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COMMITTEE HEARING
BEFORE THE
ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA

In the matter of,)
) Docket No. 15-IEPR-05
)
Integrated Energy Policy)
Report (IEPR))

**LEAD COMMISSIONER WORKSHOP ON
STRATEGIES RELATED TO BENCHMARKING AND LOCAL
GOVERNMENT CHALLENGE IN THE DRAFT
*EXISTING BUILDINGS ENERGY EFFICIENCY ACTION PLAN***

CALIFORNIA ENERGY COMMISSION
ART ROSENFELD HEARING ROOM
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

THURSDAY, MAY 7, 2015

9:10 A.M.

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*Cliff Majersik, Institute for Market Transformation (IMT)

*Michael Colgrove, New York State Energy Research and Development Authority

*Hilary Firestone, City of Los Angeles

*Amy Jewel, City of Chicago

Panelists

Jeremy Battis, California Public Utilities Commission (CPUC)

Wes Sullens, StopWaste

Laurel Rothschild, Energy Coalition

Anna Lowe, San Diego Association of Governments

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P R O C E E D I N G S

1
2 MAY 7, 2015

9:10 A.M.

3 MS. RAITT: Welcome to today's Lead Commissioner
4 IEPR Workshop on Strategies Related to Benchmarking and
5 Local Government Challenge in the Draft Existing
6 Buildings Efficiency Action Plan.

7 I'm Heather Raitt, the Program Manager for the
8 IEPR. I'll be going over the usual housekeeping items.
9 Restrooms are in the atrium. A snack bar is on the
10 second floor, at the top of the stairs under the white
11 awning.

12 If there's an emergency and we need to evacuate
13 the building, please follow staff to Roosevelt Park,
14 which is across the street, diagonal to the building.

15 Today's workshop is being broadcast through our
16 WebEx conferencing system. Parties should be aware that
17 you're being recorded. We'll post an audio recording on
18 the Energy Commission's website in a couple of days and
19 the written transcript in about a month.

20 We have a full agenda today and I'd like to ask
21 the speakers to please limit your presentations to the
22 time allotted. This will help make sure we have enough
23 time for all the material.

24 And in the afternoon we will hold a yellow card
25 to signify two minutes left, and a red card when time is

1 up.

2 Before the lunch break and at the end of the day
3 we will open it up to public comments. We are asking
4 parties to limit their comments to three minutes so that
5 the maximum number of participants have an opportunity
6 to speak.

7 We'll take comments first from those in the
8 room, followed by those participating by WebEx and,
9 finally, from the phone-in-only.

10 For those in the room who would like to make
11 comments, please fill out a blue card and give it to me.
12 When it's your turn to speak come to the center podium
13 and speak into the microphone. It's also helpful to
14 give the court reporter your business card.

15 For WebEx participants, you can use the chat
16 function to tell our WebEx coordinator that you'd like
17 to make a comment during the public comment period. And
18 we'll either relay your comment or open the line at the
19 appropriate time.

20 For phone-in-only participants, we'll open your
21 lines after hearing from the in-person and WebEx
22 participants.

23 If you haven't already, please sign in at the
24 entrance to the hearing room. Materials for the meeting
25 are available on the website and hardcopies are on the

1 table, at the entrance to the hearing room.

2 Written comments on today's topics are due May
3 21st. The workshop notice explains the process for
4 submitting comments.

5 With that, I'll turn it over to Commissioner
6 McAllister for opening remarks.

7 COMMISSIONER MC ALLISTER: Thanks Heather. So,
8 I'm Andrew McAllister, Lead on this IEPR and on energy
9 efficiency topics in the Energy Commission.

10 And we have two topics today. So, in the
11 morning benchmarking and in the afternoon local
12 government.

13 I'm really happy to be joined by Chair
14 Weisenmiller and Commissioner Douglas on the dais. And
15 they'll be in and out, I think. I really appreciate
16 their support on this.

17 I want to thank all of you for coming and for
18 listening in on WebEx, as well.

19 So, you know, backing up a little bit, the 758
20 Draft Action Plan is out on the street and many of you
21 will have looked at it. And two of the, let's say, kind
22 of signature initiatives of it are benching, doing
23 statewide benchmarking, taking a big step forward on
24 that in a way that's informed by much of the other
25 activity across the country. But making sure to locate

1 it in the California context and do it in a way that
2 makes sense for us, as a statewide program. Which
3 would, I believe, be the first statewide program for
4 such benchmarking.

5 And then in the afternoon, our local government
6 challenge, which is basically what we're calling a sort
7 of additive program that we have heard from stakeholders
8 and feel is necessary to encourage innovation at the
9 local level. You know, our existing building stock,
10 which is what we're talking about, is really the primary
11 jurisdiction in a lot of ways is at the local level.

12 So, that's an important initiative that we
13 really want to get stakeholder feedback and input on.
14 And really build a case for it such that we can make it
15 a long-term initiative that works with local government
16 to kind of restructure what happens and encourage
17 innovation there, and provide resources for local
18 governments to do and leverage their jurisdictions.

19 In any case, in the morning we're doing
20 benchmarking. And I think it's clear, increasingly
21 clear that across the board, not just in large
22 commercial, but across the board better information
23 about our buildings is needed for better decision making
24 and is, in general, sorely lacking.

25 And benchmarking is a way, at least as we've

1 framed it in this proposal in the Action Plan, is a way
2 to ensure that we cover the building stock
3 systematically, over time, and get building owners
4 information they need and, essentially, all the folks
5 that interact with the building the information they
6 need to make decisions and participate in transactions.

7 As well as get that information for informing
8 policy. You know, it's not only the building owner, and
9 the marketplace out there, and stakeholders who don't
10 have enough information about buildings, it's also the
11 policymakers at both of the energy agencies, I would
12 say, in the State.

13 So, benchmarking can have multiple benefits and
14 it just is a common sense thing that we want to make
15 work in this State.

16 So, again, I want to -- well, we're already ten
17 minutes or so behind our schedule. Sorry about that,
18 Heather. So, I want to give Chair Weisenmiller and
19 Commissioner Douglas a chance to make some opening
20 comments, as well.

21 CHAIR WEISENMILLER: Yeah, thank you. This is
22 Chair Weisenmiller. Very briefly, I think, we all know
23 that in terms of new construction, new appliances we
24 have building and appliance standards which have been
25 very successful and moving California over the last 40

1 years to much more -- much better new construction
2 practices.

3 But we still have 10 million plus existing
4 buildings. That's really the focus of this report.
5 And, certainly, in terms of thinking about where is the
6 most potential savings, it's those buildings.

7 And at the same time, certainly, a lot of those
8 are rented, so classic market barriers. And a lot of
9 those are where lower income people live. So,
10 particularly important to focus on this.

11 And benchmarking seems to be a way of starting
12 to get yardsticks in place so people can begin to
13 understand what some of their opportunities are.

14 COMMISSIONER DOUGLAS: I'll just briefly add on
15 that certainly appreciate everyone's participation here
16 this morning. Benchmarking is a really important topic
17 and has been for a long time, so I look forward to
18 hearing what people have to say.

19 COMMISSIONER MC ALLISTER: Okay, let's move into
20 our first panel.

21 MS. RAITT: Yeah, our first presentation is from
22 Erik Jensen.

23 MR. JENSEN: Thank you. So, this strategy,
24 benchmarking, falls within goal one for active and
25 informed government leadership and energy efficiency.

1 For those of you who attended our kickoff
2 workshop, or have read the Action Plan this slide will
3 be a review. I'll just go quickly over the
4 substrategies here.

5 And for those of you who didn't do either of
6 those things, this will be new.

7 So, our current Nonresidential Energy Use
8 Disclosure Program is AB1103. And that's been in place
9 for several years. We're working on improving that. We
10 had a workshop a couple months ago to propose updated
11 regulations and that's all in progress.

12 And so, most of what I'll be talking about is
13 the new Benchmarking and Disclosure Program that we've
14 proposed in the plan.

15 And then, each of these items I have specific
16 items on later, so I'll just go through them real
17 quickly. I'll talk about what our rulemaking process
18 and schedule will be for the new program, the
19 infrastructure we're going to develop, how we're going
20 to implement the program, and then potential mandatory
21 changes that we'll consider after the program has been
22 in effect for a few years.

23 So, this slide focuses on the important
24 differences between AB1103 and the new program that
25 we're proposing. First, the audience to which the

1 energy use information will be disclosed. Under 1103
2 the disclosure is only to the Energy Commission and a
3 potential buyer, lessee or lender. So, that's the
4 disclosure is limited to that audience.

5 Under the new program that we're proposing,
6 under the first cycle of disclosure, disclosure will
7 only be to the Energy Commission and second, in the
8 later cycles, it will be to both the Energy Commission
9 and the public.

10 AB1103 currently applies to buildings larger
11 than 10,000 square feet. And the new program will be
12 buildings over 50,000 square feet.

13 AB1103 includes only commercial buildings. And
14 the new program will also include multi-family buildings
15 over 50,000 square feet.

16 And the last distinction between the programs is
17 1103 requires disclosure prior to sale, lease or finance
18 of a building. And the new program will be time
19 certain, so it will be at regular intervals.

20 And so this slide demonstrates, graphically, the
21 difference between the programs in terms of how much
22 floor space will be covered as we move through the
23 years.

24 So, the blue figure is 1103 and you see that
25 doesn't grow very quickly, and that's because the floor

1 space is only accessed when there's a transaction for a
2 building.

3 The red figures show the new program. And so,
4 because we're getting to within the first couple of --
5 the first few years, and I'll talk about the phase-in a
6 little later, we're getting to all of the buildings over
7 50,000 square feet.

8 So, the schedule for the new program, we're
9 holding pre-rulemaking activities in 2015. This is this
10 workshop that we're having right now, for example, is a
11 pre-rulemaking activity.

12 Then, in 2016 will be the formal rulemaking
13 process and some of the things -- two of the important
14 things that we'll talk about there are establishing
15 meter data reporting protocols and developing the phase-
16 in schedule. And I'll talk about that a little later.

17 Not shown on here, but taking place through 2016
18 and 2017, will be putting the infrastructure in place
19 that will hopefully contribute to the effectiveness of
20 the program. And that will include matching meter data
21 to physical properties, as well as integrating the tools
22 that I'll talk about later.

23 And then through 2018 and 2019 we'll implement
24 the program in phases. And that refers to a couple of
25 different things.

1 So one is, as I mentioned, initial disclosure
2 will be just to the Energy Commission and later
3 disclosures will also go to the public. And then, also,
4 we'll likely start with buildings larger than 50,000
5 square feet and then move down to 50,000 square feet.

6 And then after the program has been in place for
7 several years, we'll assess effectiveness and consider
8 mandatory improvements, which I'll talk about a little
9 later.

10 So, SEED is the Standard Energy Efficiency Data
11 platform, which is a tool that the USDOE provides, an
12 open-source tool that's used for bringing datasets
13 together. So, our interest here would be bringing
14 together the building information and energy use
15 information that we're getting from the building owners,
16 through the Portfolio Manager, and matching that with
17 building characteristic and ownership information that
18 we would have from real estate, commercial real estate
19 sources or local tax assessor databases, for example.

20 So, we're very interested in partnering with
21 local governments who either already have the local
22 benchmarking ordinances in place, would like to have
23 ordinances that are more stringent than ours, or if they
24 want to implement a program sooner than we do. It's
25 important that our -- we want our datasets to be

1 compatible so that we can share data and hope that the
2 building owners don't have to complete a process twice.
3 You know, ideally, they could just comply with one
4 program and that data would automatically go to the
5 other program, and they would be -- they would fulfill
6 their obligation.

7 The last infrastructure development item is
8 working with the USEPA to have our SEED instance link
9 seamlessly with Portfolio Manager so that when building
10 owners are entering their information into Portfolio
11 Manager, it will come right into our SEED instance.

12 So, if everything goes as planned, this energy
13 use information being shared will lead directly to both
14 broad and deep energy efficiency improvements in
15 buildings.

16 If that doesn't happen, there are a couple of
17 things we'll consider. Specifically, we can look at
18 requiring mandatory retrofits or retro-commissioning.
19 Another thing we'll consider is extending the program to
20 buildings smaller than 50,000 square feet.

21 So, Heather already mentioned that there's
22 information on submitting comments in the notice and so
23 I won't talk about that.

24 Now, if you want to talk -- so, if you want to
25 submit comments, you should do that, go through the

1 docket. If you also want someone to talk to you about
2 benchmarking that would be me, and here's my
3 information. And I also have business cards, if you
4 want to come up and talk to me.

5 And then, if you want to talk to someone about
6 the workshops and the Action Plan, in general, that's
7 David Ismailyan, and that's his contact information
8 there.

9 So, thanks very much.

10 COMMISSIONER MC ALLISTER: I want to just make a
11 brief point about some of the -- well, really, a couple
12 of things. In particular, down the road, I mean we
13 think it's very important to get the infrastructure in
14 place soon. You know, work through some of the basic
15 issues through rulemaking and get the first iteration of
16 this program up and running.

17 Then, we'll be in a position to do some of the
18 things I mentioned in my opening comments. Understand
19 the building stock better, see the opportunities, see
20 the variation, look across NAICS codes, within NAICS
21 codes. Look at, you know, consider getting a much more
22 informed consideration of the building stock to inform
23 policy, but also to see where the program could be
24 improved.

25 Down the road with some of that information, and

1 depending on how our broader efforts on the carbon front
2 go, this is one piece of a number of initiatives across
3 the State. You know, we've got transportation and we've
4 got buildings, right, that's what we're talking about.
5 We've got transportation. We've got power plants. We
6 have many sources of carbon emissions.

7 Depending on how all that pans out, you know, we
8 need to know, well, where do we have better, larger
9 savings opportunities. And if we know there are ready-
10 for-prime-time measures that are cost effective, but not
11 being done, then as a State we're going to have to think
12 about making them mandatory in some way.

13 So that, obviously, is a pretty big discussion
14 and there's going to be a lot of opinion about it, and
15 we're not there, yet. We're talking, you know, some
16 years down the road.

17 But increasingly I think, you know, the
18 efficiency gap is something that we have to solve or we
19 have to be more, I think, assertive about getting
20 passed. And we have big goals for carbon and we have
21 big goals for energy efficiency, so we kind of have to
22 think about that.

23 So, this is one of the ways we gather
24 information to make good decisions that thread the
25 needle in the right way.

1 So, seeing this as a long-term tool for informed
2 policymaking I think is something that I just wanted to
3 put a finer point on, from maybe building on Erik's
4 presentation.

5 So, let's move on to the first panel.

6 MS. RAITT: So, our first panel's on
7 Benchmarking Drives the Market. And we have Cliff
8 Majersik on the line.

9 MR. MAJERSIK: Hi, this is Cliff. Should I get
10 started?

11 MS. RAITT: Yes, please.

12 MR. MAJERSIK: Thank you very much. Thank you
13 to the Commission for inviting me to present.

14 I just want to start off by complimenting you
15 all. I think the AB758 Action Plan is an excellent
16 plan, including what we just heard presented by Erik.

17 I think that's exactly the right direction to be
18 going in. There's nothing that I heard that seems off-
19 track at all.

20 We work with all of the jurisdictions in the
21 country that have benchmarking and transparency laws
22 that apply to privately-owned buildings. And I think
23 that the AB758 Action Plan captures the best practices
24 that have proven effective in other jurisdictions around
25 the country.

1 In particular, I'm happy that it calls for
2 annual time certain transparency, with the transparency
3 being a public disclosure, and that you are talking
4 about expanding it to multi-family buildings, and that
5 you're looking at working in partnership with local
6 governments.

7 And I would encourage the Commission to look to
8 governments as the lead. Governments have the political
9 willingness, their relationship with their building
10 owners, and the data that they need to implement these
11 benchmarking and transparency laws.

12 There's a lot that could be done at the State
13 level, with the CEC in the lead, and in terms of
14 providing standard tools, policies, and providing
15 support to the local governments that are all cash
16 strapped.

17 So, financial resources to help local
18 governments, potentially with incentives for governments
19 that want to move forward early, including San
20 Francisco, which has already done so, I think would be
21 very welcome. And I know you'll hear that from L.A. in
22 a moment.

23 So, you can't manage what you don't measure.
24 The energy efficiency of buildings is not obvious to the
25 naked eye. Imagine how hard it would be to get fuel-

1 efficient cars, or for manufacturers even to make them
2 if you couldn't tell from looking at it whether you were
3 buying a Hummer or a Prius, and there were no miles-per-
4 gallon stickers.

5 So, the government has a critically important
6 role in providing the information to the marketplace so
7 that we can reach the energy efficient outcome.

8 The good news is that energy efficiency is
9 economically the right decision. The market just needs
10 the information to choose that decision.

11 I'm pushing a button and it's not letting me in.

12 MS. RAITT: Oh, just let me know when you want
13 to go to the next slide.

14 MR. MAJERSIK: The next slide, please.

15 So, there has been a number of studies that show
16 that benchmarking does lead to energy savings. Of
17 course, in and of itself, benchmarking doesn't save any
18 energy but, again, you can't manage what you don't
19 measure. And understanding how well your building is
20 doing, being able to compare it to other buildings, to
21 its peers, and to itself over time is a critical
22 ingredient in any effective energy management strategy.

23 So, Energy Star looked at all of the buildings
24 that it benchmarked from the period of 2008 through 2011
25 and found that, on average, they saved seven percent in

1 their energy. This is not necessarily a representative
2 sample, but it's confirmed by other studies, including
3 studies like Resources for the Future, that have found,
4 specifically looking at buildings both in cities with
5 benchmarking laws and those without benchmarking laws,
6 that there is energy savings in those cities with
7 benchmarking laws.

8 Another important point is this is using Energy
9 Star data. Energy Star Portfolio Manager is the
10 standard broadly used by the industry. It's widely
11 accepted within California and around the country. And
12 I'm pleased that the Commission is looking at relying on
13 that tool, on the Energy Star system as the basis for
14 your law.

15 We hear from large building owners all the time
16 that they want harmonization across jurisdictions. And
17 the most important element of harmonization is the fact
18 that all of the jurisdictions in the country, there are
19 now 13 cities, a county, and the States of California
20 and Washington that have laws that all reference the
21 Energy Star benchmark system.

22 The next slide. So, California, currently under
23 AB1103 has a benchmarking and reporting law, without
24 public transparency. And, of course, the reporting is
25 only triggered by transactions and those are

1 transactions that only apply -- it's only triggered when
2 the whole building is transacted. So, if you just rent
3 one or two floors in the building, that doesn't trigger
4 AB1103.

5 I'm very pleased that the Action Plan calls for
6 moving to the full benchmarking and transparency, which
7 includes public transparency, and which is increasingly
8 the trend that we see in all new jurisdictions adopting
9 benchmarking laws.

10 The next slide. So, we're not actually talking
11 about putting labels on the sides of buildings. The
12 disclosure would be through online means, principally.
13 But the market needs that to get this virtual cycle of
14 improvement.

15 The next slide. And the cycle is that you have
16 ratings for all the buildings, it's disclosed to the
17 market. The market compares building performance.
18 Buildings with the best performance are rewarded with
19 more tenants that are tenants, investment premiums,
20 attracting more investment.

21 The owners compete to get those rewards and the
22 result is improvement across the entire building stock.

23 The next slide, please. And we see that there
24 is a very attractive premium that owners can get from
25 Energy Star-labeled buildings. Five different studies

1 are shown here. They all looked at different datasets,
2 different buildings, different time periods. They came
3 up with different results but, directionally, they all
4 found the same thing. Energy Star-labeled buildings
5 rent for higher on a per-square-foot basis. They sell
6 for higher and they have lower vacancies. And those
7 were controlling for factors, including location.

8 The next slide, please. So, this is the latest
9 landscape of benchmarking and transparency laws from
10 around the country. The colors that you all are most
11 interest in are the orange and the purple.

12 The purple is what you have in California now,
13 which is a benchmarking and transparency law that
14 applies to privately-owned buildings. That does not
15 apply to multi-family buildings. And that's what you
16 see in California, and San Francisco, and in Washington
17 State, and Portland.

18 But the trend, now, is to include multi-family
19 in these new policies. And, in fact, we have one new
20 jurisdiction which just two months ago, Philadelphia,
21 took what had been a commercial building-only policy and
22 added multi-family buildings into their policy.

23 The orange represents those jurisdictions that
24 have laws that apply to commercial and multi-family
25 buildings. Berkeley is one of the newer jurisdictions.

1 But another one is Atlanta. You can see several of the
2 large cities that have these laws apply it to multi-
3 family. The experience has been positive with regard to
4 multi-family buildings. There are some different
5 considerations that have to be taken into effect, but
6 the same basic logic that applies to commercial applies
7 to multi-family.

8 This is information that potential tenants and
9 investors want and need to make informed decision and it
10 can drive energy efficiency, and improvements in that
11 important sector that represents a significant part of
12 the building stock.

13 The next slide. So, here is a breakout of all
14 of the jurisdictions across the country that have
15 benchmarking and transparency laws, with the number of
16 square feet that are subject to benchmarking
17 requirements every year under those laws.

