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Draft Action Plan Comments

Thank you for your consideration of the attached comments.

Regards,
Angela Hacker

Additional submitted attachment is included below.

**County of Santa Barbara emPower Central Coast Comments on
Draft Existing Buildings Energy Efficiency Action Plan
Docket Number 15-IEPR-05**

April 21, 2015

The County of Santa Barbara's emPower Central Coast program (emPower) appreciates the opportunity to review and comment on the March 2015 draft of the California Energy Commission's (CEC) *Existing Buildings Energy Efficiency Action Plan*.

In general, emPower supports and applauds the Draft Action Plan and believe the strategies outlined will increase energy project flow. We particularly appreciate the commitment to:

- Broader and more standardized tools and more streamlined state program processes (S3.1)
- Longer timelines for program implementation (i.e. rolling cycle)
- Greater and easier access to data for decision making, particularly on regional and local scale to accelerate strategic energy planning and local initiative development
- Inclusion of local governments as key partners in marketing, education and outreach efforts
- Recognition of local government's unique role in code enforcement/streamlined permitting
- Recognition of the need to help millions of existing building owners get up to code, rather than requiring above code activities in order to access assistance.
- Consumer education as an important component to achieving energy savings whether those savings are behavioral, from plug load or a whole house retrofit
- Providing a specific funding opportunity for local governments via the Local Government Challenge
- Increasing opportunities for energy efficiency as a resource to be procured
- Modular approaches that recognize that not every project needs to be comprehensive and that resources are needed to help move all types of consumers as far as they are willing to go
- Enhancing water efficiency; and
- Affordability and financing, and development of a State Finance Council.

Local Government Role Should be Expanded

As a local government program serving the broader region, emPower is already helping the State implement several of the strategies outlined in the Draft Action Plan and is eager and well-positioned to align ongoing efforts with the Draft Action Plan. The Draft Action Plan can do more to engage and leverage the expertise, resources or strategic advantages of local governments. Local governments' role in existing buildings is often seen in a diminished view as permitting, codes and inspectors, but we are uniquely capable of much more.

Over the last decade, local governments have demonstrated leadership across the State in coordinated community energy saving strategies in public, residential and commercial sectors, such as:

- Innovative financing options, including those that engage private lenders and capital in the energy marketplace
- Energy advising, auditing and benchmarking
- Energy and water project qualification for financial incentives
- Energy data tracking and analysis
- Localized education, outreach and consumer support across sectors, including promotion of IOU incentives/programs
- Scoring, labeling and certification for (i.e. Green Business Program)
- Workforce development and contractor management
- Public building retrofits
- Code development and streamlined permitting
- Joint procurement
- Community Choice Aggregation

Many of these strategies are already helping to make progress toward AB 758 objectives. In addition, over 200 local governments in CA have passed a climate action plan helping to meet the State's 15% emission reduction targets by 2020. With ARRA stimulus, many local governments, including Santa Barbara County, built programs that leveraged and integrated resources from key community resources (including lenders, IOUs, contractors, nonprofits, workforce trainers, etc) to help the marketplace take advantage of efficiency opportunities. Most of these programs continue to utilize the infrastructure and assets built with funding provided to continue offering energy saving services to energy consumers. Some localities have joined forces within a region to enhance energy service program delivery and reduce redundancies, as Santa Barbara County has done with partners in Ventura and San Luis Obispo Counties.

As stewards of distinct geographies, local and regional program administrators like emPower are uniquely positioned to evaluate community usage and needs, develop programs that fill gaps, provide personalized, hands on consumer assistance, provide on-the-ground service delivery, and aggregate and track the savings generated within various market segments of a community.

Flexible and Predictable Funding Sources are Key to Effective Implementation

Despite the very large figure, the \$1.4B in ratepayer funding highlighted several times in the Draft Action Plan should not be considered the sole or most effective source of funding to accomplish the Draft Action Plan's goals. Local governments have extensive experience entering contracts for ratepayer dollars. Oftentimes unpredictable funding processes and regulatory and bureaucratic constraints (i.e. long contract negotiations and approval processes, TRC, "above code") make it more challenging than necessary to effectively deliver energy services to consumers and communities. These funds are certainly appreciated, particularly since other funds are not regularly available. However the gateway to energy projects would certainly be opened wider if the CEC were to identify appropriately-scaled,

ongoing funding sources outside the regulatory framework and outside other factors associated with compliance (i.e. historic preservation, loading order, required partnership with IOU programs, and prevailing wage), which can significantly confound program processes and hinder program demand. Removing obstacles associated with funding would allow local and regional program administrators to more fully realize their potential.

Broaden Focus to Other Sectors, but Residential Market Should Not be Overlooked

There appears to be a focus shift away from the residential sector in the Draft Action Plan. emPower agrees with the greater focus on non-residential energy savings opportunities, but notes that there is still a great deal of untapped savings value within the residential market. The State and several local governments, including Santa Barbara County have made a great deal of progress in this area (i.e., EUC, workforce, education, financing programs, etc.) and this momentum should be continued. However we should not rely solely on the comprehensive retrofit (Home Upgrade) framework, but incorporate a balanced suite of easier, less complicated, and incremental approaches that can be right-sized based on homeowner's needs and desires.

Lastly, as one of the State's first credit enhancement financing programs (via two local credit unions), emPower has experienced that residential financing is an important part of a continuum of energy service delivery, but it is not a silver bullet and must be delivered within the context of other assistance (i.e. energy coaching, customer assistance) to best encourage energy project flow.

Recommendations

emPower recommends including the following in the Draft Action Plan:

- Local governments are an important stakeholder to the following strategy sections and should be added as implementing partners:
 - **1:** 1.6.5, 1.6.7, 1.9.2
 - **2:** 2.1.4, 2.1.8, 2.1.10, 2.2
 - **3:** 3.1.1, 3.2.2, 3.3
 - **4:** 4.1.1, 4.1.3
 - **5:** 5.1, 5.2, 5.3, 5.4, 5.5, 5.7
- Expand/include areas for funding under Local Government Challenge to include the broader range of functions local governments are already playing (as highlighted above). Incorporate additional non IOU funding sources to this program such as Cap and Trade auction revenue or other dollars. Increase annual funding level to provide more local and regional program administrators an opportunity to pilot or continue offering services to their communities.
- Work with PUC to avoid limiting services to only "above code" activities.
- Continue the momentum started in the residential sector with investment made in EUC Home Upgrade and ARRA programs, but not just within the Home Upgrade construct.
- Broaden approach to include easier opportunities for residential consumers to make progress on energy savings, and allow local governments to implement such initiatives.