling test, I want to first express my thanks and appreciation to the Commission and specifically staff with whom I've discussed the Peak Cooling test and y'all have been awesome. This updated Peak Cooling Memo and invitation for comment on a proposed revision is a posture that I would like to strongly encourage. While industry stakeholders such as myself may offer extreme candor, it is with the safety of knowing that it is both well-intended and well-received. My only remaining wish is directed not at the Commission, but to my fellow stakeholders-- please comment and offer your own perspectives-- even if, and especially if they differ from mine.

On the substance of the Peak Cooling test--
I have not been shy in my skepticism on the dockets about the prudence of this Peak Cooling test, and this skepticism grows with every model I run. In my projects, I have not been able to reconcile the stated goals of the PC test with its implementation. Specifically, the results I'm seeing from the Peak Cooling test is that it's forcing projects into higher construction costs and higher energy bills *at current TOU pricing* (which include especially high rates during the Peak Cooling period). And impact to the grid in terms of peak power draw from the grid is negligible if not actually zero during the peak cooling period. I'm also generally seeing negative LSC savings for the measures needed on the margin to comply with the test, which the Memo also seems to reflect.
The memo indicates that the '*The CEC also finds it critically important for buildings to reduce demand during summer peak period cooling expected to occur in California's near- and medium-term future."*

I need some help here understanding the following:

- Why does the Commission find it critically important? Ipse dixit? Can we get a little more in writing?
- If the concern is about demand, why is the test focused exclusively energy consumption over a 5 hour period from just the AC unit? Surely the Commission knows that this is not anywhere close to dispositive of demand of the home on the grid…
- If the time of energy consumption is of concern, then I would also observe here something obvious-- the grid impact of that demand is already endogenous to the LSC metrics themselves. The metrics were workshopped and this has been a primary (and almost exclusive) focus of these metrics since their advent. The Peak Cooling period is 7% of the hours of the year, yet assuming a constant load, those 7% of hours represent almost 50% of the total annual LSC.
- Given that the LSC factors already include the correct and appropriate time-dependent valuation of long-term (30-year) systemwide costs, why is necessary and prudent to overthrow these values with intentionally and explicitly myopic competing valuations (i.e. "near and medium-term future")?
    - The effect of this is essentially stealing from the long-term goals we all agreed to in order to serve vaguely defined and poorly connected short-term goals. How is this in the public

interest?

- Lastly-- I do have a slight concern that I am misunderstanding the phrasing used in the memo and that the specific grid impacts I was working with above are not the primary concern of this policy (secondary or tertiary perhaps?). If this is true, then perhaps you are seeing how this policy is confusing the industry in terms of abiding the spirit of the policy. To this I would reflect-- the case for energy conservation has never been more important, and never more nuanced and confusing. The branding of energy code being the 'biggest no-brainer of all-time' has apparently lost its salience among many, including legislators, and I want it back (so say we all!). A careful articulation of the CEC's concerns and motivations behind specific rules in the rulemaking process is important to this, as it is to any regulation.

**Peak Cooling and basis in the Standards**

While we're on this topic, I'd like to extend this comment to ask about how Peak Cooling test is articulated as a compliance test in the Standards. A colleague recently asked me about this, and we were surprised at what we found: it is conspicuously absent, and I request the Commission to reconcile this at earliest convenience, or educate me as to how this commission of omission is not a remission[1].

Looking at Section 150.1(b) I see the following:

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*A building complies with the performance approach if the energy consumption calculated for the Proposed Design Building is no greater than the energy budget calculated for the Standard Design Building using Commission-certified compliance software as specified by Section 10-109(c) and Section 10-116 .*

*1. **Energy budget**. The energy budget is expressed in terms of Source Energy, and Long-Term System Cost (LSC).*

*3. **Long-term System Cost (LSC)**. The LSC energy budget is determined by applying the mandatory and prescriptive requirements of the standard design to the proposed design building and has two components, the Efficiency LSC and the Total LSC.*

*A. **The Efficiency LSC** energy is the sum of the LSC energy for space-conditioning, water heating, mechanical ventilation, and the self-utilization credit.*

*B. **The Total LSC** energy is the sum of the Efficiency LSC energy and LSC energy from the photovoltaic system, battery energy storage systems (BESS), lighting, demand flexibility, and other plug loads.*

*4. **Source Energy.** The source energy budget is determined by applying the mandatory and prescriptive requirements of the standard design to the proposed design building. The Source Energy is the total annual source energy.*

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To recap, I see 3 types of tests for compliance based on Energy Budgets: Efficiency LSC, Total LSC, and Source Energy. The question is-- where is Peak Cooling in this? I don't see it.

A review of the 45-day and 15-day language indicates this omission is consistent across drafts in spite of the Peak Cooling test being provided its own workshop and docketing, etc., during the rulemaking process. Furthermore, the omission from the Standards was specifically commented on and acknowledged by Staff, but no changes were made to the Standards themselves.

1 Just in case you were taking me too seriously.

If the Commission intends to continue enforcing this policy, then I would urge you to please add Peak Cooling among the listed Energy Budgets in section 150.1(b).
I, along with my fellow energy consultants, take the Standards very seriously. We take them as written, and we model the exegetical exercises of understanding and applying the code for and with our industry partners. I'll admit to being a bit nonplussed that Peak Cooling isn't listed in 150.1(b) and I'm hoping there's a reasonable explanation. I can't and don't believe that the Commission would enforce a rule, let alone one that is a significant challenge for compliance that has not been properly promulgated, especially after being advised of the issue. So I look forward to a deeper understanding on this question when convenient.

**Revisions to the ACM**
On a more positive note, I am appreciating that a change to the Peak Cooling test being proposed necessitates a change to the ACM (notwithstanding the issue above), and I'm pleased to see that the posture towards changes to the ACM in light of AB130 have thawed. To wit, if the ACM can change to make adjustments Peak Cooling, then it can change for everything else. I look forward to future discussions on myriad other changes that the ACM should consider to make housing more efficient and lower cost.

**--Luke Morton**
**Certified Energy Analyst**