18 One of the things that should jump out is that
19 California is a relatively small wedge, and Erik
20 presented why. Because California's law is only
21 triggered at the time of full building transaction and
22 because it doesn't apply to multi-family, you see
23 relatively small impact in terms of the number of
24 buildings that benchmark annually.

25 You can see, even though California's, of

1 course, the largest jurisdiction on this pie chart by
2 population and by building stock, it's dwarfed by the
3 jurisdictions that have annual laws and that have laws
4 that apply to multi-family buildings, in addition to
5 commercial.

6 So, we're looking for to -- looking at Erik's
7 slide, it looks like you're looking at maybe a 3.5
8 billion square feet would be subject under the Action
9 Plan.

10 We'd love to see a 3.5 billion wedge, instead of
11 347 million square-foot-wedge on this pie chart. And
12 we'd be happy to work with you all to make sure that we
13 get our numbers right to reflect your plan.

14 This is like actual laws in place, so we won't
15 actually update the pie chart we present until your new
16 policy is in place. But, certainly, we're eager to
17 highlight the huge potential impact that your Action
18 Plan would have on the national landscape.

19 And, you know, to reemphasize, the key aspects
20 are the annual trigger and the fact that you're not
21 looking at having to rely on a whole-building
22 transaction, and that you've be applying it to multi-
23 family.

24 The next slide, please. So in terms of
25 transparency, there are a number of steps.

1 Jurisdictions generally are creating reports that
2 summarize the findings from their benchmarking laws.
3 You can see here the reports from San Francisco, Seattle
4 and New York. These reports typically are issued
5 annually and provide great insight to the market, to the
6 cities, themselves.

7 And after our citizens, the buildings in our
8 jurisdictions are the most important asset, the most
9 valuable asset that we have. And yet, remarkably little
10 is known about them without laws like this. So they
11 provide a real treasure trove that can guide energy
12 efficiency policy. But also, anything related to the
13 build environment. And we've found a number of
14 innovative uses for the data coming out of these laws.

15 The next slide. So the next step in
16 transparency is a user-friendly interface to share the
17 information about building performance to the market and
18 the public.

19 This is the Philadelphia website, which has a
20 map. Each dot represents a building. The size of the
21 dot shows the relative energy consumption of each
22 building. And it's color coded. As you can see, this
23 is a rather good model for jurisdictions providing
24 information about their buildings. We'd love to see
25 something like this in California.

1 The next slide. But the next step -- oh, and
2 you can see the -- you can hover over a building and you
3 can see the data from a particular building in
4 Philadelphia.

5 The next slide. The next step is providing the
6 private sector information so that they can incorporate
7 it into the information channels that are already used
8 as a regular part of real estate transactions.

9 And the ultimate step we'd like to see is
10 something like an augmented reality app. You see a
11 hypothetical, fictionalized version in the lower right.
12 Where you could point your iPhone at any building and
13 see energy performance information for that building.

14 But the SEED platform is a very good platform as
15 an open API. We're very pleased that CEC is planning to
16 use it as a way to share information with the market so
17 that private sector innovators can incorporate their
18 information into their offerings.

19 The next slide, please. So, what we've
20 discovered as a consequence of these laws, a huge
21 variation in energy performance among buildings. The
22 difference between the 5th percentile and the 95th
23 percentile in New York City is 3 to 7X.

24 So buildings that are serving the same purpose,
25 that typically look the same, one may be using seven

1 times as much energy as another right alongside it. And
2 New York calculated that if they could bring all of
3 their buildings up to the median, that they would reduce
4 energy consumption of those buildings by 18 percent.
5 And if they could bring them up to the 75th percentile,
6 to an Energy Star score of 75, they'd reduce energy
7 consumption by 31 percent.

8 So, very significant savings. And because
9 you're talking about addressing low-hanging fruit, the
10 least efficient buildings, you're talking about very
11 cost-effective opportunities for improvement.

12 The next slide. Now, we're very pleased about
13 the Action Plan, but an important point is that the very
14 first step that we'd like to see the Commission take,
15 that California really needs, is to address the problem
16 of collecting utility data.

17 The next slide. As you all are aware, there's a
18 problem when utility bills are sent directly to tenants,
19 and you have multiple tenants in a building, with
20 multiple meters. The building owner doesn't see the
21 consumption information that goes to the tenant. So,
22 the building owner has the ability to see it rather
23 easily because they have access to the whole building,
24 and they can go to any meter.

25 It's just a huge burden on them if they had to

1 send their people to manually read those meters on a
2 regular basis.

3 The next slide. So, you have this problem with
4 the building owner needs all the information. You can't
5 manage what you don't measure. If you don't know how
6 much energy is being used in your building, then you
7 can't come up with a plan to improve it, benchmark the
8 building or comply with any law.

9 This has been a huge problem, both under AB1103
10 and for the San Francisco benchmarking law. And we
11 anticipate it will be a problem in Berkeley, and every
12 other jurisdiction in California that adopts a law until
13 there is easy access to whole-building energy data, so
14 that the building owner can know how much energy is
15 being consumed in their building.

16 It's not a viable option to have to get every
17 single tenant to sign a waiver to access that. It's
18 just a huge burden for the building owners and it
19 becomes a huge obstacle to energy efficiency.

20 So the easy solution is for the utility to
21 provide aggregated data to the building owner so that
22 all of the energy is added together. The building owner
23 doesn't know how much energy any individual tenant is
24 using, but they do know how much the whole building is
25 using for purposes of benchmarking.

1 And it's important to note that benchmarking is
2 a valuable tool, both in the context of complying with a
3 benchmarking and transparency law, and as a voluntary
4 tool. So, we'd really like to see the data provided to
5 any building owner, whether or not they're subject to a
6 benchmarking law, so that they can understand the
7 efficiency and drive efficiency in their buildings.

8 From a privacy perspective, data that -- real-
9 time data for an individual home is relatively more
10 sensitive and requires more protection. It's very
11 important that that data not be contemplated with
12 aggregated monthly data, which is really not sensitive
13 at all. There's very little that can be known about any
14 individual owner or tenant based on that data. And so,
15 it's important that access be given.

16 And the Commission needs to act, using it's
17 AB1103 authority, first. We're very happy that you're
18 using the 758 authority. But our sense is that the
19 AB1003 authority could be used more quickly.

20 And we'd like to see you create a minimum
21 aggregation level of three accounts. Any aggregation of
22 three or more should not require any tenant waivers in
23 order for the utility to provide the owners with that
24 data.

25 And we'd like to see it applied as broadly as

1 possible, including to multi-family buildings and
2 others, and provided to the building owners that are not
3 subject to the laws, that don't have a pending
4 transaction.

5 The important thing is that it takes a while to
6 benchmark. And if you have to have a pending
7 transaction before you get access to the data, it
8 creates a big burden on the building owners as it could
9 potentially hold up transactions. And it prevents the
10 data from being provided at a time when it could
11 actually be used to drive change.

12 So, we don't want to see any provision of data
13 waiting until there's a transaction to trigger it.

14 The next slide. There's actually strong
15 building owner support for this whole-building data
16 access. There's an organization, the Data Access and
17 Transparency Alliance. IMT is a member, along with the
18 two leading real estate organizations, BOMA and Real
19 Estate Roundtable. Its sole purpose is to get whole-
20 building access for building owners so that they can
21 benchmark their buildings.

22 We have secured resolutions calling for this
23 from NARUC and NASUCA, the organizations representing
24 commissioners, public utility commissioners, and public
25 utility advocates, ratepayer advocates. And so this is

1 broadly accepted.

2 And California has been a leader. California
3 was the first to adopt a benchmarking law in the
4 country, back in 2007. But now, California is trailing
5 the rest of the county on this utility data access
6 issue. And we hope that you'll adopt the national best
7 practices to bring yourself in line into the leadership
8 position with which California is so familiar.

9 The next slide. So, the utility-to-access
10 pictures here, you can see utilities around the country
11 that provide whole-building data access. Typically,
12 requiring an aggregation level of two to five accounts.

13 You know, if you have that minimum level, then
14 you don't need any tenant waivers, that the utility
15 provides access to that data.

16 You can see California is yellow because it's
17 been sort of stuck in limbo for so long.

18 I compliment SMUD on the fact that SMUD is now
19 providing whole-building data access. And we'll hear a
20 little bit more, I think, about LADWP's plans, from
21 Hilary Firestone, momentarily, in Los Angeles.

22 So, there's great movement in California. We
23 need for California, as a whole State, to provide whole-
24 building data access with a three-account aggregation
25 level, and not limited to the time of transaction, but

1 allow best practices. Set it and forget it, where a
2 building owner can request the data and have the data
3 automatically sent to them, and any third party that
4 they properly designate on a continuous basis, so that
5 their benchmarking can be maintained continuously.

6 As you see, there are utilities around the
7 country that do this. You know, California is in the
8 habit of being in a leadership position and I would love
9 to see California regain its leadership mantel.

10 Until this whole-building data access is
11 provided, it's very hard for the cities to move forward
12 with their benchmarking laws. This is going to be a
13 real hindrance. So I would just emphasize that this
14 needs to be a top priority for the Commission.

15 And that this is something that the cities are
16 eager to assist the Commission with. Benchmarking,
17 broadly, has enormous potential and this whole-building
18 data access is the next item on the critical path
19 towards California reaping the benefits of benchmarking.

20 The next slide. Thank you very much. Here's my
21 contact information. I have some specific information
22 about the utilities around the country that are
23 providing whole-data access, the next slide, that I
24 don't think I have time to go into. But if people have
25 questions about it, I'd be happy to answer questions

1 about the specific services that are provided.

2 There's also a paper that we've written, for
3 utilities, on best practices for user-friendly provision
4 of whole-building data. And we also have a two-pager
5 with the benefits of benchmarking that we've just
6 finalized today, that is on our website.

7 And I'd be happy to take any questions. Thank
8 you all very much for this opportunity.

9 COMMISSIONER MC ALLISTER: Thanks a lot, Cliff.
10 Let's see, I'm tempted to ask questions, but I think I
11 want to hold to get through the presentations. But if
12 you could stay on, maybe we can do collective questions
13 at the end of the panel. Is that good with staff.

14 MR. MAJERSIK: Thank you very much.

15 COMMISSIONER MC ALLISTER: Yeah, thanks a lot.

16 MR. MAJERSIK: Happy to do so.

17 COMMISSIONER MC ALLISTER: Thanks, Cliff.

18 MS. RAITT: Okay, our next speaker is Michael
19 Colgrove, from NYSERDA.

20 MR. COLGROVE: Yes. Good afternoon or good
21 morning, I guess, for you guys. Can you hear me okay?

22 MS. RAITT: Yes.

23 MR. COLGROVE: Great. Again, thank you to the
24 Commission and to all of you for inviting me to speak
25 today on this panel, and share some experiences and some

1 thinking out here on the East Coast, in New York.

2 Just by way of a little bit of background, I
3 work for the New York State Energy Research and
4 Development Authority. I manage our New York City
5 Office and I also oversee our multi-family programs.
6 So, you'll definitely see a slant towards multi-family
7 in this presentation.

8 And I also want to sort of caveat all of this by
9 saying that here, in New York, we're going through a
10 pretty similar process. We're right in the middle of a
11 regulatory proceeding, ourselves, as we transition from
12 our current funding cycle to the new, Reforming the
13 Energy Vision paradigm, if you will.

14 And so, a lot of what I'm actually going to talk
15 about this morning is thinking. It's where we would
16 like to go. It's what we are proposing to the
17 Commissioner here, and where we think the market needs
18 to move. But this is not sort of set in stone, yet, and
19 we actually don't have formal authority to pursue this,
20 although we are very excited about the potential here.

21 The next slide, please. So, I've provided, just
22 by way of background, some slides here on what we are
23 doing here in New York. The element of the Reforming
24 the Energy Vision that deals predominantly with NYSERDA
25 is the Clean Energy Fund, where we are moving from a

1 resource acquisition model to a market development
2 approach. You can read these at your leisure. For
3 time's sake, I'm going to keep moving forward.

4 So, the next slide. And this is also, the next
5 few slides are just some background on how we've
6 approach the multi-family sector in the past, so we can
7 skip through this one.

8 Some penetration rates in both our existing
9 building market and, on the next slide, our new
10 construction market in terms of permits by year. And
11 then, the next slide is just a snapshot of the pipeline
12 by market segment.

13 So, let's go ahead and go to the next slide
14 here. All right, so under the Clean Energy Fund,
15 NYSERDA is proposing a variety of strategies in the
16 multi-family sector.

17 From what I gathered from your Action Plan, some
18 of these things are very similar. And I do want to say,
19 I'm sure many of you are familiar with local law 84.
20 Cliff alluded to it in his presentation. New York City
21 has adopted, adopted actually back in 2009, legislation
22 that mandated buildings with 2,000 square feet or more,
23 in both the multi-family and commercial sectors
24 benchmark annually. There is a public disclosure
25 element to that.

1 We are really looking, now, at building on that
2 successful effort that the City has introduced and
3 making it not just statewide, but actually kind of going
4 the next step.

5 So, a variety of the strategies that we're
6 proposing are listed here. I really am going to focus
7 on that first bullet, creating awareness and demand.

8 So, if we want to go to the next slide and jump
9 into that a little bit. We have found, we've sort of
10 realized out here that there are -- if there were any
11 part of the sector that we were really not targeting or
12 not addressing properly with our previous programs and
13 initiatives, it was really the tenant/renter community.

14 We got a lot of feedback from a variety of our
15 developers, building management companies, owners, et
16 cetera, that basically boiled down to we will provide
17 whatever the customer wants. And we think that was a
18 big, one of the big reasons why sort of historically,
19 and from a ratio or proportionality perspective our
20 participation in our programs in the market rate side
21 has been relatively low, compared to the affordable
22 market side.

23 And a lot of that is because our market
24 developers and building owners do just that, they
25 provide what the tenants demand. And in many cases,

1 tenants aren't demanding high-performance buildings.

2 And like I said, while this has a slant, a
3 definite slant towards multi-family, these same
4 principles were experiences and are very applicable to
5 the commercial sector as well.

6 So, the first element of this bullet of creating
7 awareness and demand is really targeting these
8 consumers, and finding out what it is they value about
9 energy efficiency. What do they consider to be
10 important elements of high performance. How do they
11 relate to it from a value perspective, from an identity
12 perspective, or a cultural perspective.

13 And, historically, we've always used arguments
14 of, you know, stating money, or protecting the
15 environment, or things like that as reasons to consider
16 high efficiency or high-performance buildings. But in
17 reality, most tenants and occupants don't think that
18 way. They think in terms of comfort, health and safety.
19 They think in terms of value, perhaps. So, that's the
20 first element of this.

21 The second element is the one that really
22 pertains to the topic of this morning's panel, on the
23 next slide. And this is our building performance label
24 strategy or goal.

25 So again, building on the idea of benchmarking

1 properties, we think there's a real opportunity here to
2 introduce the concept of a building label, of a
3 performance label.

4 This label would be backed by some type of
5 rating system, obviously. And I'll talk more about the
6 differences in a moment. But this strategy would really
7 roll out by first developing what we would -- we would
8 actually hope to be a national working group, this
9 summer or later this year, to help identify the proper
10 metrics that would go into such a label. But most
11 importantly, how to translate the rating into a
12 recognizable, and understandable, and simple concept for
13 tenants and residents to digest.

14 And I think, again, some of what Cliff had
15 presented before, you know, taking this benchmarking
16 data through the public disclosure laws and converting
17 it into apps, or other types of consumer-based tools is
18 exactly what we're hoping to accomplish here. It's to
19 make that information not just transparent, but really
20 easily digestible and actionable, that you can act on it
21 very simply as a consumer.

22 So, after this working group hopefully helps to
23 develop a label, which we would really like to see
24 adopted, or developed and then adopted on a national
25 level, here, back in New York, we would be working with

1 owners, energy professionals, and others to really
2 encourage the adoption of the label.

3 We're not currently taking the approach of
4 having regulation or legislation for now. We are
5 entertaining the idea of a voluntary adoption and
6 rollout of such a label, with an aggressive information
7 campaign, communication strategy surrounding it.

8 That would eventually then sort of rollout to
9 various municipalities requiring or mandating the label
10 and then, eventually, hopefully, to the state
11 legislature passing a law to require it on all
12 buildings.

13 And the goal here is ubiquitous label. We want
14 a label on every building. In this particular case,
15 multi-family is defined as five units or more. So our
16 goal is to see every single building in the State of New
17 York that meets the five-unit-or-more criteria have an
18 indicator of its performance.

19 We would be providing some initial incentives
20 and technical support to benchmark these buildings and
21 then to label them as a result of that benchmarking,
22 with a particular focus on affordable properties. And
23 then, of course, working with owners to not only just
24 understand what the performance labels mean, but how to
25 actually improve them by engaging energy professionals

1 and improving the performance of their buildings, and
2 how that translates into better labels.

3 So, if we go to the next slide, just a few of
4 the questions that we need to tackle, that we've
5 identified and know are issues that we need to think
6 about. The first is this idea of a rating versus a
7 label.

8 When you go into EPA's Portfolio Manager, for
9 instance, what you get is a rating, an Energy Star score
10 and a number, you know, a number from 1 to 100. That
11 number has certain meaning particular to energy
12 professionals and policy wonks [sic], and it has some
13 sort of inherent -- you know, there's an interpretative
14 quality to it that consumers can even understand. One
15 to 100 is a pretty recognizable scale and you know the
16 closer you are to 100 the better you probably are.

17 But really, it's taking that rating and that
18 numerical system, or whatever it is, and converting it
19 into a label. And the EPA, if you've got a score above
20 75, you can sort of convert that to a label, the Energy
21 Star label, which can actually then be applied to the
22 building, put into marketing materials, communicated to
23 the market.

24 Versus right now, where even with most public
25 disclosure laws that I've aware of there is -- you know,

1 you have to do a little digging, perhaps, to get to what
2 that rating is from the building. And, admittedly, you
3 know, the simpler these interfaces are, these website
4 tools and things like that, the better. We would
5 actually even like to see something on the physical
6 structure, itself.

7 If we can go to the next slide. This kind of
8 gets to one of the other key differences between some of
9 these rating systems and labeling. The current, the
10 most common rating systems that result in labels that
11 you actually see on buildings, Energy Star and LEED, are
12 actually indicators of exceptionalism. Only the best
13 buildings get Energy Star or LEED.

14 What we're really looking at, like I said
15 earlier, is a ubiquitous label that would indicate the
16 performance of the building no matter how poor or how
17 good it is.

18 And here, in New York City, we have a similar
19 thing on our restaurants and bars, where the health
20 department here provides a labeling system. And this is
21 actually hung near the entrance of all restaurants and
22 bars in New York City to tell consumers whether, you
23 know, you comply with the City's Health Code very well,
24 kind of well or not so well.

25 And it's a similar concept. We use it as an

1 analogy a lot in our description of what we're trying to
2 do here.

3 The next slide, and I should be almost done.
4 Again, another question that we really need to tackle
5 with this national working group is this idea of an
6 asset rating. That is sort of what is the potential of
7 a property? How efficient are the systems? What would
8 the maximum sort of performance be if it were operated
9 perfectly?

10 This is analogous to a vehicle's miles-per-
11 gallon rating. Versus a performance rating, which is
12 actually what the building has done, how much fuel it
13 has used or how much electricity it has consumed to
14 provide the amenities that it has provided. And that is
15 what is characterized by EPA's Portfolio Manager or some
16 sort of system that combines both of them.

17 So, this is another question and that's what we
18 really see in Europe, in the residential sector in
19 particular. But where do these fit, what's the best
20 model for us? And how do we ensure that whatever model
21 we use, we can make sure that consumers can understand
22 it and act on that information.

23 The next slide, please. And, yeah, so that is
24 basically what we're doing here in New York, right now.
25 Hopefully, like I said, this summer we'll get some

1 authorization from our Public Service Commission to move
2 forward with some of these ideas. And, hopefully, we'll
3 be speaking with many of you as you embark along a very
4 similar development process, hopefully.

5 So, I guess we're holding questions until the
6 end, so I will turn it over to the next speaker.

7 COMMISSIONER MC ALLISTER: Thanks very much.
8 Congratulations on all the great work in New York, too.

9 MR. COLGROVE: Thanks.

10 MS. RAITT: So, our next speaker is Hilary
11 Firestone.

12 MS. FIRESTONE: Hi, everyone. Can you hear me?

13 MS. RAITT: Yes. Good morning.

14 MS. FIRESTONE: Good morning. And thank you for
15 having me today, participating in this panel with
16 esteemed colleagues, having worked with both Cliff and
17 Michael, and Amy, and Jamie all along.

18 My name's Hilary Firestone, and I am a part of
19 Mary Garsetti's Sustainability Office. And I'm a big
20 fan of benchmarking. I have personally been working on
21 it as a policy tool for energy efficiency for the last
22 eight years.

23 And I actually got started down this path right
24 after AB1103 was passed, back in 2007. It was really
25 inspiring California showed such strong leadership and

1 foresight by addressing energy transparency.

2 It was really even more progressive with the
3 adoption of AB758, emphasizing the importance of
4 addressing our existing building stock.

