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CEEIC Comments on Draft EBEE Action Plan

Additional submitted attachment is included below.

April 21, 2015

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 15-IEPR-05
1516 Ninth Street
Sacramento, CA 95814

**RE: CALIFORNIA ENERGY EFFICIENCY INDUSTRY COUNCIL'S COMMENTS ON
THE CALIFORNIA ENERGY COMMISSION'S DRAFT EXISTING BUILDINGS
ENERGY EFFICIENCY ACTION PLAN**

I. INTRODUCTION

The California Energy Efficiency Industry Council (Efficiency Council) appreciates this opportunity to provide comments on the California Energy Commission's (CEC) *Draft Existing Buildings Energy Efficiency Action Plan* (the Plan). We commend the work and leadership of the CEC Commissioners and staff, as well as those involved from the CPUC, to produce this Plan and outline strategies for the implementation of the AB 758 program.

The Efficiency Council is a statewide trade association of non-utility companies that provide energy efficiency services and products in California.¹ Our member businesses employ many thousands of Californians throughout the state. They include implementation and evaluation experts, energy service companies, energy data analytics providers, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of energy efficiency products and equipment. The Efficiency Council's mission is to support appropriate energy efficiency policies, programs, and technologies that create

¹More information about the Efficiency Council can be found at www.energycouncil.org.

sustainable jobs and foster long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

As a voice for the efficiency industry in the state, and on behalf of companies and organizations that design, implement and evaluate energy efficiency programs and services in California, the Efficiency Council has a strong interest in the strategies outlined in the Plan. The Efficiency Council and its members have a long-term commitment to the success of AB 758, as we supported the bill's passage in the State Legislature and many of our member companies were involved in the design and implementation of Phase I of the program through the American Recovery and Reinvestment Act (ARRA) efforts.

The Efficiency Council supports the goals and objectives in the Plan and we applaud the CEC's coordination with the CPUC to help move both agencies in the same direction to increase efficiency in existing buildings.

II. DISCUSSION

Statewide Leadership and Collaboration

The Efficiency Council strongly believes that statewide coordination and collaboration is going to be essential in order to achieve the objectives identified in the Plan. Coordination between the CEC and the CPUC will continue to a critical factor if the State's goals for energy efficiency are to be achieved. Specifically, we recommend there be deeper involvement and engagement by the CEC within the CPUC's R. 13-11-005 energy efficiency proceeding process to ensure the design of the Rolling Portfolio fully aligns with the strategies outlined in the Plan. As that proceeding moves forward, it is going to be essential for CEC staff and Commissioners to be involved in the planning and design of the rolling portfolio framework to provide detailed insight on how best to incorporate the specific actions within the Plan that must be addressed through the rate-payer funded programs.

Leveraging resources and strategies across all of the major policy initiatives that address efficiency in existing buildings, between the CPUC and CEC, creates a win-win-win situation. Consumers win through the benefit of centralized program

implementation and streamlined outreach designed to eliminate market confusion. The energy efficiency industry wins through the additional strategies and resources aimed at market growth and expanded opportunities for businesses to support programs with innovative product and service offerings. California wins by magnifying all efforts aimed at achieving cross-agency broad policy goals through implementing a broad array of energy conservation and carbon reduction strategies.

Another critical component to statewide collaboration will be engagement from industry and other key stakeholders. We urge the CEC to leverage existing collaborative structures that already include this broad participation when considering establishing the Existing Building Efficiency Collaborative (EBEC). The stakeholder collaborative that has been operating along side the R. 13-11-005 proceeding already includes participation from CPUC staff, investor-owned utilities, local governments, industry, rate-payer and environmental advocates. We believe this collaborative, if expanded, could serve the purposes the CEC envisions for the EBEC.

Making Energy Visible

We support the CEC's plan to develop a statewide building benchmarking and disclosure program that is aimed at driving demand for energy upgrades outlined in Strategy 1.2. We believe that a major barrier to achieving the State's energy efficiency goals is a lack of consumer demand. Building benchmarking, energy performance ratings and disclosure are critical steps that will result in increased consumer demand. To achieve the state's goals and policy objectives for energy efficiency and to support the further development of the energy efficiency marketplace, energy efficiency needs to be made visible to energy users. After all, consumers cannot be expected to make good decisions on the efficiency of existing buildings if they don't have the information readily available. It would be like encouraging people to buy the most efficient cars and appliances without providing the information (a label) to identify which models are more efficient.