5 But since 2007, in that map that Cliff showed
6 earlier, you can see that a number of cities and states
7 have really surpassed California in terms of
8 implementing actual benchmarking, and audit and retro-
9 commissioning policies, and they're really starting to
10 see actual energy savings. So, it's very exciting to
11 see the CEC picking this up and working to implement
12 AB758.

13 And I think that is part of the impetus for
14 what's been going on in Los Angeles, other cities
15 starting to surpass us.

16 So, if you go to the next slide, I think one of
17 the big things missing from the City of Los Angeles was
18 our own sustainability plan. We were one of the only
19 big cities in the country and, actually, with our
20 counterparts globally that did not have a clear,
21 outlined plan to make Los Angeles more sustainable.

22 So, we spent over, close to a year and a half
23 developing a comprehensive roadmap that would determine
24 what we want L.A. to look like 10, and 20 years from
25 now. And just last month, almost actually to the day,

1 on April 8th, Mayor Garsetti released L.A.'s first
2 Comprehensive Sustainable City Plan.

3 And the document addresses everything from how
4 we're going to clean up our environment, to making a
5 stronger economy while really ensuring equity for all
6 Angelinos. And that means that we're looking at
7 everything from transportation, to housing, livable
8 neighborhoods, our ecosystems.

9 But from this graphic you can see on this slide,
10 there's a clear focus, as well, on energy, water and
11 greenhouse gas emissions.

12 So, what you see on this slide are the different
13 goals and targets that we've set in each of those areas,
14 both 10 years from now and 20 years from now.

15 And when it comes to energy use, our goal is
16 specifically just looking at existing buildings. And we
17 set the target of reducing energy use per square foot 30
18 percent across the entire City by the year 2035, which
19 is a pretty ambitious goal.

20 And comparably, most cities have set an energy
21 reduction -- a greenhouse reduction target. So, we're
22 looking specifically at EUI, the energy use per square
23 foot in our buildings.

24 And this, along with a number of other
25 initiatives, as you go to the next slide, really got us

1 down the path of figuring out how we were going to get
2 there. So, in addition to the Sustainability Plan, and
3 the work that the State is doing through AB758, last
4 summer the Los Angeles Department of Water and Power
5 adopted the most stringent energy efficiency target of
6 any utility in the State, and any municipal utility in
7 the country.

8 So, they are looking to achieve a 15 percent
9 reduction in energy use by the year 2020, which is 50
10 percent more aggressive than what the State requires,
11 and on a much quicker timeline.

12 In addition, Mayor Garsetti signed an Executive
13 Directive last fall to reduce our water use 20 percent
14 by the year 2017, which has now been superseded by a lot
15 of the Governor's targets.

16 But all that being said, we have all these new
17 goals and targets, and we realized it's great to set the
18 goals, but we need to figure out how we're actually
19 going to reach them.

20 So this past December, our City Council
21 introduced a motion to convene a stakeholder process to
22 figure out how we're going to reach those energy and
23 water reduction goals in our existing buildings.

24 So, if you go to the next slide, you can see
25 that we kicked off this formal process in January. And

1 when I'm thinking about it, it's somewhat the reverse of
2 what the CEC is doing with AB758. You released your
3 Action Plan and then, now, are getting comments and
4 feedback. And we're doing it in the reverse order. So,
5 we spent the last four months getting ideas, talking
6 through different policy options with a variety of
7 stakeholders, building owners, property managers,
8 engineers, sustainability consultants gathering all
9 their ideas. And now, we're actually in the phase of
10 drafting what our program will look like.

11 And then, we're hoping by the end of the summer
12 we'll be able to present that back in a public workshop
13 and, hopefully, adopt a package of policies by this
14 fall.

15 So, I wanted to spend some time going through
16 what we heard from our stakeholders over the last four
17 months, in terms of what they think the policy package
18 should look like.

19 So, if you go to the next slide. First and
20 foremost, we heard loud and clear from all of the
21 stakeholders that the City should move forward with an
22 annual benchmarking policy for both energy and water
23 use. That was something that came up, that we discussed
24 in our first two meetings and everyone agreed all the
25 other cities are doing it, we already have it with

1 AB1103, and this is just a clear path in terms of what
2 the City needs to start to understand our energy use, in
3 our buildings, to help us reach those goals.

4 Then from there we talked about, okay, if we're
5 going to have benchmarking, what tool do we need? And
6 there was clear consensus that we should be using
7 Portfolio Manager. It has become the standard that all
8 of the other cities and states are using. And we felt
9 it was important not to reinvent the wheel and that we
10 should be in line with what other cities are doing so
11 our building stocks are comparable.

12 When it comes to data, we kept hearing the more
13 data, the better. So, in general, people felt it was
14 important that if building owners were willing to share
15 more, the City should be collecting it so we could use
16 that to develop new programs, target future policies.

17 But we also should be making a portion of that
18 data publicly available. Again, similar to other
19 cities, sharing the Energy Star score, sharing the EUI,
20 sharing the water use per square foot, as well as the
21 greenhouse gas emissions.

22 There was consensus that we should be keeping
23 that information maybe private for the first year so
24 building owners can get comfortable with the
25 benchmarking tool, and then move forward from there by

1 making it publicly available on an annual basis.

2 We also are looking at a size cutoff, using
3 square footage, similar to how the AB758 uses 50,000
4 square feet. That's still up in the air. Right now,
5 you'll see on the next slide, we're using 10,000 as our
6 cutoff, but that's to be determined.

7 And that's something that I think is going to be
8 interesting to move forward with, with the State on, in
9 terms of how we're going to identify which buildings
10 fall in and out of these programs.

11 So, in terms of information that we should be
12 collecting, dollars saved, gallons, this is all
13 information that people think should be shared back to
14 building owners in terms of moving forward with
15 different programs.

16 Beyond benchmarking, a lot of people were
17 saying, well, there's already buildings that are doing
18 good work and these should be rewarded, and they
19 shouldn't have to be penalized to do more action. And
20 we're in complete agreement. And you'll see that in the
21 next slide, in terms of how we built that in.

22 And there was also a lot of consensus that we
23 should be coordinating with the existing efforts going
24 on, both city, countywide, and statewide. So, whatever
25 we develop here, we should make sure it's in line with

1 AB1103 and AB758.

2 So again, like Commissioner McAllister said,
3 we're not -- or in Erik's presentation, I think, we're
4 not asking building owners to do the same thing twice,
5 just to be reporting for two different laws.

6 So, if you go to the next slide you can see
7 where we currently landed on what we think the proposed
8 program will look like. And benchmarking is front and
9 center. It's really the most important thing to do to
10 get this program started, starting to understand how
11 much energy our buildings are using.

12 So, we're proposing annual benchmarking, energy
13 and water use. And the building size, right now we're
14 saying over 10,000 square feet. That could move up,
15 depending on where we land.

16 And then, once these buildings are benchmarking
17 on an annual basis, we need to figure out what they're
18 going to be doing to actually get those energy and water
19 savings. So, there's two paths, a high-performing path
20 and a low-performing path.

21 And I could get into that a little bit later,
22 but since today is about benchmarking I want to really
23 focus on that.

24 So, if you can go to the next slide. So,
25 benchmarking is the first step in terms of what we're

1 going to be requiring. And we're going to be using a
2 square footage cutoff and we're going to be working with
3 L.A. County, using their Path Assessor database to
4 determine which buildings are in and out. I think
5 that's, again as I mentioned, something that we're
6 really going to have to work with the State on, who's
7 going to be determining this list of buildings. And
8 that's where the State's going to have to work closely
9 with cities in terms of enforcement and compliance.

10 So then, the owners of these covered buildings
11 will be notified by the City that they are now required
12 to benchmark. And the next piece is the most important,
13 is getting the energy and water data that they need to
14 put into Portfolio Manager to do the actual
15 benchmarking.

16 And Cliff spent a lot of time talking about this
17 in terms of data access. That, you know, without the
18 information you actually can't do the benchmarking.

19 So, working in the City of Los Angeles, I feel
20 very lucky because we are making a lot of progress on
21 this front with our electric utility, the Los Angeles
22 Department of Water and Power, the largest municipal
23 utility in the State.

24 And right now I am happy to report that DWP is
25 working to offer the same aggregation services that SMUD

1 currently does. As of right now, LADWP does provide
2 building level aggregated energy consumption data, but
3 that's only when the owner can provide a list of all the
4 meters for the building, the meter addresses, and a
5 signed permission form from the building tenants. And
6 as we all know, that is extremely cumbersome.

7 But because the City is moving forward with its
8 benchmarking policy, DWP is committed to pursuing
9 revisions to their current data aggregation policy about
10 requiring these individual tenant signoffs. Of course,
11 that ultimate determine on the aggregation thresholds
12 and what we're allowed to do is still being worked out
13 by the City's Attorney's Office.

14 But while the policy implications are being
15 worked out, DWP is working on the technical aspects,
16 which is the most important, being able to provide this
17 aggregated, whole-building data automatically to
18 building owners in anticipation of this ordinance.

19 And so, they're going to be working on that.
20 They've already kicked that off and working through the
21 summer, in time, hopefully, to be available at the
22 beginning of next year when we believe this ordinance
23 will go into effect.

24 And both the City and DWP know that our
25 benchmarking policy will not be successful unless this

1 data is available to actually do the benchmarking.

2 So, that's step four, we'll get the information
3 either automatically, if DWP has that in place, or
4 manually through a spreadsheet, where they'll still be
5 able to provide the aggregated data. They're going to
6 submit that electronically to the Los Angeles Department
7 of Building and Safety, which will be the department
8 enforcing our policy. And they are the ones who are
9 going to be enforcing for accuracy and then, again,
10 publishing it through an annual database.

11 And right now, the City of Los Angeles is
12 working with L.A. County, developing our own SEED
13 database, which was also mentioned earlier, in terms of
14 setting up the parameters so we can be in line with what
15 the State moves forward with. And we'll, hopefully, be
16 easily able to share data back and forth.

17 So right now, if the policies do get passed this
18 fall, we anticipate the first buildings to come due and
19 be required to benchmark as early as 2016. So, we are
20 on a bit of a faster timeline than what is happening in
21 AB758. So, I think it's exciting for the City to move
22 faster, but it's also we can be the test case, while San
23 Francisco and Berkeley have already been out there. But
24 as a city in the State of California moving forward with
25 benchmarking, with aggregated, whole-building data.

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1 So that's basically the summary of what we're
2 looking at for our benchmarking policy. And I'll just
3 quickly touch on the other two pieces. Because like
4 Cliff said, benchmarking in and of itself doesn't get
5 you savings, but it is the first step.

6 So, for the buildings that want to go down the
7 high-performance path, there's a couple of things that
8 they can do to prove that they are high performing.
9 They can submit evidence of Energy Star certification,
10 meaning that they have a 75 or above. And we're looking
11 at for at least two years.

12 They can go through the LEED process for
13 existing buildings, which also has a number of criteria
14 for energy and water efficiency.

15 Or, they can do down their own path and figure
16 out what type of retrofits they would need to receive a
17 reduction in energy use by about 15 percent. We're
18 likely not going to go down that using points, but
19 probably 15 percent.

20 So, those are the actions for high performing.
21 If you go to the next slide, you can see that if
22 buildings can't achieve any of those, they have a couple
23 of options. They can either do an energy audit and
24 retrocommissioning, similar to what New York, San
25 Francisco, Boston and Berkeley have in place, or they

1 can just install a series of retrofits to achieve energy
2 and water savings.

3 And that's what we're going to be working on
4 over the next month or so is really refining what that
5 list of retrofits is, and hashing out the requirements
6 for retrocommissioning, as well.

7 So, with the next slide I'll wrap up. And if
8 you -- we are continuing the stakeholder process,
9 similar to the CEC workshops. And we're going to be
10 hosting a few more meeting to work on that retrofit,
11 retrocommissioning list, and we'll have a final workshop
12 in the summer. And if you're interested, please stay in
13 tune with laexistingbuildings.org.

14 COMMISSIONER MC ALLISTER: Thanks a lot, Hilary.
15 Hopefully, you can stay on the line, too, when we get to
16 the questions?

17 MS. FIRESTONE: Sure, absolutely.

18 COMMISSIONER MC ALLISTER: Great.

19 MS. RAITT: So, our next speaker, we have a
20 slight change in the agenda. It's going to be Amy
21 Jewel, and Jamie Ponce is not going to be able to join
22 us today.

23 MS. JEWEL: Great, thank you. This is Amy. Can
24 you hear me?

25 MS. RAITT: Yes.

1 MS. JEWEL: Great, okay. Well, thank you so
2 much for inviting me to this workshop. Thank you to
3 Commissioner McAllister, and the rest of the
4 Commissioners, and to the Commission for inviting me to
5 this workshop on energy benchmarking.

6 My name is Amy Jewel. I'm the Senior City
7 Advisor to the City of Chicago for the City Energy
8 Project. And again, I'm thrilled to be here on behalf
9 of the City Energy Project to discuss a little about
10 benchmarking in the City of Chicago.

11 I will mention that prior to moving to Chicago,
12 I actually lived in California for over ten years, and
13 worked on energy and sustainability issues in the
14 private sector. So, you know, as a former resident and
15 someone who worked on these issues, I'm always
16 interested in reconnecting to learn more about
17 California's efforts to lead on energy efficiency, and
18 other energy topics, and to share information about my
19 new home, in Chicago.

20 So, in my presentation today I'll be providing
21 some background on the sustainability approach in
22 Chicago and on energy-efficiency programs and policies,
23 in particular. And then, will share information on the
24 Chicago Energy Benchmarking ordinance that's been in
25 place here since 2013, including why it was enacted, the

1 key provisions of the ordinance, and what we've seen in
2 Chicago under the first year of implementing that
3 ordinance.

4 The next slide, please. So, again I mentioned
5 I'm with the City Energy Project. I won't spend a lot
6 of time on this, but just wanted to again mention what
7 that is. And so, it's a partnership joining two leading
8 nonprofit organizations with 10 cities across the U.S.
9 to work on creating healthier and more prosperous cities
10 by improving energy efficiency in buildings.

11 It really focuses on energy efficiency in
12 buildings because of the huge potential in that area.
13 Looking to cut energy costs, boosting local economies,
14 and reducing harmful pollution.

15 The two nonprofits involved in the partnership
16 are the Institute for Market Transformation, IMT, and
17 the Natural Resources Defense Council, NRDC. We can see
18 the full ten cities on the map there.

19 The next slide, please. So, you know, this is
20 basically -- I just like to start by giving a little bit
21 of background on Chicago's approach to sustainability.
22 The City has developed several highly-ambitious goals to
23 make our City more competitive, livable, and
24 sustainable.

25 And the framework for this is found in the

1 Sustainable Chicago 2015 Action Agenda. This was
2 created in 2012, under the current administration of
3 Mayor Emanuel, in a three-year action plan that runs to
4 the end of this year, to the end of 2015.

5 It's the framework that provides seven areas of
6 focus, 24 goals and 100 actions needed to reach those
7 goals. And it really does build upon previous goals set
8 in the Climate Action Plan.

9 That Sustainable Chicago 2015 Action Agenda, one
10 of those key things is energy efficiency and clean area.
11 It's the second one in the plan, only after economic
12 development and job creation.

13 And one of those three-year goals is to really
14 improve citywide energy efficiency by five percent. And
15 then, a concrete action related to that goal is to
16 enhance local policies to support greater transparency
17 in energy use and building energy performance.

18 So, building upon that policy framework and,
19 again, above that, sorry, you can see the goals in the
20 Chicago Climate Action Plan for greenhouse gas
21 reductions.

22 So, building on those goals, the City really
23 moved towards the Chicago Energy Benchmarking ordinance,
24 again focusing on greater transparency, energy awareness
25 in order to put into action some activities needed to

1 reach those ambitious goals.

2 If you can move to the next slide, please? A
3 little bit of background on why energy benchmarking in
4 Chicago. Again, the goal of the ordinance is really
5 driving awareness, and transparency, and energy use, and
6 leading to action that lead to those energy and cost
7 savings.

8 First of all, there's a huge opportunity in
9 Chicago. Residences and business collectively spend
10 about \$3 billion a year on building energy costs. And
11 that's about 71 percent of the City's total greenhouse
12 gas emissions. So, there's both a huge economic and
13 environmental impact here.

14 The ordinance focuses only on buildings over
15 50,000 square feet. So, the larger buildings in
16 Chicago. It's well less than one percent of the total
17 building stock, but about 20 percent of all building
18 energy use. So, really, to get the biggest bang for the
19 buck this ordinance focuses on those larger buildings.

20 And you can see a breakdown in the lower right,
21 in that pie chart, on what types of buildings are
22 included in the ordinance. It does involve all
23 residential, multi-family buildings, commercial
24 buildings and any public building, again, over 50,000
25 square feet.

1 And so there's three aspects to this ordinance
2 that basically the buildings that are covered need to do
3 three things. Number one, track the building energy
4 use, using the Energy Star Portfolio Manager tool.
5 That's the actual benchmarking. Once every three
6 years -- and I'm sorry, that track is annual.

7 Once every three years, the buildings verify
8 data accuracy with the help of a credentialed
9 professional. And then, finally, report the data to the
10 City, annually.

11 So, those are the three pieces of the ordinance
12 and, basically, what the building owners and managers
13 are required to do.

14 On the next slide, we'll go a little bit more
15 into the rollout. So, if you followed some of the
16 previous presentations, Chicago's not the first city to
17 do this. And we were grateful to learn from other
18 cities that came before us.

19 So this ordinance really builds on a national
20 trend, and it's certainly growing as we've seen three
21 cities, already in 2015, move towards similar
22 ordinances.

23 And the rollout is really -- this ordinance was
24 passed in Chicago, in 2013, with the phased rollout
25 starting in 2014 through 2017.

1 So, the blue boxes on this slide show which
2 buildings are required to comply, and the red stars show
3 the years that those buildings must do the data
4 verification. Again, that's only once every three
5 years.

6 2014 started with just the large, nonresidential
7 buildings over 250,000 square feet. In a minute, I'll
8 share some results from what we found in that first year
9 of reporting.

10 And in this year, in 2015, the ordinance rolls
11 out to the smaller, nonresidential buildings, 50,000
12 square feet and up. And, for the first time, brings in
13 multi-family residential buildings, 250,000 square feet
14 and up.

15 And then next year, it's the final phase-in with
16 the smaller residential buildings.

17 This is an intentional structure, just so that
18 2014 was almost a pilot year where we knew there would
19 be a smaller number of buildings included in the
20 ordinance in 2014. And we wanted to get everything set
21 up for them to make it as smooth as possible. So, when
22 more buildings are brought in this year, in 2015, and
23 also next year, in 2016, we'll have everything set up
24 and support options available to support those buildings
25 in the process.

1 Again, as I mentioned before, and as almost all
2 of the other cities, if not all the other cities, are
3 using the Energy Star Portfolio Manager tool for this
4 annual benchmarking.

5 If you could move to the next slide, please?
6 So, in 2014, again those were the largest nonresidential
7 buildings, the commercial and municipal buildings over
8 250,000 square feet that were required to benchmark,
9 verify their data, and report to the City.

10 So what we found was the results from that.
11 First of all, there was widespread participation.
12 Almost 350 buildings participated, spanning over 260
13 million square feet.

14 Of that, I don't have it on this slide, but I
15 can tell you that approximately 75 did that on a
16 voluntary or early basis, were not covered in 2014, but
17 did comply with the ordinance.

18 And that represented about 11 percent of
19 citywide building energy use, and over 90 percent
20 compliance rate.

21 The data from those reporting buildings provided
22 unprecedented sector-specific data on energy use that
23 just simply wasn't available before, showing how those
24 larger, nonresidential buildings are actually using
25 energy in different sectors.

1 For example, median Energy Star score was about
2 76 out of 100. Buildings in Chicago seem to be
3 performing similarly to other large buildings that have
4 benchmarking ordinances, and that have published data,
5 like New York, Philadelphia and Washington, D.C.

6 And the data in that report is really organized
7 so you can look it up by sector and understand how
8 offices are performing, and healthcare, and hospitals, K
9 through 12 schools, universities and then other
10 facilities. So, there's a sector-specific analysis in
11 that report.

12 On the next slide you'll see some results from
13 the 2014 reporting, shown in our infographic. But,
14 basically, this is honing in on what is that savings
15 potential in Chicago?

16 This looked, basically the analysis shown on
17 this infographic looked at the reporting buildings.
18 Again, which doesn't cover all buildings that will be
19 eventually phased into the ordinance, but only about a
20 few hundred of those buildings.

21 And basically asked, what if those buildings
22 reached average levels or even above-average levels of
23 energy intensity? And there's a huge opportunity that
24 was found. Basically, a 13 to 23 percent total energy
25 reduction opportunity and savings in the range of \$44 to

1 \$77 million per year. And you can see that impacts
2 there would be equivalent to removing over 100,000 cars
3 from the road and generating over 1,000 jobs.

4 So, the opportunity is there that we suspected,
5 I think, was there that these -- that energy savings
6 could lead to giant cost savings, and a more sustainable
7 city, and that there's great potential within the
8 building sector.

9 If you'll move to the next slide, you know, one
10 of the questions that we get is, you know, how did
11 Chicago achieve this level of reporting in the first
12 year of implementing the benchmarking ordinance?

13 This slide summarizes some of the support
14 opportunities and training opportunities available to
15 buildings that needed to comply with the ordinance.
16 These were all set up last year, in 2014, and will
17 continue into 2015 for certain, and into the future.

18 So, similar to what you heard from Hilary and
19 Cliff, I would like to highlight I think all of these
20 were important to successful benchmarking in Chicago.
21 But one of the most important things, if not the most
22 important thing that needed to be in place is box number
23 2, "utility aggregation of energy data for electricity
24 and natural gas".

25 This really is one of the most important

1 services that really needed to be available in order for
2 benchmarking to succeed. And so, when the ordinance was
3 passed, it was really crucial to have these systems set
4 up so the building owners and managers did not need to
5 go door-to-door, to every tenant to gather utility
6 information. We knew that simply just would not work.

7 So in Chicago we're very luckily in that the
8 electricity utility, Commonwealth Edison, had already
9 set up a system to provide the free, whole-building
10 aggregated data. That was set up prior to passage of
11 the benchmarking ordinance.

12 And the natural gas utility did set up a similar
13 system right after passage of the ordinance and that was
14 in time for the first reporting deadline.

15 So, again, that was a crucial aspect of this.
16 Both systems currently provide data upon request of the
17 building owner and manager, require at least five
18 accounts are included in the aggregation. So, if there
19 are four or fewer accounts, there is a tenant release
20 process. But five or more, then the data is provided
21 automatically. So again, that plays an extremely
22 important part of this.

23 Other things that helped provide success in the
24 first year is that the City really partnered with
25 several groups, that are listed there at the bottom of

1 the slide, to create the Chicago Energy Benchmarking
2 Working Group. And that group has really been
3 responsible for most of the other items on this slide,
4 including -- I'll skip around a little bit, but the
5 weekly trainings, which are provided to anyone in the
6 public that wants to learn more about benchmarking.
7 Those basically cover the basics of benchmarking in the
8 Chicago Energy Benchmarking ordinance, and then go
9 through some step-by-step instructions on how to comply.
10 And they are coordinated through the U.S. Green Building
11 Council, Illinois Chapter, with volunteers from USGBC,
12 AIA Chicago, and Illinois ASHRAE.

13 Also, going back to the first box, the City set
14 up a comprehensive website with guidance materials,
15 including a step-by-step guide that actually has screen
16 shots of how to benchmark step by step.

17 You can see the website there, if you'd like to
18 visit and see more information on that. There's a one-
19 page fact sheet and, also, a frequently asked questions,
20 and other guidance materials.

21 There's a full time help center and many other
22 support opportunities that, again, the City has
23 partnered with several groups to make available.

24 It looks like the slide is advanced there, so I
25 think I am running out of time. So, you can move to the

1 final slide. But if you'd like to look at any more
2 information, the links are here in my -- and contact
3 information is also provided.

4 So, thank you again, and I think we will now
5 open up the floor to questions.

6 COMMISSIONER MC ALLISTER: Okay. Well, thanks
7 all of you for your presentations. They're really,
8 really helpful and, obviously, a lot of thought has gone
9 into your respective programs. And, certainly, IMT has
10 been a key resource, I think, for all of the programs,
11 if not all of them out there. So, thanks a lot, again.

12 And I believe, hopefully, all four of you are
13 still on the line.

14 MR. MAJERSIK: I'm here.

15 COMMISSIONER MC ALLISTER: Great. I wanted to
16 just -- well, a couple things. I wanted to point out
17 just the points that two of you made in your
18 presentations. Hilary, maybe you -- before you came to
19 L.A., we had a first kind of dry run on the 758 Action
20 Plan, and got a lot of feedback from across the State.
21 And this new plan sort of reflects that feedback, so it
22 definitely wasn't entirely a top-down thing. I just
23 want to make that clear, you know, that we're not going
24 exactly opposite you in terms of ignoring everybody and
25 then putting out a plan from the top down. But we'll

1 get to that later -- no, just kidding.

2 So, really, it does reflect a lot of, you know,
3 the positive points and some of the anxieties that we
4 heard throughout there about how the existing programs
5 and systems were working, or not working. So, that's a
6 lot of how we can to the initiatives that we came to.

7 And then, Cliff, you made a recommendation on
8 1103 in terms of an aggregation threshold, and I just
9 wanted to point out that, you know, since 1103 is --
10 it's a pretty unique statute and it's also, you know, an
11 existing program that we believe is a private
12 transaction, and actually has a fair amount of
13 flexibility in terms of whether or not we require an
14 aggregation threshold. We actually don't think we need
15 to at all and we're working through that issue. You
16 know, the statute compels that reporting to the owner,
17 no matter what. So, that's where we're at with 1103
18 right now, with ongoing discussion.

19 But I just wanted to point out that the
20 aggregation threshold discussion is one that I think
21 we'll need to have as part of this broader benchmarking
22 program. So, I just wanted to make that a point.

23 I do have a number of questions and I'll just
24 ask sort of my top few here. First of all, has
25 anybody -- so, our discussion here, in California, has -

1 - definitely, you know, we want to standardize on
2 Portfolio Manager, and glad that L.A. came to the same
3 conclusion, and all of the other programs have said that
4 as well.

5 But that said, Portfolio Manager really wasn't
6 designed as a benchmarking tool. So I'm wondering, you
7 know, in terms of the reports that it generates, and
8 kind of the presentation to the owner, and that sort of
9 thing, so I'm wondering, even though we all agree that
10 it's the best tool that's out there, and it's industry
11 standard and we're going to use it, I wonder if there's
12 interest or maybe actual effort to work with the EPA to
13 make modifications to improve or to target it more for
14 benchmarking purposes, since that's a really key use
15 that's emerging for the tool?

16 And maybe each of you, if you have an opinion or
17 a view of that, you can answer.

18 MR. MAJERSIK: This is Cliff. So, EPA has been
19 very engaged with the cities that have these
20 benchmarking and transparency laws and they have made a
21 number of improvements to the benchmarking tool, to
22 their Portfolio Manager tool to address some of the
23 needs of the cities, and the building owners in those
24 cities. And, of course, they're making improvements for
25 building owners that are using it on a voluntary basis.

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1 And I saw that Leslie Cook, from EPA, was on
2 this call, I believe with Tracy, as well. I think
3 they're closely following what CEC is doing and they
4 will be pleased to enter into dialogue to try to address
5 needs.

6 So, was there a particular need that you had in
7 mind?

8 COMMISSIONER MC ALLISTER: Well, I guess we've
9 been talking about it and kind of brainstorming a little
10 bit. And staff, likely, has talked with EPA directly,
11 already, on this.

12 And I guess I would just ask a couple things.
13 One, just the reporting and making it more usable for
14 the building owner. You know, there are lots of ways we
15 would maybe think about doing that. But perhaps there's
16 a structure conversation we could have, you know, a
17 working group or something like that to help EPA to
18 figure some of this out, so they're focusing on the
19 things that are most relevant for the users.

20 MS. BROOK: This is Martha Brook, so I'm going
21 to jump in here. Hi, Cliff. I think mostly what we're
22 talking about is more like the disclosure reporting,
23 labeling part of the transparency for a benchmarking
24 program.

25 So, we're super excited to hear about the

1 NYSERDA, you know, proposal to do a national working
2 group for that labeling component. I think that's
3 mostly where EPA has not wanted to -- they consider
4 themselves a national, you know, climate change
5 reduction program. And so, they don't have the
6 resources, nor do they think it's appropriate for them
7 to develop a specific report for California, or develop
8 a specific report for New York.

9 And so, to the point or to the extent that we
10 can work together, nationally, to come up with those
11 other public awareness demand-creating components of a
12 benchmarking and transparency program, I think that's
13 what we want to do.

14 COMMISSIONER MC ALLISTER: Yeah, really the idea
15 for 1103 and for the 758 benchmarking program, you're
16 going to have a lot of people looking at -- a lot of
17 people who really don't know much about energy or
18 facilities looking at the output from Portfolio Manager,
19 and it needs to be kind of understandable to them.

20 Whereas it was really -- it really tends toward
21 more of an engineering audience. So that's kind of the
22 idea is just to make it more understandable and usable
23 for layish people.

24 MR. MAJERSIK: That's an interesting idea. You
25 might want to look at what Seattle and Philadelphia have

1 done in terms of creating -- they don't actually,
2 officially call them scorecards, but they're commonly
3 referred to as a scorecard for each building, that they
4 send out to the building owners, showing how that
5 building compares to all the other buildings in its
6 building type, in that city. Where, you know, there
7 could be 340 offices, and they'll say you're office is
8 number 247 out of the 340, and here is how you compare
9 to the other buildings.

10 COMMISSIONER MC ALLISTER: Yeah, great.

11 MR. MAJERSIK: So, yeah, there could be some
12 interesting learning and I'm sure you guys could come up
13 with something that could be an evolution and
14 improvement on what they're already doing.

15 COMMISSIONER MC ALLISTER: Yeah, great. I mean,
16 we don't want, necessarily, special treatment for
17 California. But just if there's interest, broadly
18 across the country, to have a dialogue that is useful
19 for everybody and it's relatively straight forward and,
20 you know, we can work with EPA to do, then I think we'd
21 all welcome that.

22 And if EPA, you know, wants to -- I guess, if
23 they're on the call and are already thinking about this,
24 or have viewpoints on this, maybe they can raise their
25 hands on the call.

1 So, I was really interested to Chicago, all the
2 resources and kind of hand-holding and collaboration
3 that they got across the marketplace from, you know,
4 ASHRAE, and USGBC, and et cetera, and that's great.

5 And I guess I'm wondering -- so, we're talking
6 about a fairly -- you know, we're a big state, we're
7 going to hit 40 million people, you know, in the next
8 however many years. We're going to -- you know, as
9 Commissioner Weisenmiller said, we have lots of
10 buildings. Even if we limit to 50,000 and up, we're
11 going to have a lot of buildings rolling out in early
12 phases of this benchmarking program.

13 So, hand-holding is going to be important.
14 Having resources that people can call and, you know,
15 help they can get to comply so that it's not a pain, so
16 that it's actually helpful for them and useful.

17 So, I guess I'm kind of looking for some view of
18 resources that -- you know, scale of resources per
19 building, or something, that has been dedicated to that
20 facilitation effort.

21 MR. MAJERSIK: This is Cliff. We have written a
22 paper on help centers. That's one of several tools that
23 Amy outlined that are used to help building owners
24 comply with benchmarking and transparency laws.

25 So, we have a report that outlines some of the

1 resource requirements based on experiences in places
2 like Seattle and Washington, D.C.

3 Chicago has certainly done a tremendous job of
4 providing those services and I think that's an excellent
5 model, as well.

6 So, we'd be happy to work with your staff to
7 provide that.

8 I would just say that I'm really glad that
9 you're focused on this. I think it's tremendously
10 important. If the data -- if you don't do a good job of
11 assuring that good data goes in, there's a real risk
12 that people don't have confidence in the data. And once
13 people don't -- once people lose confidence, it's very
14 hard to regain that confidence.

15 So I think emphasizing that you, you know, want
16 to have really high compliance with the law, and that
17 you need to have high data quality right from the first
18 day is critical to the success. I'd rather have no law,
19 than have a law with poor compliance or poor data.
20 Because if you have no law, you can always come back and
21 get a law.

22 But if you have a law with poor compliance, with
23 poor data, that's just a huge hurdle that will be hard
24 to overcome.

25 And so, making sure that you're reserving

1 adequate resources to have user-friendly outreach to all
2 the building owners, so that they have to comply, they
3 know they how they comply, they know that there will be
4 penalties if they don't comply, and even if they provide
5 incomplete or inaccurate information, and then the
6 credible threat is critical, I think, to success.

7 And I think that's a big part of the reason why
8 you may want to look to cities to lead, because the
9 cities have the relationship, they have the data, they
10 have the tax assessor data. They know what buildings
11 are what sizes. They have building departments that
12 interact, and other agencies that interact with the
13 building owners on a regular basis.

14 So, creating that infrastructure at the state
15 level would be a tall order. I'm not saying it can't be
16 done. But it seems like your chances of having really
17 high compliance and really strong quality assurance may
18 be better if you lean on the cities, at least for the
19 first few years of the program.

20 COMMISSIONER MC ALLISTER: Okay, thanks.
21 Thanks, Cliff.

22 MS. FIRESTONE: And I'll chime in for Los
23 Angeles. We're preemptively working on both a
24 benchmarking help center to assist building owners,
25 similar to what Chicago described, as well as partnering

1 with some local groups here to do outreach once the
2 package of ordinances does get passed, helping the
3 building owner community learn about the new laws and
4 what they'll need to do to comply.

5 COMMISSIONER MC ALLISTER: Great. Thanks. I
6 think we need to probably flesh that out as, you know,
7 we incorporate comments into the Action Plan, and put
8 some concrete ideas about that, and talk about what
9 budget it might need, et cetera, et cetera.

10 I like your suggestion to work closely with more
11 local governments, than maybe just those who are
12 implementing programs on their own, Cliff.

13 So, my next question, let's see, has to do -- I
14 guess I'm wondering, you know, have there been any
15 issues -- you know, there's a lot of discussion about
16 aggregation, and the privacy issue, and different
17 thresholds. They all seem fairly low to me and I'm
18 amazed that -- at least from my perspective and our
19 context, I'm quite amazed that Commonwealth Edison
20 voluntarily made something and sort of launched it out
21 into the world before they were told to do it. That's
22 just a huge example we should be following in
23 California.

24 And I'm wondering if there have been any issues
25 or complaints about privacy, or about having this whole-

1 building data out there in the world? And has anybody
2 said, oh, my God, I'm feeling very compromised about
3 this?

4 MR. MAJERSIK: This is Cliff. I mean, we track
5 it. Obviously, there could be things we're not aware
6 of. But the remarkable thing is that you have all these
7 utilities that provide all of this data access and we
8 aren't aware of, and having someone like Kevin
9 Bricknell, at ComEd, could speak to this from their
10 perspective, they've been doing this the longest, of any
11 privacy complaints about this.

12 You know, you're talking about providing
13 information to the building owner. The building owner's
14 already in a contractual relationship with all their
15 tenants. They have these leases. They have physical
16 access to the meters.

17 This just is not -- and especially when you've
18 taken the extra step to aggregate, although I agree with
19 you that it's entirely appropriate, given the
20 relationship between the owner and the tenant, not to
21 require aggregation, especially in a nonresidential
22 context.

23 It just hasn't produced privacy complaints, that
24 we're aware of.

25 MS. JEWEL: This is Amy in Chicago. I'll chime

1 in and say I also have not heard of any complaints or
2 any issues with that. The building owner or manager
3 never sees any individual tenant data. It's always
4 aggregated when the data gets to them. Then, they enter
5 it into the secure Portfolio Manager tool, and there's a
6 secure way that the data gets sent to the city, again
7 still aggregated.

8 So, I haven't heard any complaints or issues.

9 COMMISSIONER MC ALLISTER: What about on a
10 disclosure further down the line, say in the second
11 round, you know, whether it's energy consumption
12 indicators, EUI, or whether it's the score itself,
13 any -- you know, the same question for that stage?

14 MS. JEWEL: Again, I haven't heard any issues,
15 yet. I don't know if I told on this point, but in
16 Chicago there is basically a one-year grace period. So
17 that buildings reporting in their first year, their data
18 is never disclosed. It starts with the second year that
19 they report, which will start -- you know, the City is
20 authorized to start disclosing data later this year in
21 Chicago.

22 So, we haven't, yet, started the actual
23 disclosure. However, again, I haven't heard privacy
24 concerns related to that.

25 COMMISSIONER MC ALLISTER: Okay, great. And

1 then my final question for now is what utilities do you
2 work with, that are doing benchmarking, are also
3 participating in the DOE Data Accelerator?

4 MR. MAJERSIK: So, quite a few utilities are
5 participating in the DOE Data Accelerator. PacifiCorp
6 and it's companies, Rocky Mountain Power and Pacific
7 Power, the National Grid, ComEd, ConEd, Pepco, the
8 Atlantic Gas & Lighting Company, Austin Energy, NSTAR,
9 Northeast Utilities, which is now called Eversource, AEP
10 Ohio, Reliant, Kansas City Power and Light, LADWP, Xcel
11 Energy, which includes Minnesota, and Colorado, among
12 others, PECO which is a NextLine company, which is out
13 of Philadelphia, San Diego Gas & Electric, Pacific Gas &
14 Electric, Southern California Edison, Puget Sound
15 Energy.

16 That's the list I have, the list in front of me.
17 So, I think I just read you all of the utilities in the
18 DOE Accelerator.

19 COMMISSIONER MC ALLISTER: Great. I guess --
20 okay, thanks a lot. So, you know, we hear from DOE, you
21 know, not glowing reports of how our utilities are
22 engaging with the Data Accelerator and really the fact
23 that they're just not complying with their commitments
24 to the Data Accelerator.

25 I'm wondering if any of the other utilities that

1 you work with are in that -- or that are participants
2 are also not sort of coming through with their
3 commitments?

4 MR. MAJERSIK: Well, there's still some that
5 haven't fully come through. But I have to say that the
6 California IOUs appear to be making less progress than
7 all the other utilities in the Accelerator Program.

8 And there has been notable successes.
9 PacifiCorp and its Rocky Mountain Power, you know,
10 recently announced that they would provide whole-
11 building data across all of their companies, with a five
12 account aggregation level, without requiring waivers.

13 PECO is doing the same in Philadelphia. You
14 know, Kansas City Power & Light is moving forward
15 strongly. ComEd had already done this a long time ago.
16 Eversource is providing it.

17 So, the short answer is there's a whole lot of
18 progress. Some had already, really, accomplished the
19 goals of the Accelerator before they joined. Those that
20 hadn't, outside of California, are generally either have
21 accomplished it or have committed it, and California is
22 a really notable exception.

23 COMMISSIONER MC ALLISTER: Thanks. So, Hilary,
24 I was really happy to hear that DWP is putting together
25 the whole-building tool, so that's terrific.

1 MS. FIRESTONE: Yes.

2 COMMISSIONER MC ALLISTER: And, you know,
3 following SMUD's lead, they've definitely been a leader.

4 And, yeah, I guess, you know, we -- this is a
5 conversation that I kind of hear different things about
6 from different people, but certainly don't feel like
7 anybody's beating my door down to help them comply with
8 their DOE obligation. So, it's not clear to me exactly
9 where this conversation is in California, how much
10 commitment there is to solving this issue, but we need
11 it.

12 Because, as we've heard from every presentation
13 here, these tools have to exist. They're just the basic
14 building block for understanding our building stock and
15 making progress. So, that's what we expect.

16 So, thanks very much. I'll pass it to Chair
17 Weisenmiller or Commissioner Douglas, now.

18 CHAIR WEISENMILLER: Yeah, I had a couple of
19 questions. The first, basically, is sort of a follow-
20 up, I think on your question, Commissioner McAllister.

21 Obviously, over time we've seen some of our
22 utilities are IT-challenged with their building systems.
23 I think LADWP was probably one of the most recent.

24 So, it would at least be good to get submitted
25 into the record, you know, whether either the California

1 utilities could comply now with this requirement or, if
2 they have to modify their software, how long that would
3 take.

4 And again, I noticed that you mentioned for
5 LADWP they were at least starting out with spread
6 sheeting it. Again, just trying to get a sense.
7 Particularly as we go for mass market spread sheeting,
8 it's likely to produce errors. And so, it would be good
9 to get this stuff automated fast, so we're sure the data
10 are good. So other -- so getting that would be good.

11 The other questions are, I'd like to know do
12 these systems generally include public buildings? I
13 would point to the monitor out in the hallway for this
14 building. But one would think that the public buildings
15 would really be in a leadership role of providing sort
16 of benchmarking data.

17 MR. MAJERSIK: Yes, on that question that's part
18 of, well, almost what every city that we're aware of has
19 done. They've led with their public buildings and made
20 transparent the scores of the public buildings, and
21 before they've asked the private sector to do the same.
22 So, they've led by example. And we've considered that
23 to be a best practice.

24 And then, as you may have seen from my map,
25 there are a number of states that don't have private

1 requirements, that do disclose their public scores.
2 Alabama, for instance, has information that each agency
3 publishes about the energy consumption and energy costs
4 in recent years. And you can see how they're
5 progressing in terms of lowering the energy consumption
6 of their buildings.

7 And so, I think that's actually -- that's an
8 area where California could do better in terms of being
9 transparent about state government energy consumption of
10 buildings.

11 CHAIR WEISENMILLER: Yeah, I think I would get
12 passed state -- the state government has, obviously, got
13 to be the key role. But, also, we have local
14 governments, we have certainly the whole university and
15 college system, so we have -- and schools. And, anyway,
16 there's just an awful lot of public buildings in
17 California that I'm sure range from real leadership here
18 to less desirable performance, that we'd like to move
19 all that.

20 Please?

21 MS. FIRESTONE: I'm sorry. I was going to say
22 for the City of Los Angeles that's exactly our intention
23 and we've been working on benchmarking 250 of our
24 municipal buildings that account for 80 percent of the
25 municipal energy use. And we are hoping to make that

1 publicly available before the end of the year. It's
2 just a matter of cleaning up the data and making a user-
3 friendly interface.