In developing the statewide benchmarking and disclosure program, we recommend the CEC consider looking at best practices from around the country,

such as the benchmarking and disclosure program already being implemented in San Francisco. The key to getting broader market support for energy efficiency, as well as encouraging building owners to take action, will be to ensure the statewide programs aligns with successful best practices and procedures already established in the U.S.

We also support measures that would incorporate energy efficiency scores and ratings and energy efficiency performance in both the residential mortgage and realty appraisal processes, such as envisioned Strategy 1.4 and Goal 4. We encourage the CEC to focus on these approaches as a way to drive further market adoption of energy efficiency improvements, and also to help address broad issues such as the tenant-landlord split incentive and realization of energy efficiency benefits in property valuations.

If the CEC needs to go through an extensive public process to discuss these initiatives for privately held commercial buildings, we urge you to break out state-owned and rented buildings now -- and require in the near term rating of these buildings and the prominent display of the rating to raise public awareness.

Increasing Access to Data

We also support the Plan's efforts in Goal 2 to increase access to energy use data. We believe that evolving rules and procedures regarding the access and utilization of customer energy usage data are vital to develop the full potential of energy efficiency upgrades to existing buildings, as well as to ensure the continued future growth of the energy efficiency industry. Detailed and real-time data from Smart Meters can greatly expand the ability of the efficiency industry to determine consumer energy-consumption characteristics, define and document potential opportunities to implement efficiency and demand reduction measures, and track performance over time. This real time data can actually be integrated into the implementation of efficiency actions, particularly those that involve automated feedback and optimization. Simply providing high-quality energy usage information to consumers can lead to more efficient use of energy through behavioral and operational actions (in addition to the adoption of high efficiency equipment)

particularly in commercial and institutional buildings. It will also create business opportunities for the development of new consumer products so consumers can better manage their energy costs. These business opportunities, in turn, create jobs and economic growth.

At the same time, interoperability and maintaining data privacy and ensuring security are also very important. This means the focus of policy or regulatory actions regarding data needs to be on proper disclosure and transparency, along with access to data in a consistent format so that it can be utilized efficiently by the appropriate tools and entities. Consumers (both business and residential) will benefit if the market can gain clear and easy access to usage data, within the bounds of maintaining consumer privacy.

Additionally, truly scaling efforts and strategies that rely on access to energy use data will require some level of standardization. For this reason, the Efficiency Council strongly supports Strategy 1.3, which aims to set minimum standards for building performance assessment tools. Many utility programs and local governments throughout the state have already begun incorporating many of these emerging and existing tools into their programs. It will be important to work directly with those program administrators and program implementers in leveraging existing criteria that can serve as the basis for setting the minimum standards for these tools.

Testing Innovative Approaches

The Efficiency Council aligns with the CEC's goals in the Plan around treating energy efficiency as a clean distributed energy resource. We agree that in order to accomplish this, the state is going to need to test and pilot innovative approaches for acquiring and valuing efficiency. One approach, identified in Strategy 1.8, would be to further develop the utility procurement model for energy efficiency currently being piloted by SCE through their local capacity resource Request for Offers (LCR - RFO). The energy efficiency efforts that are part of the LCR-RFO are just getting started. We must allow those activities to get underway and to be properly evaluated in order to determine best practices and scalability for that type of model.

Also, because California has pursued energy efficiency through the rate-payer funded model, there will need to be significant engagement with utilities and the industry in order to ensure the market is properly positioned to respond and deliver through that type of procurement mechanism.

We also support the need to pilot the performance-driven approach to validating energy savings in existing buildings outlined in Strategy 3.2. Again, this is an approach that is in the early phases of adoption and should be tested and evaluated in order to better gauge the scalability, as well as identifying for which market segments this approach makes the most sense.

Reducing Energy Consumption

California has long been identified as a national and global leader on energy efficiency, and a large majority of that is attributed to its aggressive approach to setting building codes and appliance standards. We also strongly support the development of activities that will reduce energy consumption for plug loads and urge the CEC to move forward with strategies identified in Plan under Strategy 1.6.

III. NEXT STEPS

The Efficiency Council looks forward to continuing to engage with the CEC Commissioners, staff and other key stakeholders in helping to further refine and implement the strategies outlined in the Plan. Most importantly, the energy efficiency industry stands poised and ready to support State policies and programs to drive demand for energy upgrades and assist consumers and businesses in making improvements to their buildings that will provide long-term energy and cost savings.

Respectfully,



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