4 CHAIR WEISENMILLER: That's great.

5 One question, you know, which this is somewhat
6 unique to California, but just trying to figure out as
7 we're going into the benchmarking area, obviously at
8 this point we are facing a real water crisis. And so,
9 trying to basically pull in some of the water
10 consumption, I think we'd like to, if we can really make
11 progress on retrofit. We'd just as soon not have to
12 send people back later to retrofit water, power and
13 water, both.

14 And I guess in L.A., you also have the seismic
15 element. So, how -- obviously, we're all energy
16 focused, but how do we connect some of the benchmarking
17 to some of our other big issues?

18 MS. FIRESTONE: That's a really good point and
19 it's something we've been very cognizant of in our
20 process, in Los Angeles. So, every time we talk about
21 energy, we're including water. So, we're going to be
22 including water as part of our benchmarking policy, as
23 well. So, not just requiring energy, but water utility
24 information to be disclosed.

25 And then, in terms of the upgrades, and

1 retrocommissioning, and audits, we're actively working
2 with City Energy Project to make sure we can include
3 water standards in there, as well. So, it would be a
4 comprehensive package.

5 CHAIR WEISENMILLER: You know, I guess L.A. also
6 has a pretty substantial effort on the seismic retrofit.
7 Does that connect? Or how would that connect or not
8 connect?

9 MS. FIRESTONE: So there is -- the buildings
10 that we're looking at, over a certain size, there would
11 be some overlap between the buildings that we're looking
12 to require for seismic retrofits, but a majority of them
13 would not be covered in our energy and water.

14 So, most of the buildings in our seismic program
15 are soft-story residential buildings, which they're
16 first-floor or underground parking. And those typically
17 tend to be the smaller buildings.

18 And so, for our energy and water benchmarking
19 and audit policy, those are going to be the larger
20 buildings. And the ones covered by seismic, the
21 concrete one, they'll be -- we think maybe about a
22 thousand buildings that would fall in both.

23 And so, we're very aware of that. And when we
24 introduce this legislation, we're going to make sure
25 that the timing works out that if they're going in to do

1 a seismic retrofit, that they do the energy and water
2 work at the same time, and just give them more
3 flexibility in terms of the timing of when they would be
4 required to comply with both.

5 MR. MAJERSIK: Chair Weisenmiller, I would just
6 add that there are now 13 cities that have benchmarking
7 and transparency laws. Eight of those cities, it
8 applies to water as well. And all of the recent
9 additions in cities that have significant water
10 problems, as California does, including water in their
11 benchmarking. Most recently Atlanta, just a couple
12 weeks ago. And Atlanta was also the first to include
13 water in their audit requirement. And I know that L.A.
14 is looking at that.

15 So, I think that's the best practice, especially
16 for a drought-stricken area, like California.

17 CHAIR WEISENMILLER: Okay.

18 COMMISSIONER MC ALLISTER: This is a question,
19 mostly for Hilary. So, you mentioned that you're
20 thinking, now, 10,000 square feet, perhaps, TBD, but
21 you're sort of moving down to smaller buildings.

22 Could you talk about kind of the rationale, or
23 the thinking, the discussion with your stakeholder
24 groups about the size threshold?

25 MS. FIRESTONE: Sure, absolutely. So we

1 initially were looking at a larger threshold. But when
2 we talked, working backwards from getting to the 30
3 percent reduction in energies per square foot, we
4 realized we'd have to capture more buildings when we
5 did, you know, rough calculations to actually see those
6 savings.

7 I'm not a hundred percent confident 10,000 will
8 be our threshold, when it comes down to actually getting
9 this passed. It could be bumped up to maybe 20,000
10 square feet. And I think we would try and then revisit,
11 potentially, a different program for the smaller
12 buildings below 20,000. But, you know, that's our
13 ingoing assumption, to actually reach those targeted
14 reductions we'll have to drop down to smaller building
15 sizes.

16 COMMISSIONER MC ALLISTER: So, and you, my
17 understanding is that L.A. has a fairly good analytical
18 tool with buildings data and energy consumption data
19 from DWP, and SoCal, that you can actually do reasonable
20 analysis about, you know, slicing and dicing the
21 building stock and figuring out what assumptions, or
22 what criteria, what outlines for your program would
23 actually get you to the goal.

24 So, is that true? Maybe you can talk about the
25 analytical piece of that.

1 MS. FIRESTONE: I think you're actually
2 referring to a tool that IMP and Natural Resources
3 Defense Council developed through the City Energy
4 Project. And it's sort of a rough calculator that helps
5 us figure out, you know, based on different size
6 thresholds and different policy requirements,
7 benchmarking, audits, retrocommissioning using, you
8 know, national surveys and datasets what types of
9 savings we would see in our buildings. And that's been
10 helping us get some rough estimates of what we would
11 see.

12 COMMISSIONER MC ALLISTER: I was actually
13 thinking of some of the work that's happened at Luskin
14 and UCLA about --

15 MS. FIRESTONE: Oh, okay. Okay.

16 COMMISSIONER MC ALLISTER: Yeah.

17 MS. FIRESTONE: So, that dataset matches up.
18 UCLA, using DWP and SoCal Gas data, matched up the total
19 energy consumption based on building size, so we're able
20 to see where our energy use is concentrated.

21 So, about 40 percent of the energy consumed in
22 the City of Los Angeles comes from about 2 percent of
23 our buildings. And they've done that analysis for us.
24 But not based on policy, what type of reductions we
25 would see.

1 COMMISSIONER MC ALLISTER: Okay. And do you
2 have an issue in L.A. with knowing which meters are on
3 which buildings?

4 MS. FIRESTONE: To be determined.

5 COMMISSIONER MC ALLISTER: Oh, okay.

6 MS. FIRESTONE: I think, you know, there's the
7 typical issues. You find that some meters have
8 different addresses than the buildings, and I think
9 we're going to have to start actually digging into the
10 data. And that's what we're testing out right now with
11 our City facilities to try and understand, you know,
12 what level of complexity we're going to have to deal
13 with in terms of trying to match meters to buildings.

14 COMMISSIONER MC ALLISTER: Great. So I want
15 to -- well, from my point I want to thank you, all four
16 of you. Really, it's exciting what's happening in New
17 York, and Chicago, and here in California.

18 Let's see, I want to now open it up for
19 comments. Maybe I'll pitch it out to Heather and she
20 can manage the proceedings from here on out.

21 MS. RAITT: Right, so we'll go ahead and take
22 public comments, if there's anyone in the room who had
23 comments.

24 COMMISSIONER MC ALLISTER: And, certainly, if
25 the four of you want to stay on the line and listen to

1 public comments, and everything. Also, any interaction
2 that we -- we'll feel free to pick up the phone and call
3 you directly, when we're getting down to more brass
4 tacks.

5 Hey, Jeanne.

6 MS. CLINTON: Good morning, I'm Jeanne Clinton,
7 representing the PUC. I have two questions, probably
8 directed to folks on the phone.

9 One is -- the simplest question is, since
10 everybody's focusing on the Energy Star Portfolio
11 Manager tool, which is energy-focused, I assume, how do
12 we get water incorporated? Do we need a new kind of
13 tool to do that.

14 Secondly, everyone has made it clear that these
15 policy initiatives are focused on benchmarking and
16 information which, by themselves, don't save energy.
17 Our objective is to actually save the energy.

18 I have read that in some of the cities that have
19 two or three years, or more experience with
20 benchmarking, the buildings have saved seven percent
21 energy, on average.

22 I guess I'd ask the commenters how are these
23 benchmarking tools and requirements being integrated or
24 accepted in the real estate community? To what extent
25 are they mobilizing different forms of energy services

1 solutions, investments, financing? You know, what's the
2 insight on the traction to go beyond operation and
3 maintenance savings, and get into the deeper 20 percent
4 or more target?

5 MS. FIRESTONE: In terms of your first question,
6 Portfolio Manager, the EPA's tool, is mostly used for
7 energy, but they do collect water data as well. There's
8 just no national score. It collects indoor and outdoor
9 water use and gives you a gallons per square foot. And
10 so, that's the basic functionality that we're looking to
11 use in Los Angeles and what other cities are using for
12 benchmarking.

13 COMMISSIONER MC ALLISTER: Maybe I'll follow up
14 on the second questions, just to maybe rephrase a little
15 bit. So, what are some of the programs, maybe Cliff,
16 that you're working with, or the individual ones,
17 Chicago, what you're thinking about in L.A., how do they
18 link the benchmarking to action? You know, if there are
19 specific things they try to do to get the benchmark
20 score operational and, you know, effectively
21 implemented?

22 MR. MAJERSIK: Well, one of the leaders in this
23 area is New York. They have an energy and water
24 retrofit accelerator, whose purpose is to take the data
25 that came from their benchmarking audits and

1 retrocommissioning laws, and proactively reach out to
2 building owners. For instance, those who have received
3 audit recommendations, with cost-effective energy-saving
4 opportunities, that hadn't yet done so.

5 That is just getting stood up now. It's not in
6 place, yet. They'll be putting out -- they put out an
7 RFP and haven't yet selected a contractor to run it.
8 But it's modeling on a very successful program that they
9 did to get a retrofit to buildings to replace
10 inefficient heating oil number 6 boilers.

11 If Mike's still on the phone, maybe he could
12 speak to that?

13 I would also note that we just got a \$6 million
14 grant from the U.S. Department of Energy to work with
15 New York and Washington, D.C., to take the data from
16 audits and benchmarking laws, and use it to guide
17 program design, program implementation, marketing and
18 targeting of these ACSM programs, and possibly also use
19 it in evaluating those programs.

20 I don't know if Mike has more to add on this?

21 MS. RAITT: I think Mike actually had to leave.

22 MR. MAJERSIK: Oh, okay. So, but yeah, I think
23 that's the best practice and you're seeing that here, in
24 D.C. Obviously, they're part of this program.

25 In Seattle, SimuLight has been using their data

1 as a guide for their DSM programs.

2 You know, the building -- the utilities have
3 great information about how much electricity flows
4 through their meters, how much gas flows through their
5 meters. Often, they don't know very much at all about
6 how efficient the building are. And so, this is a very
7 valuable resource to them, giving them insight to design
8 and guide their programs for maximum impact.

9 And speaking to Jeanne's question, yes, we do
10 see private sector response to this as well. You're
11 seeing some new venture-backed companies that are going
12 into these markets. You know, we have a quote from one
13 venture capitalist who said, you know, when I'm
14 investing in a clean tech company, I tell them target
15 the cities that have these benchmarking and transparency
16 laws because that's where there's actually a market for
17 real energy efficiency, where they care for actual
18 performance. And in in the absence of that, it's a
19 whole lot harder for private sector solution providers
20 to find a market for their services.

21 So, we view these benchmarking laws as, first
22 and foremost, being in the position of creating demand
23 for energy efficiency, and very complementary to
24 existing utility-led programs, of which California is
25 obviously a national leader.

1 COMMISSIONER MC ALLISTER: Thanks, Cliff.

2 MS. RAITT: Anyone else in the room?

3 COMMISSIONER MC ALLISTER: Anybody else with
4 questions? Oh, great.

5 MS. GRENE: Hi, good morning. My name's Hanna
6 Grene. I'm with the Center for Sustainable Energy.

7 I wanted to revisit a few of the comments from
8 the earlier presentations and just encourage that we go
9 a little deeper on those and take another look at them.

10 In particular, I was heartened to hear Cliff's
11 suggestion in his first presentation, about extending
12 financial support to local governments that have taken
13 the lead or that are looking to take the lead on local
14 benchmarking policies.

15 There are local governments throughout the State
16 that are moving forward actively on this, as well as the
17 ones that have already passed ordinances. And we're of
18 the opinion that there might actually be local
19 governments that are waiting for the aggregation issue
20 to be resolved before they move forward, and that we see
21 those as being intertwined.

22 So, we would support that financial support be
23 provided for local governments to help accelerate and
24 encourage them to move forward. In particular, those
25 financial resources can help with data analysis,

1 building of case studies, as well as piloting and moving
2 forward with the support systems, such as help centers,
3 and outreach, and training that will then serve the
4 State's program in the long run.

5 Getting back to the data access issue, I think
6 we've addressed that thoroughly today. But we would
7 just encourage, again, that this be addressed as a
8 primary issue because it is seen, as many stakeholders,
9 as being a stumbling block and a barrier -- for some, a
10 barrier to engagement at this point.

11 We would also encourage and are glad to hear the
12 discussion of water reporting as a key part of the
13 State's program.

14 And really want to encourage, again when we talk
15 about the public having access to this data, both the
16 energy and water data, and when we're talking about a
17 user-friendly interface, there are a lot of different
18 models out there. Whether it be the individual
19 scorecard that goes to building owners which, of course,
20 helps building owners use the data, but also how can the
21 greater public get access to this data, and in what
22 format, and how do we make it useful for them?

23 Cliff included a snapshot of Philly's tool,
24 Philadelphia's tool in his presentation. I've been
25 playing around with that tool since they showed it at

1 the ACEEE Market Transformation Symposium. I think it's
2 really elegant. I think it could be scaled. I would
3 encourage staff and, of course any interested
4 stakeholders, to take a look, play around with it, and
5 use it as sort of a foundation to dream big from.
6 Because I think models like that could be scaled up to
7 the state level.

8 Thanks, that's all.

9 COMMISSIONER MC ALLISTER: Thanks very much.

10 And I'll point out, on the solar side a lot of
11 cities engaged on that sort of graphic representation of
12 solar installations early on, and built those tools,
13 then they kind of became almost standard for major
14 cities, for even medium-sized cities and counties, and
15 stuff in the State. So, and I think it really helped to
16 give a sense of how prevalent solar was becoming. So
17 this is different but, you know, you can kind of use it
18 to envision.

19 So, anybody else? Is there anybody on the line
20 who wants to comment or ask any questions?

21 MS. RAITT: Yeah, we have two people on WebEx.

22 Mark Costa. Go ahead, Mark.

23 MR. COSTA: Hi, can you hear me?

24 MS. RAITT: Yes.

25 MR. COSTA: Okay. I submitted a typed-in

1 question earlier, but regarding the data aggregation. I
2 was curious what the recent passage of Tenant Star, at
3 the Federal level, has the CEC ever considered tenant
4 disclosure to circumvent some of the whole-building data
5 issues and put the onus back on tenants to disclose
6 information, rather than on utilities or building owners
7 to get that granular data?

8 COMMISSIONER MC ALLISTER: I'm not sure. I'm
9 not familiar with what Tenant Star says about that. So
10 maybe staff can -- maybe staff is, I'm not sure.

11 MS. BROOK: This is Martha Brook, staff. We
12 understand that this is a new program for Energy Star,
13 so we are excited to learn more about it.

14 And I don't know, maybe Cliff can talk about if
15 anybody around the nation is planning to engage policy
16 and programs in that area of tenant space benchmarking
17 and disclosure.

18 MR. MAJERSIK: This is Cliff. I'm not aware of
19 any jurisdiction that's looking at requiring the use of
20 Tenant Star. And Tenant Star is, in any case, at least
21 a couple years out. Although the Federal law was just
22 signed by President Obama, it will take EPA some time to
23 create it.

24 I will note that there are jurisdictions,
25 including Washington, D.C., that do require that tenants

1 provide usage data to the owners upon request, to enable
2 the owners to benchmark their buildings. And there are
3 fines for tenants that don't comply.

4 So, I think that's a useful complement to
5 aggregated data, especially for any buildings that have
6 a count level that falls below the aggregation level.
7 But I think it's preferable and easier for both the
8 tenants, and the landlords, for them not to have to rely
9 on asking each tenant for the data.

10 The other thing I would just say is that it is
11 wise to do everything possible to automate and
12 streamline the process of tenant waivers. Tenants
13 should not have to provide wet signatures. They should
14 be able to just click on something, using their existing
15 login, to provide access to the data to their building
16 owners.

17 Once they do provide access, they should be
18 enabled to provide access on an ongoing basis, so they
19 don't have to go through that process every year, but
20 they do it once until revoked.

21 And there's some other best practices around
22 facilitating that process. There are also some good
23 models from the financial industry, thinking about FICO
24 scores, and that sort of thing, where you rely on
25 certain levels of due diligence. But based on those

1 levels of due diligence certain -- certain landlords
2 could, for instance, attest that this is a standard
3 provision in their leases and they wouldn't actually
4 have to provide the lease each time after they had
5 undergone some minimum level of due diligence.

6 So, looking at best practices from the financial
7 sectors and other sectors that are treating much more
8 sensitive information than we're talking about here,
9 with energy information.

10 MS. RAITT: Leslie Cook, did you have a question
11 on WebEx?

12 MS. COOK: Yes, hi. This is Leslie Cook with
13 EPA's Energy Star Building team. And I just wanted to
14 go back to, I believe it was the first round of
15 questions we went through.

16 And first, I want to commend this whole group
17 and this panel. We're really excited to see all of the
18 ambitious objectives in this new Action Plan, and we
19 look forward to working with the State on all the
20 elements that are related to Energy Star and Portfolio
21 Manager, of course.

22 Commissioner McAllister, I think you had a
23 question and also, hi Martha, on interacting with us.
24 And we are very excited to work with the State and all
25 of these other interested stakeholders on looking at

1 ways that Portfolio Manager third-party reporting could
2 better facilitate a program like this. And, certainly,
3 we're looking to engage in any working groups around
4 this idea of a building performance label. All really
5 exciting to hear your thoughts on that, too.

6 So, just wanted to say hello, and voice our
7 encouragement, and excitement in participating. And,
8 you know, that's on the third-party reporting, so it's
9 making sure that the right information is getting from
10 the Portfolio Managers that you are going to be
11 interacting with, and they can ship the right
12 information, in the right format to the State.

13 On the subject of the user interface in
14 Portfolio Manager, I did want to highlight that as part
15 of our big upgrade to the tool in 2013, we do have some
16 really nifty, very easy to understand information that's
17 available in graphic, color graphic form that users can
18 easily log in and access, and report out their portfolio
19 or building level energy, water, greenhouse gas
20 emissions, and financial performance.

21 So, the idea that you don't need an engineer to
22 look in a user's Portfolio Manager account, they can
23 login and check on their progress over time.

24 So, I just wanted to highlight that, too, that
25 those are some new improvements that we've made to the

1 tool, as well.

2 But thanks for everybody's input today and we
3 look forward to working with all of you.

4 COMMISSIONER MC ALLISTER: Okay, well, thanks
5 for listening in. It's really great. And definitely
6 looking forward to working with you, as well, in maybe a
7 multi-state kind of stakeholder working group or
8 something.

9 MS. COOK: Absolutely.

10 COMMISSIONER MC ALLISTER: Great, thanks.

11 MS. RAITT: Okay, next is Barry Hooper.

12 MR. HOOPER: Good morning, really enjoying the
13 depth of the comments today. This is Barry Hooper, with
14 the City and County of San Francisco. I've managed the
15 City's benchmarking and disclosure for private sector
16 buildings for about four years, now.

17 And as we've discussed in prior meetings, the
18 central challenge that we've had is the current consent
19 process, which is automated in the sense that it's
20 online -- excuse me, it's not automated. It's a totally
21 online process. And yet, getting buy in from each
22 individual tenant, in separately metered buildings is,
23 of course, cumbersome.

24 And really appreciate the Commission's
25 recognition of that barrier in the 785 Draft Action

1 Plan.

2 However, the other major item that Hilary
3 alluded to, in her comments, that I think the Energy
4 Commission should look at closely, is the challenge,
5 actually, of identifying buildings, which we don't
6 discuss, typically in a lot of detail, in public forums
7 because it's not the most interesting part of these
8 policies.

9 But identifying the set of affected building
10 stock and having a clear and consistent record of that
11 is a major undertaking for any city or county.

12 And for the Energy Commission, I think it would
13 be critical to collaborate with cities and counties on
14 that issue, given that there are more than 58 -- sorry,
15 there are 58 counties across the State, and there is not
16 standardization of the data that they maintain.

17 And further, the data that counties will
18 maintain will be focused on the properties or parcels of
19 land, and may have some limited and generally incomplete
20 data about the quantity of commercial real estate that's
21 been developed on a given parcel of land. But that is
22 not equivalent to a list of where are the buildings.

23 And that's really a significant item for the
24 Commission to explore. And how to generate a
25 consistent, statewide property database for buildings

1 over 50,000 square feet.

2 In addition to working with cities and counties,
3 an alternate path could be working with some of the
4 private sector entities that do already aggregate across
5 cities and counties data, and have dealt with the data
6 harmonization issue, such as CoStar, or CoreLogic, or
7 Property Shark.

8 To respond, the last, to Jeanne Clinton's
9 question about how to get water included, we'd certainly
10 be delighted to see, and I think it would be very
11 helpful to see water included in benchmarking, and
12 Portfolio Manager is a great tool for that.

13 However, the number of water utilities across
14 the State is considerable and it has -- generally, no
15 individual utility has had the scale, LADWP could be an
16 exception, to seek to invest in automated data
17 uploading. So, there's the logistical challenge of
18 water benchmarking in California.

19 Thank you.

20 COMMISSIONER MC ALLISTER: Thanks, Barry.

21 MS. RAITT: Okay, next is Matthew Evans.

22 MR. EVANS: Yes, this is Matt Evans, from
23 Southern California Edison. I'd like to thank the
24 Energy Commission for today's workshop. This has been
25 very valuable.

1 I have a question, probably addressed to Cliff.
2 There was a Pacific Northwest National Laboratory
3 aggregation study that suggested an aggregation
4 threshold of four would probably be appropriate for
5 nonresidential buildings.

6 So, I'm curious how this compares with the IMT's
7 suggestion that an aggregation threshold of three would
8 be appropriate for both nonresidential and multi-family?
9 I'm just wondering if that study had been considered, as
10 well?

11 MR. MAJERSIK: This is Cliff. Yeah, I'm
12 familiar with the PNNL study. I believe it sorts of
13 talks about a range of three to five. And our
14 recommendation is based on our experience in working
15 with utilities around the country, some of which have
16 aggregation levels as low as two, and haven't reported
17 problems.

18 I think it's also important just to look at the
19 building stock and see how many more buildings would be
20 addressed by the lower aggregation level. It just makes
21 life easier for the owners and the tenants if they -- if
22 they don't have to -- if the owner doesn't have to go to
23 each tenant and ask for a waiver.

24 And, obviously, the lower the aggregation level,
25 the fewer buildings are going to have to have owners

1 going to tenants for permissions.

2 And this is something that the building owners
3 have, you know, very clearly and strongly expressed that
4 they want. And I think it's something that tenants more
5 or less expect. I don't think tenants -- that tenants
6 basically expect that their owners have access to this
7 data, have access to the meters. They have existing
8 relationships with the owners. They rely on the owners
9 to deliver energy-efficient buildings to them and to
10 keep the utility bills low.

11 So, I think it would come typically as a
12 surprise to the tenants that the owners don't already
13 have this access.

14 MR. EVANS: I see. And as far as multi-family,
15 perhaps that's another study that either through the
16 Data Accelerator, or I don't know if IMT performed
17 similar studies, but maybe that could -- maybe a study
18 could be done to take a look at multi-family
19 aggregation, as well, and so in some detail.

20 MR. MAJERSIK: Yeah, many of these -- I think,
21 typically, utilities have the same level of aggregation
22 for multi-family, as they do for commercial. And as I
23 say, we haven't -- we're not aware of problems that have
24 stemmed from these utilities providing aggregated data
25 for multi-family buildings.

1 MR. EVANS: Okay.

2 MS. JEWEL: Yeah, I can second that. This is
3 Amy Jewel in Chicago. And the process here, for the
4 utilities to aggregate the data, it's the same for
5 multi-family as it is for commercial. Both types of
6 buildings are covered under the Chicago Energy
7 Benchmarking Ordinance and the process will be the same.

8 MR. EVANS: I see, okay. And I believe there
9 was an Energy Data Access Committee that's been
10 established as part of the Energy Data Center decision
11 at the PUC. So, I would encourage the California Energy
12 Commission to engage in that effort. You know, given
13 our, I guess, data release limitations and aggregation.

14 So, I believe that committee consists of
15 representatives from, you know, each of the utilities,
16 CPUC staff, Organization of Ratepayer Advocates,
17 researchers, and other representatives from customer and
18 privacy advocates. So, maybe that would be another
19 avenue to explore some of the aggregation issues that we
20 have here in California.

21 MS. BROOK: Hi Matt.

22 MR. EVANS: Thank you.

23 MS. BROOK: Hi Matt. This is Martha Brook.

24 MR. EVANS: Hi Martha.

25 MS. BROOK: So, we do know about the Energy

1 Access Committee, though I agree we need to find out
2 more about it and understand its scope.

3 But our understanding is that the Public Utility
4 Commission deliberately specified in their data decision
5 that the Energy Commission would decide about
6 benchmarking-related aggregation. So, we're not sure
7 that Energy Access Committee would include aggregation
8 for the purposes of benchmarking in its scope, but we
9 should definitely clarify that.

10 MR. EVANS: Yeah, because perhaps the scope in
11 the proceeding was for the purposes of fulfilling
12 AB1103. But for all the other voluntary efforts then,
13 you know, right now we would revert back to the 1550
14 rule.

15 So if that's the case, then maybe this committee
16 would help address some of those issues.

17 MS. BROOK: Okay, thanks.

18 MR. EVANS: Just a thought. And you're welcome,
19 thank you.

20 MS. BROOK: And Jeanne Clinton's going to talk
21 about this, too, she's up at the mic. Thanks.

22 MR. EVANS: Okay, great. Thank you.

23 MS. CLINTON: Yeah, so just to clarify, and
24 without getting into the weeds of regulatory decisions,
25 the PUC basically did defer to the Energy Commission's

1 jurisdiction for dealing with benchmarking in buildings.

2 And the Data Access Committee, that the
3 gentleman from Edison refers to, was organized to
4 facilitate and help implement those policies, regulatory
5 directions that came out of the PUC in its decision,
6 which are all the other things. But not the turf, if
7 you will, or the jurisdiction of the Energy Commission.

8 So, there's -- I think they're quite separate.
9 Certainly, there may be lessons to learn and exchange
10 back and forth, but those are just to -- for example,
11 some of the decisions that were made are under what
12 terms and conditions can university researchers get
13 access to data?

14 Or, under what terms and conditions do local
15 governments get access to data? Those are the kinds of
16 things that the Data Access Committee is working, in a
17 ministerial level, to interpret and implement.

18 MR. EVANS: I see. So, just for clarification,
19 so is it all benchmarking-related activities that's been
20 deferred to the CEC, or just for AB1103?

21 MS. CLINTON: I don't recall the exact language
22 in the decision, but it was clearly acknowledging the
23 Energy Commission's statutory authority to undertaken
24 benchmarking in the context of buildings. But I don't
25 know if it's specified in the statute.

1 COMMISSIONER MC ALLISTER: So, I guess, so
2 thanks a lot, Jeanne, for the clarification. So, the
3 benchmarking is explicitly mentioned in AB758.
4 Certainly, 1103 is also -- you know, there's quite a
5 record about that, as well.

6 And, you know, I think our view is that we have
7 unique authority to do this.

8 So, you know, if the utilities believe that
9 there are conflicting pressures, or statute, or regs, or
10 you know, whatever, they have to tell us. Because we're
11 going to move forward to do this. And I've asked this
12 multiple times, and I'm getting a little tired of it,
13 frankly.

14 So, I need to know where you think it is? It's
15 got to be documented. And then we can work with the PUC
16 to resolve it. But that's not going to happen if
17 there's a lot of sitting on hands, okay.

18 So, anyway, thanks for your call. Thanks for
19 tuning in. And I want to just make sure that we can
20 resolve this issue as expeditiously as possible because
21 we need this benchmarking program. As we've heard, the
22 sky will not fall and let's just do it.

23 CHAIR WEISENMILLER: And this is Chairman
24 Weisenmiller. What I would suggest, if the utilities
25 have any comments whatsoever on this issue, they're

1 filed when written comments are due on this hearing.

2 And again, I particularly want to know about
3 software issues and how long it's going to take to fix
4 it, if there is one. Thanks.

5 MR. EVANS: Okay, understood. Thank you very
6 much.

7 MS. RAITT: Okay, so I think that's -- oh, go
8 ahead, Jeanne.

9 MS. CLINTON: I was waiting to get my second bit
10 until everybody had their first. So, this is Jeanne
11 Clinton, again, for those on the phone.

12 I want to take us into one part of the territory
13 that we haven't really explored today with regard to
14 benchmarking. And that is that the Action Plan sort of
15 envisions ultimately going statewide with a benchmarking
16 approach.

17 And almost all the examples that we've heard
18 from this morning are city-based and, in fact, they're
19 mostly, with the exception of -- I'm sorry, with the
20 exception of Atlanta, which we didn't hear from -- no,
21 let me take that back.

22 With the exception of San Francisco, who is not
23 the largest city, but all other cities that we've heard
24 from are the largest city or the largest metro area in
25 their respective states.

1 And so, what I wanted to just explore,
2 particularly maybe with some of the city folks on the
3 line, is how does a State proceed to go beyond the
4 largest city. And we've seen rollout strategies by
5 building size. We've seen rollout strategies by going
6 from commercial into multi-family in stages.

7 I'm wondering if there's a rollout strategy we
8 should also envision geographically, you know, maybe
9 starting with the counties that have the largest amount
10 of square footage, or something like that.

11 And just thinking about in the jurisdictions
12 that already have sort of a big city program, what kind
13 of conversations or communications are taking place with
14 the second largest, the third largest, the fourth
15 largest cities in terms of growing these strategies in
16 the commercial or multi-family real estate market.

17 So, just wondering if any of our expert
18 panelists on the phone might want to offer their
19 thoughts on this.

20 MR. MAJERSIK: This is Cliff -- go ahead,
21 Hilary.

22 MS. FIRESTONE: Oh, I was going to say that's a
23 really good question and Barry was bringing that up in
24 his comments in terms of just simply identifying the
25 buildings.

1 And I guess I would ask, does the State have any
2 building level database or are you going to be planning
3 on relying on cities and counties to generate that list
4 of buildings?

5 And if that's the case, then I think working at
6 the county level might make the most sense.

7 And so here, in Los Angeles, we've been working
8 a lot with the county, being the biggest city in L.A.
9 County, just trying to set the parameters. So then,
10 when we do roll this out, what we do here in Los
11 Angeles, we'll match up with what Santa Monica, and
12 Culver City, and Pasadena end up rolling out so it's
13 more uniform.

14 But I think that coordination is going to be
15 critical.

16 MS. BROOK: Yeah, so this is Martha. To answer
17 your question, we don't have a statewide building
18 property database. I'm sure, you know, we dream about
19 it every night, but we don't have that.

20 But we do, we are trying to acquire and purchase
21 CoStar type of data so we'll have better, maybe not
22 complete population data, but a good start on, you know,
23 more data that we have now.

24 And we agree, we actually -- we agree with you,
25 and Barry, and others that have said we have to work

1 with the cities and counties to get access to the data
2 that would really be required for a statewide program.
3 But the --

4 MR. MAJERSIK: This is Cliff --

5 MS. BROOK: Yeah, I was going to say we do have
6 some nascent efforts within the Commission, you know,
7 with our other policy mandates to reengage our data
8 collection authority for building energy use data. So,
9 in the future we might have better data that we have
10 today.

11 COMMISSIONER MC ALLISTER: Well, I'm just going
12 to chime in here, too, because on the enforcement --
13 this is not the only area where such data kind of is
14 pertinent and, you know, the local building departments
15 and the assessors are really key partners in all this.

16 You know, and we all have an interest in having
17 uniform treatment of data and, you know, better data
18 availability about the building stock.

19 And, you know, having worked with assessor data
20 before, I totally hear Barry and feel your pain in terms
21 of the quality and the uniformity of that data.

22 But, you know, I guess I go back to any data
23 project is you have to start from where you are. And,
24 you know, certainly you've got to gauge whether the
25 effort is going to be worth it. I think in this realm

1 it's clear that it is.

2 But, you know, just because you have a lot of
3 challenges, I think that's all the more reason to start
4 now because each iteration you get better, and better,
5 and better. And then after a few of those, you actually
6 have a really good resource to work with. And I think
7 that's what Cliff and others were saying in their
8 presentations.

9 Anyway, Barry, I think you were going to
10 respond? Maybe that was Cliff.

11 MR. MAJERSIK: This is Cliff.

12 COMMISSIONER MC ALLISTER: There you go.

13 MR. MAJERSIK: I was actually going to say, you
14 know, I think Jeanne raises an intriguing possibility
15 which is, you know, phasing in geographically. And,
16 potentially, you could provide financial incentives to
17 cities and counties that opt to be early adopters, and
18 declining financial incentives so that those that opt in
19 the first year would get a higher level of assistance in
20 setting this up than those who opt in later. And that
21 could be the means by which you phase it in.

22 So, you know, allow cities and counties to
23 select themselves to be the trailblazers and then,
24 ultimately, the whole State follows.

25 COMMISSIONER MC ALLISTER: That's a great segue,

1 actually. I don't know, do we have any other questions?

2 MS. RAITT: No, I was just going to open it up
3 to the phone lines.

4 COMMISSIONER MC ALLISTER: I was going to say
5 I'd like to get --

6 CHAIR WEISENMILLER: I've got one, too.

7 COMMISSIONER MC ALLISTER: Okay, but in the
8 afternoon we're going to be talking about the local
9 government challenge in benchmarking, innovation in the
10 benchmarking realm. And certainly, one of the areas
11 where we would envision being able to bring some
12 resources, if we can put this thing together
13 successfully and get it out in the world, that
14 jurisdictions that are working on benchmarking would be
15 very welcome participants in that program, so just to
16 give an example.

17 So, more TBD in the afternoon on that.

18 CHAIR WEISENMILLER: Yeah, I had just a follow
19 up on Jeanne's question, which was geared more at those
20 who already have done some of the benchmarking.

21 Is there a -- you know, one of the questions,
22 obviously, on the rollout is the phasing on size. And I
23 was just trying to understand, from the existing data,
24 if there's any -- which may be relatively inhomogeneous
25 across geography. Is there any real sense of the

1 cumulative frequency distribution of consumption? You
2 know, if we start out at X, do we really capture a
3 substantial amount of energy use as we move forward,
4 too?

5 COMMISSIONER MC ALLISTER: Let's see, I guess
6 we've done some preliminary -- I think maybe Abhi or
7 Martha can speak to this. But the data that we have,
8 actually isn't that great. And, you know, the last data
9 is old, and that kind of stuff, and we've been working
10 with that as best as we can.

11 But the CoStar data promises to be a lot better,
12 I think. But I'll let staff --

13 MS. WADHWA: So, we're looking into some of the
14 private data sources that are out there. And from what
15 we understand so far, outside of the private data
16 sources, there's just a huge gap in even what assessors
17 have, which is what, basically, the private data sources
18 tap into.

19 So, we are exploring some pilots where, you
20 know, more innovative techniques are being looked into
21 and how you can physically capture all the square
22 footage information.

23 So, it's sort of a multi-pronged approach. You
24 look at the private data sources, gather that, but at
25 the same time also see what's the cutting edge out

1 there.

2 MS. BROOK: But to answer your question, Chair,
3 about that cumulative energy use, we think that if --
4 when we recommended that 50,000 square foot size, that
5 we would -- we would be impacting or touching a little
6 less than 50 percent of the energy use, something like
7 in the 45 percent range. You know, and that's got some
8 air bounds around it because of the quality of the data.
9 But that's really, I think, the beauty of these large
10 commercial benchmarking programs is that it's a small
11 number of buildings compared to the amount of energy use
12 that you could potentially impact.

13 COMMISSIONER MC ALLISTER: So, why don't we open
14 up the phones.

15 MS. RAITT: So, if you're on the phone, we'll
16 open them up. And if you didn't want to make comments,
17 please mute your line, now.

18 MR. HOOPER: This is Barry Hopper, just a
19 comment to the last thread. It does seem to me like it
20 would be pragmatic for the Energy Commission to consider
21 a multi -- a little bit easier phase-in schedule,
22 starting with even larger buildings, similar to the
23 Chicago and D.C. models.

24 In San Francisco, we did happen to start at
25 50,000 square feet, but that had to do a lot with the

1 level of resources in the average forum, and also
2 because we didn't have anybody's experience to guide us.
3 And I do think that, you know, you look at Chicago, who
4 did a fantastic presentation, but it's also interesting
5 to look at -- one way of looking at their great work is
6 that they really started with, you know, under 500
7 buildings to really work out the kinks in their system.
8 And they were the 500 most -- or 400, I think, most
9 important.

10 But, you know, setting a threshold at 250,000
11 square feet for year one would really give you a chance
12 to match resources with the technical challenges you're
13 going to have to work out. And also, to start first
14 working with the stakeholders that are going to have the
15 most cleanest data to start with, and the most capacity
16 to work with you.

17 So, even though it's not as satisfying as
18 setting a threshold that covers a very large fraction of
19 energy use in year one, it could be a way to work out
20 the kinks. Which, you know, it is a big undertaking to
21 do statewide benchmarking in California for commercial
22 and possibly multi-family buildings.

23 MS. BROOK: Thanks, Barry. This is Martha. And
24 Erik, actually, he had a graphic in his slide that shows
25 that phase-in, we just didn't -- we didn't discuss it in

1 depth. But we certainly understand that recommendation
2 and are embracing it, and we'll be talking about it more
3 in the future.

4 MS. RAITT: Anyone else on the phone lines? I
5 guess not. I think we're done with the public comments,
6 then.

7 COMMISSIONER MC ALLISTER: All right. Well,
8 let's wrap up. Thanks again for everybody on their
9 presentations, Erik, and also the three of you now on
10 the phone. Really appreciate the innovative work that
11 you've been doing. You know, Cliff, and Chicago, and
12 San Francisco, and certainly looking forward to
13 partnering with L.A. Very, very important what you're
14 doing down there. And, you know, very much value Mayor
15 Garsetti's leadership there. It's pretty amazing.

16 Anyway, we want to build in the ways that make
17 the most sense on those efforts and build something
18 that's going to work for California.

19 So, this has been a really nice session to get
20 our heads around that, and broad, and get some input
21 from folks.

22 Comments are due on?

23 MS. RAITT: May 21st.

24 COMMISSIONER MC ALLISTER: May 21st. So,
25 really, there's been a lot of discussion about what we'd

1 like to see in comments. As much as possible, if you
2 can put them down. Certainly, the points that the Chair
3 expressed.

4 And in particular, really getting through this
5 data discussion for purposes of benchmarking. I think
6 we see, I hope we can all agree on how valuable this is
7 and that it's not -- it's not nearly as complicated as
8 it -- as sometimes we get corralled into thinking.

9 So with that kind of proactive mentality, I
10 would like you to put together your comments and suggest
11 solutions.

12 So with that, we'll adjourn for the morning and
13 come back at 1:00 p.m. Correct?

14 MS. RAITT: Yes.

15 COMMISSIONER MC ALLISTER: Okay, thanks
16 everybody.

17 (Off the record at 11:35 p.m.)

18 (On the record at 1:08 p.m.)

19 MS. RAITT: Commissioner McAllister, if you
20 wanted to open it?

21 COMMISSIONER MC ALLISTER: Yeah, so I'm going to
22 invite everybody to come on in. So, we had a good
23 discussion this morning and looking forward to another
24 one this afternoon.

25 The local government challenge and, you know,

1 perhaps local government issues a little more broadly
2 than that but, specifically, in the AB758 Action Plan.

3 One of the things we heard in our work on -- you
4 know, talking with stakeholders, local government,
5 hearing from everyone interested in the existing
6 building stock was that really since much of the
7 pertinent jurisdiction is at the local level that we
8 needed to engage more closely, and we need a mechanism
9 to engage more closely with local governments.

10 And the broader context being that, you know, in
11 the downturn local governments lost a lot of resources.
12 And I think, you know, are not at the levels of staffing
13 and resources that they were before the downturn. And
14 probably won't get back there. That's one contextual
15 situation.

16 And we realize that as a State, we need to do
17 much better in enabling, in creating tools, enabling
18 local governments to use those tools, or develop their
19 own to work better on getting code out there into the
20 world, and to the local level so that it's easier to
21 deal with and there's more general knowledge about it.

22 And that much of the sort of conditioning of the
23 marketplace has to happen at that local level. And, you
24 know, there are some programs that work with local
25 governments, but we heard over and over again that there

1 are gaps, that there are limitations, that there are
2 constraints. That they just don't have a lot of options
3 or ways to solve and fill.

4 And so, this idea of the local government
5 challenge really is sort of part -- just direct
6 relationship, creating that direct relationship between
7 the State and, certainly, innovative local governments.
8 But, really, all local governments.

9 And then create -- within that do something
10 that's more competitive to stimulate innovation, to work
11 with the governments that are really thinking creatively
12 in trying to solve these problems and having some
13 success at that.

14 And so, really, I think it's an exciting idea.
15 We have some funding that we're looking to contribute to
16 it in year one, and kind of going forward, modest
17 amounts. And, certainly need to work on that.

18 But the key topic, or the key sort of problem,
19 or goal I would have for us today is for us all to think
20 about what this could look like to have the most impact
21 at the local level. Really, fundamentally, at the local
22 level, but also helping create that network of learning
23 so that the best practices can emerge and then go more
24 statewide, and be more pervasive throughout the State.

25 So, I'm excited about this idea. And we've put

1 quite a bit in the Action Plan about it. But, really,
2 depend on stakeholders and local governments,
3 themselves, to tell us what's actually needed, what the
4 gaps you have are and how we might best help fill them.

5 So with that, I'll pass to Chair Weisenmiller
6 who, luckily, was able to join us this afternoon, too.

7 CHAIR WEISENMILLER: Anyway, I'd like to thank
8 everyone for being here this afternoon. Particularly
9 interested in trying to -- for this afternoon, in trying
10 to deal with some of the connections between the large
11 cities and moving it more generally throughout the
12 State, and the types of institutions one might need, and
13 resources to do that.

14 I'm thinking back, in part, to the Brown one
15 era, where we had Western Sun and we had Solar Cal. And
16 Solar Cal was certainly very active at the local
17 government level in trying to move energy efficiency and
18 solar.

19 So, anyway, let's start the conversation.

20 COMMISSIONER MC ALLISTER: All right, thanks.
21 We'll go back to Heather here to go ahead. Heather, you
22 want to kick it off?

23 MS. RAITT: Okay. First, we have Jeremy Battis.
24 Thank you.

25 MR. BATTIS: Hi, good afternoon Commissioners,

1 staff of the Energy Commission, members of the
2 stakeholder community.

3 I'm Jeremy Battis. I'm with the Energy Division
4 of the CPUC. I'm going to take a few minutes to walk
5 you through the efforts of the local government
6 partnerships and programs to deliver EE, and allow
7 enough time to take a few short questions.

8 So with that, let's just go ahead and get
9 started. Thank you for the opportunity.

10 Today we have about 60 or more investor-owned
11 utilities, local government partnerships that deliver
12 energy efficiency throughout California's communities.
13 Over 200 cities and counties receive these benefits.

14 Relatively recently we've had RENs also come on
15 board, regional Energy Networks, currently operating
16 within the nine-county Bay Area, and the SoCal areas
17 where SCE and SoCal Gas territories intersect.

18 And, finally, we have energy efficiency being
19 delivered from one community choice aggregator, Marin
20 Clean Energy, within Marin County, and portions of Napa,
21 Contra Costa, and Solano Counties.

22 Combined, these programs account for about 11
23 and a half percent of the \$1 billion per year that the
24 State invests in energy-efficiency programs. And the
25 IOU partnerships, themselves, consume about \$75 million

1 or about 8 percent of the overall EE budget.

2 The IOU partnerships deliver in three broad
3 program areas, EE upgrade of public buildings, promotion
4 of certain IOU EE programs within the local communities,
5 and then activities that come from the local government
6 EE strategic plan. Meaning such as energy action plans,
7 Reach Code writing, permit software procurement,
8 training of building officials on Title 24 updates,
9 education of local government decision makers on the
10 State's climate goals, and other strategic plan needs
11 such as water energy nexus, zero net energy, and
12 critical needs that the Commission has signaled are
13 topical.

14 Talked to you a little bit about the regional
15 Energy Networks, which were conceived in a 2012 decision
16 and rolled out in 2013. Initially, they were approved
17 for two years, with the 2015 extension year. They are
18 currently approved through the end of this year.

19 Their formed by regional coordinating groups,
20 either local governments or a strong central organizing
21 body, such as L.A. County, to deliver these throughout
22 their communities. So, it's sort of a model having
23 local governments serve other local governments and
24 their communities.

25 These RENs are expected to be drivers of

1 innovation, capturing next-generation savings
2 opportunities, avoiding duplication with IOU
3 partnerships and other EE programs that the IOUs offer.

4 Bay RENS offered at about \$13 million per year,
5 SoCal ran at about \$22 million per year. Both RENS have
6 multi-family and single family programs, as well as
7 financing.

8 Bay REN also has a pretty innovative and strong
9 code compliance program and a wider energy nexus program
10 that's building on pay-as-you-save financing for water
11 bills.

12 And SoCal REN has a pretty innovative program
13 dealing with public agency technical support to allow
14 for bundled procurement, uniform contracts throughout
15 the region, some other program management needs.

16 Marin Clean Energy is the first CCA within the
17 State to be authorized to deliver energy efficiency.
18 Currently, it's got programs of under \$2 million. It's
19 been approved to do electricity and gas efficiency
20 programs. And it's currently delivering single and
21 multi-family upgrade, and financing, and looking to do
22 more with small business. It's in discussions to do
23 battery storage and some other innovative needs that are
24 currently being unaddressed.

25 It's expected to become cost effective. And

1 it's independent of IOU oversight. And the current
2 arrangement has MCE savings being applied toward PG&E
3 savings goals within that service area.

4 So, just to talk a little bit about the sort of
5 overarching guidance and expectations for where
6 ratepayer money can be applied toward EE within the
7 CPUC.

8 IOU ratepayer funds are generally expected to
9 produce energy-efficiency measures and related technical
10 assistance, and water energy measures, and code
11 compliance improvement.

12 And to talk a little bit about some existing
13 needs within local governments that are currently not
14 being addressed by EE, and ratepayer funds. These would
15 include local government staff for climate and energy
16 action plan implementation, and some broader planning
17 efforts such as addressing land use, and transportation
18 nexus. Your typical LEED scoring criteria, whether it's
19 within a building or community LEED, and climate
20 adaptation plans.

21 So with that, I'm happy to take any questions.
22 Thank you.

23 COMMISSIONER MC ALLISTER: Thanks for being
24 here, really appreciate the presence of the PUC.

25 And, you know, I think that I certainly want to

1 acknowledge the resources that go into the local
2 government partnerships. It's bigger than -- you know,
3 it's a big chunk of the -- it's not a trivial amount,
4 it's a big chunk of the overall portfolios.

5 And I'm sure we'll hear that many of the local
6 governments here will rely on those funds to do some of
7 the things that you mentioned there.

8 And so, I think I see this as kind of a context
9 of, you know, within the portfolio what is possible.
10 And with some of the constraints about cost
11 effectiveness, and sort of what the local governments
12 and the utilities can agree on is a good use of those
13 funds, and it gets approved by the PUC.

14 And I think here, in the local government
15 challenge, the idea is to really complement that with
16 activities that can leverage local government
17 jurisdiction sort of more broadly, energy related,
18 generally energy and water related. But more some
19 foundational things that may not lead directly to
20 savings in a way that's attributable like, say, you
21 would require at the PUC.

22 So, rather than ask a bunch of questions, I
23 think I'd like to really hear sort of what the local
24 governments have to say, you know, about what they can
25 and do use the partnership monies for, and what they

1 feel like they're a little constrained in using them
2 for. And talk about those gaps and see how we can sort
3 of proactively fill them as we go forward.

4 So with that, I think I'll move over to Martha.

5 Thanks, Jeremy. If you can stick around, I'm
6 sure there will be questions.

7 MS. BROOK: Hello, this is Martha Brook from the
8 California Energy Commission.

9 And Andrew talked a lot about what I'm going to
10 talk about, so we're going to get through this quickly,
11 which is great because we really want to hear from you
12 guys, more than staff.

13 So, our recently-released Action Plan does
14 recognize the need for long-term government commitment
15 for energy efficiency to meet our State goals.

16 And as Andrew discussed, we think local
17 governments have a crucial role to play. They have
18 critical jurisdiction over building and land use, they
19 have a unique connection to their constituents and a
20 duty to serve their constituents. There's lots of local
21 government buildings that are under their control.

22 And, really, a great opportunity for innovation,
23 but governments often or always lack consistent funding.

24 So when we think about criteria or targets for
25 local government programs, we are thinking about some

1 things that we'll introduce now but then, like Andrew
2 said, we want to hear from you about where gaps and
3 challenges are that you would like our help in trying to
4 resolve.

5 So the plan mentions performance-based
6 efficiency improvements. We are very motivated to move
7 to more of a measured savings approach for efficiency in
8 the State. We have this huge opportunity because we
9 have an AMI data infrastructure, now, and we really want
10 to take advantage of that opportunity to measure
11 savings, and really do performance-based in initiatives.

12 So, we're looking for opportunities and
13 innovation in areas to confirm project savings using
14 that AMI data infrastructure.

15 We want to see program activity that's diverse,
16 both geographically and demographically, to cover all of
17 the issues in the State, not just specific to one area
18 of the State.

19 We know we have this challenge between small and
20 disadvantaged cities, and large cities with resources.
21 And some are easier -- or more able to innovate than
22 others, but all cities need to participate with us. And
23 we really are seeking a broad participation in our
24 program going forward.

25 So areas that we've mentioned in the plan that

1 we think might be appropriate for local government grant
2 programs are aggressive early implementation of
3 statewide program concepts. So, for example, upgrading
4 public buildings, benchmarking and disclosure, which we
5 talked about this morning. Not just the active
6 benchmarking, but all of the nitty-gritty infrastructure
7 development and other things that need to happen to have
8 those kind of programs successful.

9 Streamlined permitting and compliance. We know
10 some of you are definitely diving into this area and we
11 applaud you for that. But we need to understand your
12 issues and barriers so that we can make those code-
13 related permitting and compliance efforts as successful
14 as possible.

15 Really excited and want to encourage data-
16 driven, community-wide energy planning. So, connecting
17 building energy use and building-efficiency savings
18 opportunities with land use and greenhouse gas action
19 planning activities, we think there's a huge area to
20 work on in that, in helping you get better data about
21 building energy use and building energy savings for --
22 to put it in the context of the land use or climate
23 action planning efforts.

24 Potentially, requiring audit and assessment
25 requirements, like some cities have done already in the

1 State at specific trigger points. And then, really
2 encouraging innovation in the areas of -- which we
3 don't -- haven't specified the answer to, but really
4 looking for your suggestions on ways to significantly
5 increase efficiency projects and project flow.

6 So, as we do mention in the plan, transaction
7 costs for efficiency projects is one of our biggest
8 hurdles. So, any kind of innovations that really reduce
9 those transaction costs, we are definitely encouraging.

10 So when we think about implementation of a grant
11 program for local governments, we know we'll have to
12 come up with eligibility criteria to increase the
13 success of the projects that are granted.

14 So, some of the things that we've thought about,
15 and this is preliminary and we want your feedback, but
16 we've thought about some sort of a signed commitment
17 obligation from city leaders, and the strategic partners
18 that would be implementing the grant activities.

19 Some indication that the local government has
20 access to the building energy use data or a commitment
21 from the utilities to provide such data to the local
22 governments.

23 Savings tracking mechanisms in place or well-
24 developed, again to really push towards a performance-
25 based efficiency tracking system.

1 And then, obviously, specific target areas that
2 are unique to the local governments in terms of low
3 income, or the stock of buildings that were built before
4 the building efficiency standards in the State came into
5 effect.

6 And then, as I mentioned, projects that are
7 consistent with climate and energy action plans is
8 another area that we thought would probably be a good
9 place to look for ideas.

10 So what we expect for outcomes is significant
11 increase in efficiency in residential and commercial
12 upgrades that you, as local governments, facilitate.

13 Your demonstration of leadership by
14 accomplishing deep benefits in your government
15 buildings.

16 Effective methods to track and publish energy-
17 efficiency project results.

18 And then, just to increase and enhance your
19 point of contact with your constituents, so that you're
20 seen as the energy and water efficiency experts that
21 your constituents would look to, to get answers.

22 And then, really, from our perspective as a
23 State agency, we want you to demonstrate best practices,
24 lessons learned, identify barriers and resolutions to
25 those barriers so that we can then help get a wider

1 statewide implementation, where it's appropriate.

2 And that's all. So, the next part of the
3 agenda, what we were hoping to do is get some examples
4 from local governments of both issues that they're
5 facing now, and barriers, and potentially opportunities
6 that they've either already identified, or already
7 implemented to overcome some of those barriers.

8 So, we're going to hear from local governments
9 next.

10 COMMISSIONER MC ALLISTER: Thanks, Martha.

11 MS. RAITT: The next speaker is Wes Sullens.

12 MR. SULLENS: Good afternoon. Thank you,
13 Commissioners, for having me here and I'm glad to be
14 here. And I have the unenviable task of talking about
15 codes after lunch. So, bear with me, please. We have
16 some interesting findings, I think, to share.

17 So, I'm Wes Sullens. I work at StopWaste, which
18 is a local government agency of Alameda County. And
19 we're a member of the Bay REN and represent Alameda
20 County on that group.

21 So, I'm going to talk about this report we just
22 released, which is called the PROP report, Permit
23 Resource Opportunity Project, and some of the findings
24 therein.

25 So, as Jeremy covered, Bay REN is one of the

1 regional Energy Networks in the State, made up of public
2 agencies. It's about 20 percent of the State's
3 population. And we draw on the expertise and experience
4 of the local governments that have a track record for
5 delivering programs to the local area.

6 And within our program we have five sub-
7 programs. Each one of these has a technical and a --
8 sorry, an agency lead. StopWaste is an agency lead on
9 the multi-family program. And then it's more of a
10 collaborative effort on the codes and standards program,
11 but I'm sort of the technical lead for the time being.

12 So, happy to go into more details on these. You
13 can also find a lot of information on our website about
14 these other programs.

15 But for today, I want to talk about the codes
16 and standards program and the report that we just
17 submitted.

18 So, as part of this program we had several goals
19 to help with the energy code compliance and enforcement
20 kind of space within our local area. And so, one of our
21 goals is to provide support to the cities and the
22 counties to better implement their codes.

23 And that's done through a variety of trainings
24 that we offer. We provided many trainings last year.

25 We also have permit resource guides that are out

1 there to help with compliance. These are -- some are
2 checklist-based, others are just guides for applicants,
3 or the building departments, or the plan check folks to
4 help streamline some of the new requirements.

5 Another goal was to share best practices. And
6 we've provided, basically, a peer-to-peer network
7 through the regional forums we've implemented. We do
8 these every two months and they're kind of conducted
9 around the region on various energy-related, and green
10 building-related topics. So, things about best
11 practices and policies, to what are the new energy code
12 requirements, to sustainable cities, things like that,
13 that are of interest to our groups.

14 We've also conducted cost-effectiveness studies
15 for the single family markets, for new construction, and
16 we're working on existing buildings so that we can have
17 those resources for going above-code.

18 And we've got a toolkit in the works to help
19 with time of -- residential energy conservation
20 ordinances, modeled after Berkeley's, or something
21 similar.

22 And then, the other one I want to talk about
23 today, in more detail, is the areas for improvement in
24 the code inspection process. So, I'll talk about our
25 report and then some of our updates that are happening

1 as a follow up.

2 So here is the report that was just published.
3 And the purpose was to assess how well code enforcement
4 is happening at the local level, identify successful
5 strategies for enforcement, gather data, and provide
6 assistance to building departments.

7 I think one of the main things we wanted to do
8 in this was let our own building departments in our
9 region know that we're not trying to shame or blame,
10 we're trying to come in and assess, honestly, how things
11 are working. Are there strategies for success? How can
12 things be improved? And how can programs be identified
13 to help out with that?

14 And I think because of that kind of framing and
15 coming into the conversation like that, we were able to
16 get 15 building departments to let us in for a pretty
17 robust study. So, several -- all these building
18 departments allowed us to come in for a couple days, and
19 we basically interviewed staff, the chief building
20 official, the plans examiners.

21 We observed the process they go through and
22 documented that. And we collected lots of data about
23 their permit activity, their volumes, things that are --
24 how they trigger codes, if there's over-the-counter
25 versus review plan check, and then how their inspection

1 process is happening in the field.

2 There's a lot of variation here. So, we did 15
3 building departments and every one of them does it
4 differently. That was one of our takeaways.

5 Some have third parties do certain parts of it,
6 or entire chunks of the process. So, we kind of took
7 the best practices and salient points of all that and
8 aggregated them into this report.

9 Now, in addition to looking at the kind of
10 jurisdictional characteristics, we also looked at the
11 project-specific characteristics. So, for each one of
12 these jurisdictions we went really in-depth on two or
13 three projects and looked at specifically how these
14 projects were permitted and inspected through the
15 process, from plan intake all the way to in the field,
16 if we could.

17 And we looked at, as you see on the screen here,
18 that's submitted after plan review and that's
19 constructed in the field.

20 So, the sample size, which is on the next slide,
21 was only about 49 buildings that we went into and looked
22 at in a lot of detail. But again, we had this
23 jurisdictional level of depth, of understanding how
24 they -- these jurisdictions go through the process. So
25 even though the numbers may not represent a

1 statistically significant sample size, it certainly is,
2 I think, indicative of the process, as we picked that up
3 quite well.

4 So there were 49 projects. What you see on the
5 slides, which is kind of hard to read, is the breakdown
6 by project type. The first one is residential/nonres,
7 the climate zones, additions, alterations, tenant
8 improvements or new construction, and then the
9 compliance method.

10 So, I guess what we're trying to show here is
11 there was a pretty good range, even given that limited
12 size.

13 And so our findings. We found some pretty
14 compelling evidence that discrepancy-free compliance is
15 rare for all building types within all three of the
16 stages, so plan intake, plan check, and then inspection
17 in the field.

18 But these errors in discrepancies do not always
19 knock the projects out of compliance. And then there's
20 some findings this uncertainty has a role in undermining
21 the compliance and enforcement.

22 And it's also, more importantly, an opportunity
23 to fix some of these and improve performance overall.

24 So, here's some of the data that we've got.
25 There's a lot more in the report, so I would encourage

1 you to review it.

2 On the left there's the project types. The next
3 column is the error-free projects, so out of the 49 only
4 eight were error free through the whole process, which
5 contributes to about a 16 percent of all projects were
6 error free throughout the process.

7 Now that means, again, that they didn't
8 necessarily get knocked out of compliance, but that
9 there were things that happened in the process that
10 changed and were not picked up in the models, or the
11 plans, or both.

12 And then this table is kind of showing where in
13 that process those things happened. So the percentage
14 is the percent error free. What we see is that the
15 original submission, there's a pretty high rate of being
16 compliant with the code, 71 percent. But then, as soon
17 as it gets to plan check there's a deep drop, and then
18 that drops again during field inspection, or I guess
19 it's about the same.

20 So we found some interesting sticking points
21 there. And as the process goes through, and a project
22 is submitted, and reviewed, and inspected errors creep
23 up. But the projects are not necessarily going back and
24 fixing those things either in the field, or on the
25 plans, or the model.

1 COMMISSIONER MC ALLISTER: So, practically
2 speaking, how does that -- sorry for jumping in here.
3 How does that sort of -- you know, when you're talking
4 to the building official and they're like, okay, there's
5 acknowledgement that there are many projects with
6 errors, how do they sort of come to resolution on that
7 and, you know, close the file out?

8 MR. SULLENS: That's a great question. We could
9 spend all day.

10 COMMISSIONER MC ALLISTER: The other thing I
11 want to just observe is that, you know, in the 758
12 Action Plan it's existing buildings. And so, the
13 percent of error free are, you know, low across the
14 board, of course, but they're even lower, they're lowest
15 in additions and alterations.

16 MR. SULLENS: Yeah.

17 COMMISSIONER MC ALLISTER: And, you know, of the
18 eight, only two of them were additions and alternations,
19 but 27 projects were considered, so it's a very small
20 percentage.

21 And so, I think we do have an issue here in
22 codes that I think, you know, creative thinking about
23 how local governments can attack that issue, you know,
24 and with a reasonable amount of resources, and how we
25 can help, that's really kind of the theme I want to

1 highlight. But sorry to interrupt.

2 MR. SULLENS: Great points. And on that issue
3 of additions, alterations, the other thing about this is
4 our analysis spanned the to-code cycles. So, we started
5 at the beginning of 2014, all the way through the end of
6 the year, pretty much. And so, we had the extra
7 complication of the changing energy code in the middle.

8 So, that could have had something to do with
9 some of these numbers, but it's hard to say.

10 But your question, though, about what do
11 building departments -- how do they square that one? I
12 hate to say it, but it depends, right.

13 Each one has their own way of doing things. And
14 some of them rely on the architects, designers,
15 engineers, owners. They should know the code. They're
16 the ones that are responsible at the end of the day.
17 Even though we are checking, we're spot-checking, we're
18 signing off. If there are discrepancies, it's kind of
19 at their end.

20 And then you get the more -- it's hard to say,
21 but some of the ones -- this is all anonymous, part of
22 the beauty of it, right, that say, oh, we just don't
23 have time to check that stuff. So, it kind of ranges
24 the full spectrum. That's all I'm going to say for
25 that, for now.

1 So, part of this, what does it mean if a project
2 is not compliant through the stage? This is a graphic
3 trying to show that even if a project has some errors in
4 it, it doesn't mean they're knocked out of compliance.

5 Let's say a project starts with some percentage
6 above, it's like a wiggle room, and then through the
7 process there's changes, there's substitutions. They
8 may not go back and change the plans or the model, but
9 they still, generally, could be assumed to be in
10 compliance.

11 So we tried to assess some of this in our
12 reports, as well, although that was very difficult to go
13 back. Because, you know, typically, these projects are
14 modeling once for the energy code, if you're doing a
15 performance path and there is no iteration. So even if
16 things change, they probably will not come back unless
17 there's a significant change in the project, and redo
18 that model.

19 And the same thing's true for prescriptive. If
20 you substitute something, it doesn't mean they're going
21 to go and complete an entirely different CF-1R, or
22 something.

23 So, another way to look at this, this is getting
24 more at the -- so what does that mean that 16 percent
25 had errors -- or only 16 percent were error free. But

1 what does that mean in terms of how they did compared to
2 predicted savings.

3 And so this is showing that about 51 percent of
4 those projects did worse than predicted. Predicted
5 meaning modeled based on the original submitted plans.
6 So, there's some savings that were missed there.

7 So, some of the things we found were that there
8 was incomplete, inaccurate or conflicting energy
9 information in the plans and compliance documents. And
10 then once they're in the field, are being installed,
11 things change again.

12 There's energy code documentation missing in the
13 field. Some departments would say like, you know,
14 that's your job to review that and others would say
15 that's your job.

16 I'm sorry, this kind of crossing, that does
17 happen.

18 And then some energy documentation on plans was
19 inaccurate.

20 And I should say that, keep in mind that these
21 jurisdictions that opted to let us come in and shadow
22 them and watch were self-selecting, they allowed us in.
23 And so, in most cases, these were sort of -- we did find
24 some really good practices, some really good processes,
25 and these were kind of the ones that wanted to let us in

1 and learn some ways to improve.

2 So, as for next steps, we've done this report,
3 but we're not done, yet. This year we're going back to
4 those same jurisdictions, the ones that will let us in,
5 and we're going to look and provide some additional
6 trainings, and these compliance improvement measures, or
7 metrics.

8 So what we've done is we've said, based on your
9 projects that you take in and the process you do, here
10 are the kind of five or ten best things you can do to
11 improve compliance on those types of projects. And
12 those are what we're calling compliance improvement
13 measures, and we're trying to train on those and see if
14 things get better in those specific measures.

15 And the second thing we're doing is doing a
16 regional plan check support program. And this is
17 something that we're funding this year and it's just
18 getting off the ground. And it's starting in Contra
19 Costa County.

20 They're a building department that is the
21 county, they do the unincorporated areas, but they also
22 do plan check for a lot of their smaller cities, I think
23 seven cities today. And they already have this kind of
24 regional permitting thing set up, where they do this
25 plan check, not just energy, but other parts of the

1 permit process through the Contra Costa County Building
2 Department.

3 So we're going to basically add on a
4 nonresidential check stage through their process. We're
5 going to provide consultants to their staff, give them
6 review and training assistance on their projects that
7 come through. And really focused on nonresidential
8 because that's an area where they don't do a lot of
9 projects, they don't see a lot. So, they have the
10 least, I guess, skilled expertise in that area.

11 And we're going to report on improvements that
12 happen based on that process. And, hopefully, if this
13 successful and there's future funding for things like
14 this, we would expand this program to more of a regional
15 basis.

16 Because I think if we can get this to fly in
17 Contra Costa, it's a really interesting model for how to
18 do these regional plan check centers throughout the
19 region.

20 And one of the exciting ideas there is to look
21 at ePermit systems, or types of software upgrades to
22 help. Like iPad-based inspections, for example.
23 There's lots of interesting, promising things out there
24 that just need kind of some help to get along.

25 And with that, I'll take any questions.

1 COMMISSIONER MC ALLISTER: Great, thanks very
2 much. I'm going to hold off on my questions. I'm just
3 going to note them down and then, when everybody's done
4 with their presentations we'll ask them, and open it up.

5 MR. BATTIS: Okay.

6 COMMISSIONER MC ALLISTER: Thanks for being
7 here.

8 MS. RAITT: Our next speaker is Laurel
9 Rothschild.

10 MS. ROTHSCHILD: Thank you and good afternoon,
11 everyone. I'm really honored to be here. And hello,
12 everyone, on the webinar, as well. Sometimes you forget
13 that there's people listening in.

14 So again, my name's Laurel Rothschild. I am
15 with the Energy Coalition, but today I'm speaking on
16 behalf of the Energy Network, and also a local
17 government partnership program that I also participate
18 in.

19 So just as way of background, the Energy
20 Coalition, we're a nonprofit organization. We're based
21 out of Irvine, but we do have offices up here in
22 Northern California and in San Diego.

23 I want to speak to my specific experience
24 working with local governments. I've been working with
25 local governments, through the Energy Coalition, for

1 over nine years, now. But that experience is limited to
2 the Edison Gas Company territory.

3 After me, there will be someone speaking from
4 San Diego.

5 So the two programs that I will be speaking to
6 is the Community Energy Partnership, which is a local
7 government partnership program, with eight cities
8 participating. It was actually the very first local
9 government partnership. Two of our cities have been
10 participating since the '90s.

11 And then, also, the Southern California Regional
12 Energy Network. So this is also, I'll be referring to
13 it today as the Energy Network. And this program is
14 administered by Los Angeles County, as Jeremy mentioned
15 earlier.

16 But today, there are a number of programs. I'll
17 be speaking specifically to the Public Agency Program,
18 in which there are over 700 agencies in Southern
19 California that are eligible for this program.

20 So, given my short amount of time today, I want
21 to focus in on municipal energy efficiency upgrades. So
22 one thing to note on here, though, is that we're not
23 just speaking purely to brick and mortar buildings and
24 facilities. I've found that in a number of cities you
25 work with, over 50 percent of their energy costs are

1 actually through streetlights and/or water treatment and
2 pumping. So, remember that this is not just limited to
3 facilities.

4 Also, many of the challenges and successes I'll
5 be speaking to today are not limited to just public
6 agencies, they could cross over to different market
7 sectors.

8 Okay. So, I wanted to break out challenges into
9 three sections today, so I'll be speaking to challenges
10 faced by the public agencies, so the challenges we face
11 by working through energy-efficiency programs. And
12 then, also, the challenges of working with the current
13 state of policies in California.

14 So first, just to touch on the public agency
15 challenges, and this is really coming from more of the
16 perspective of the public agency, themselves, when you
17 speak with them about approaching energy efficiency in
18 their own facilities. Is, you know, you hear this time
19 and time again, you know, I have limited staff time and
20 we do not have the expertise.

21 And, you know, and when I say limited
22 understanding of procurement and construction there, I'm
23 really speaking of outside the standard process. So,
24 design, bid, build is what everyone's used to. And so,
25 many times they're nervous to do something different and

1 innovative.

2 Also, limited understanding of how to sell the
3 projects, as well, on the financial side. So, everyone
4 likes to think of how many years, standard payback, and
5 you really are trying to educate people on that there's
6 more than just how many years it takes to pay back the
7 project.

8 Also, once you've convinced the city that you
9 want to look at energy efficiency, they're many times
10 working with other staff and, you know, deferred
11 maintenance is the priority. So, they're really waiting
12 until the last minute to change equipment. It's really
13 hard to convince them to look at things sooner.

14 And also, when you do get to the conversation of
15 energy, renewables, it's the energy efficiency's sexier
16 cousin. Everyone's wanting -- you know, when you're
17 looking at the decision makers, they hear energy and
18 they're thinking where's the solar panels?

19 Also, again, kind of moving forward, you've
20 decided energy efficiency's the way to go. I understand
21 loading order, EE is number one. How do you invest in
22 deeper and whole-building retrofits? That's very
23 complex. And it requires more stakeholders to buy into
24 the project.

25 And when you are bundling various measures,

1 you're putting that project at risk to be de-bundled
2 just later, when it's ready to be sold to counsel. And
3 so why -- why buy a \$1 million project, with a 10-year
4 payback, when you can do a \$200,000 project for a 2-year
5 payback, and so we're not going to do the chiller.

6 Now, on program challenges. This is something
7 that I just want to comment that this is in working with
8 the investor-owned utility programs. And I do -- I'll
9 comment after I go through these that a lot of these are
10 as a reaction to the policies that are set forth. So,
11 it's not at the fault of the individuals implementing
12 these energy efficiency programs.

13 So first off, there's a number of programs out
14 there. They're complex. They're sometimes competing
15 with each other, which is surprising. And they do
16 change. So, that's a hard, hard process to navigate.

17 Also, once you move forward on a particular
18 program, it is a very complex and time consuming
19 process. I don't know how many people in this room have
20 tried to fill out an application. But if you haven't,
21 maybe go in and try, and see how long it takes you, and
22 all the backup documentation. Then you submit the
23 application and there are some agencies that wait six
24 months for an approval to move forward on a project. If
25 they move forward before that approval, they do not

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1 receive the incentive.

2 Then, you're measuring success. The city's gone
3 forward, they complete a project, so excited. Well,
4 really, from the perspective of the utilities, you're
5 only achieving energy savings if you go through a
6 specific energy efficiency program. And then, once you
7 are measuring that it's above code, what you did above
8 code. It's not based on the existing baseline. This is
9 really challenging for cities to understand why things
10 are done this way.

11 So, you're not measuring the actual impacts, and
12 so many times the savings are lost in translation.

13 And I would -- I could speak for a whole
14 afternoon about data, but I'm going to hold off since I
15 heard that was a major discussion this morning. So, if
16 there's questions about that, I can speak to it later.

17 Policy challenges. So, as I mentioned before, a
18 lot of these program challenges are as a result of
19 policy. So, first off, there are siloed energy policies
20 and proceedings out there, energy efficiency,
21 renewables, demand response. There's no true integrated
22 solution for the customer.

23 And so what happens is there's competing
24 outcomes. Energy efficiency is competing with DR, which
25 is competing with renewables.

1 There's also a weak linkage between the design
2 of the programs and once they're being implemented, and
3 how they connect to the State's goals. So, we all know
4 about the Governor's 2030 goals. But when you actually
5 implement a project and you find out that you've saved
6 250,000 kWh savings, well, what does that translate
7 into? How am I helping the State? Oh, and I saved
8 5,000 therms, woo-hoo.

9 So, really, it would be wonderful if we could
10 revisit those metrics.

11 Also, from my experience, you know, and I think
12 many others have experienced this as well, when you're
13 going through these programs, programs are really
14 designed to focus in on administrative efficiency and
15 standardization.

16 This really causes that you're losing focus on
17 what the customer needs are.

18 Okay, now let's speak about successes. Despite
19 all of these challenges, there are successes out there.
20 So, first, I'll speak about local government
21 partnerships. I did not list community energy
22 partnership at the top because I do communicate with
23 quite a number of different local government
24 partnerships on a regular basis, down in Southern
25 California. And I would say that many of these are seen

1 by most partnerships.

2 So, first off is that you are, in those local
3 government partnerships, you're given that opportunity
4 to work with the city and with the community. And that
5 does provide opportunity to really promote programs in a
6 more innovative way to your community. Cities do know
7 their communities.

8 Also, what we've seen is what's really popular
9 and a high uptake is when the utilities are offering, or
10 through the partnerships, no cost -- no cost. A one-
11 time opportunity is offered to the city. Who doesn't
12 love no cost?

13 So, an example, that I can give two quick
14 examples, is the plug load occupancy sensor, which is a
15 picture on your bottom right. We had a campaign, I
16 believe it was three years ago, where every single
17 agency had the opportunity to put these in all of their
18 municipal facilities. So, hundreds and thousands were
19 distributed to cities. Everyone jumped on board. No
20 cost and it was easy.

21 Next is the Direct Install Program. Many of you
22 have probably heard of the Direct Install Program. It's
23 a no-cost, energy efficiency program. And I just want
24 to comment, it's a wonderful program. But a challenge
25 with that is sometimes it takes away from cities that

1 are planning larger, more, you know, the older building,
2 deeper retrofit projects.

3 So I just want to say, even though the program
4 is a success, there's challenges as well.

5 Also, partnerships creates greater communication
6 between the utilities and agencies. When you create the
7 conversation, that is always a benefit.

8 Lastly, just to mention -- and there are more
9 successes, but these are just to highlight a few. You
10 know, I will say the local government partnerships
11 absolutely increases agency awareness of energy
12 efficiency, the concept of it and also the programs, and
13 the benefits.

14 So, now, to speak to the Energy Network
15 successes. Again, I'm speaking more so to the public
16 agency program. There are a number of programs offered
17 under SoCal REN.

18 So first off, I just want to say what we found
19 is the Energy Network has been highly successful in
20 addressing a lot of the challenges I mentioned earlier.
21 You know, the program launched about 18 months ago. And
22 since then what we've found is that it does a great job
23 of working directly with agencies to identify those
24 barriers and overcome them, to actually moving forward
25 on an energy-efficiency project.

1 One way we do this is we engage all the right
2 people, bring them to the table early. So, who are
3 these people? This includes contractors, the engineers,
4 people that understand financing, from the agency and
5 outside, and then the investor-owned utilities. Because
6 we're, again, complementing their programs. We're not
7 duplicating efforts, we're leveraging their programs.

8 And then we also bring -- of course, there's a
9 number of people from the agency side we need to bring
10 to the table, and also trade associations.

11 We also have brought the industry experts to the
12 table to create standardized tools to actually implement
13 projects. Pause for a moment. This is very exciting
14 innovation. To think that there's actually standardized
15 tools to actually develop these projects and move them
16 forward, and this streamlines the process.

17 Also, we've created -- I mentioned, earlier,
18 it's difficult to actually have a one-stop service
19 because of the lack of integration. But this program
20 has done its best to bring together as much as they can
21 under the current policies, to offer a customer -- these
22 customers or these cities the actual -- all the tools
23 they need to move a project forward.

24 And we work with the agency from start to finish
25 or they can just use one or two services, as needed.

1 And what we've found through this past 18 months
2 is we have very high customer satisfaction. We have
3 surveyed these cities. We're very much geared towards
4 continuous improvement. We consider ourselves nimble
5 and quick to make program changes as needed. Not at a
6 cost to the customer and confusion, but more as a way to
7 push forward further innovation.

8 So just briefly, to touch on who is in the
9 Energy Network. There are 56 agencies currently
10 enrolled in the program. You know, most of my
11 experiences have been working directly with cities, but
12 through this program we have also been working closely
13 with the different water agencies, and special districts
14 that include a port, and a parks and recreation
15 district, and also school districts.

16 And we are currently enrolling additional
17 agencies. But right now, we're truly focused on
18 delivering high-value services to the agencies that are
19 already enrolled.

20 Briefly, a case study. So, just two things I
21 want to mention about this project. Culver City, they
22 happen to be in a local government partnership program.
23 It actually happens to be the Community Energy
24 Partnership, and then also enrolled in the Energy
25 Network.

1 And what's wonderful is that working together
2 through the partnership, and the Energy Network, we were
3 able to identify a project and implement it in under
4 eight weeks. This project would not have happened
5 without the Energy Network. Why? Because the Energy
6 Network brought to the table an innovative procurement
7 strategy to make it so it was very streamlined and quick
8 to actually purchase the needed equipment and bring the
9 contractor on quickly.

10 So, this is my final slide. I just want to
11 speak about a few thoughts about how we can really
12 achieve market transformation in California and see
13 future success in programs, especially looking towards
14 AB758.

15 So, first, just a touch on policy. I mentioned
16 earlier that right now there's no real chewed ideas and
17 solution. You know, a way to see progress there. And I
18 know it's already happening. It's just bring everyone
19 to the table. We have CEC, CPUC, CARB, CAISO, all
20 aligning towards what is the goal, the Governor's 2030
21 State goals and objectives. Also, to standardize the
22 program goals.

23 Second, standardizing or thinking about program
24 design, and what are the guiding principles for future
25 programs, and really focusing in on what the customer's

1 needs are. And so, that's just thinking back on rather
2 than administrative efficiency, but what is the
3 customers' needs.

4 And then, finally, pilot implementation. Really
5 looking at what's been successful in the past and
6 thinking about how to expand, and also -- and not only
7 expand it regionally, but expand it across different
8 market sectors.

9 So an example there would be what I was just
10 speaking to, the Energy Network's Public Agency Program,
11 and then also what the -- I know we heard from Bay REN,
12 as well. I think there's many opportunities to expand
13 these existing, successful pilots.

14 And I think local governments are well-
15 positioned to be the leaders with these innovative
16 pilots.

17 So with that, I want to thank everyone again for
18 letting me speak today, and I'll take questions now or
19 later.

20 COMMISSIONER MC ALLISTER: I think, let's plow
21 on through the rest of the presentations and then try to
22 have a little roundtable here. I think that's the most
23 efficient use of everyone's time.

24 But thanks very much, appreciate it, Laurel.

25 MS. RAITT: We have Anna Lowe.

1 MS. LOWE: Good afternoon and thank you very
2 much for giving us the opportunity to come up and really
3 provide some perspective.

4 I'm here from SANDAG, and speaking to you today
5 really on a topic that all of us are very familiar with,
6 but trying to provide a regional perspective. Not only
7 on behalf of the San Diego Association of Governments,
8 but also of our member agencies and the folks that we
9 work with every day.

10 Again, I'm Anna Lowe. And I am excited to share
11 with you all. There we go.

12 All right, so if folks aren't familiar with the
13 San Diego Region, I'd like to just provide you with a
14 little background.

15 Someone I know pretty well always describes San
16 Diego as that place kind of over the hump, as the earth
17 kind of turns and folks kind of forget that we're beyond
18 there. So, we're really trying to do a better job of
19 reminding folks that we're there. And we are doing some
20 pretty neat stuff.

21 And so, within the context here, the San Diego
22 Association of Governments, or SANDAG, is the regional
23 planning and transportation agency for the San Diego
24 Region. And our member agencies include the 18 cities
25 and the County of San Diego.

1 So, our boundaries mirror those of San Diego
2 County, with the desert on the east, with the ocean on
3 the west, Mexico to the south, and then Camp Pendleton
4 to the north.

5 So, geographically, we are uniquely insulated,
6 which makes it even more important that we work closely
7 with our neighboring regions, as well as, you know, the
8 three -- those are the three bordering counties, the
9 tribal governments that we have within, and exterior to
10 our boundaries, the military and then, of course, Mexico
11 to our south.

12 Over the years, SANDAG has taken steps towards
13 broadening its own sustainability efforts, as well as
14 providing support for our member agencies through a
15 number of different efforts, spanning energy, climate,
16 congestion management, and alternative fuels, just to
17 name a few.

18 I'm here, specifically, to highlight one of the
19 programs we like to think is very successful, and I
20 think our member agencies have voiced that it is, as
21 well. And so, since 2010, SANDAG has had a local
22 government partnership with San Diego Gas & Electric,
23 who is our investor-owned utility. And this program's
24 called the Energy Roadmap Program.

25 This is a ratepayer-funded program, and it

1 provides free energy assessments, and energy management
2 plans, or energy roadmaps to our SANDAG member agencies.
3 And each energy roadmap provides a framework for a local
4 government to reduce energy use in municipal operations
5 and in the community.

6 The goal is to provide our member agencies with
7 the most comprehensive resource. And SANDAG leverages a
8 variety of different programs. So, the fundamentals of
9 this come from our partnership. But, of course, those
10 funds can't pay for everything.

11 And so, we really do try to leverage, like I
12 said, different programs, funding mechanisms, including
13 try to provide things like a fleet analysis for
14 consideration of alternative fuels in municipal fleets,
15 and promoting commuter benefits to our member agencies'
16 employees.

17 So this support is, like I mentioned, very well
18 received by our member agencies, but is presented with
19 some ongoing challenges. And so, of course, we need to
20 make sure that all sectors are included and accounted
21 for in an energy roadmap. And so, continuing to work
22 within the confines of what we have available sometimes
23 limits or defines, then, how in fact we develop and
24 present our energy roadmaps.

25 Which very conveniently leads me to some of the

1 challenges that we've identified. And so, again,
2 reinforcing the fact that the Energy Roadmap Program, in
3 and of itself is a success, and a wonderful partnership
4 that we have with our investor-owned utility. They're
5 very helpful and come to the table, and help come up
6 with solutions, and try to help us offer as much as we
7 can to our member agencies.

8 But with that, there are still some things that
9 we really would like to try and supplement, or just do
10 better.

11 So to that, again, I'm providing this
12 perspective through the lens of the possibilities of the
13 local government challenge, and I've honed in on a
14 couple of specific challenges.

15 So the first is the availability of a consistent
16 and continued funding source or sources, if that's at
17 all possible.

18 The ability to offer a more holistic suite of
19 programs to our members and them to, then, their
20 constituency.

21 And lastly, to really tackle the challenge of
22 bringing the existing and permitted building stock to
23 current and beyond code.

24 So, like I mentioned, the SANDAG Energy Roadmap
25 Program is funded through ratepayer dollars, by way of

1 our LGP, and then leveraging additional resources like
2 transportation demand management dollars, Energy
3 Commission funding for alternative fuels planning --
4 thank you -- and other local resources, such as the San
5 Diego Regional Clean Cities Coalition, in an attempt to
6 provide the most comprehensive tools and resources to
7 our members.

8 Consistent and continued funding makes it
9 possible to look beyond the immediate and allows local
10 and regional agencies to make longer-term commitments
11 because we can actually establish programs where, given
12 time, solutions and benefits to those efforts can really
13 be realized.

14 With some financial certainty, we can make the
15 business case to build capacity amongst staff, and in
16 work plans. And, of course, as work grows and changes
17 we need our funding sources to understand that programs
18 and opportunities need to be flexible enough to adapt to
19 the changing needs of the market and our members, and
20 their constituents to ensure successful programs are
21 sustained.

22 We're confident that through the local
23 government challenge that these benefits, you know,
24 would likely be realized. But, of course, highlighting
25 that we would like to see that funding available and

1 continued. So, this is -- this photo here is kind of
2 what we would hope to see. This is life with funding.
3 And as it just continues, there's this plethora of
4 funding and so life is just perfect.

5 Now, with that, as I've described, we're
6 constantly trying to come up with new and innovative
7 ways to align existing efforts, leverage available
8 programs, funding sources, and provide member agencies,
9 again, with as much as we possibly can.

10 Because, really, what's happened is we've become
11 their go-to. So, we're their resource for pretty much
12 everything. And if we don't know, we need to figure it
13 out very quickly.

14 So, unfortunately, due to the current
15 constraints of fundings, and programs, and things like
16 that, gaps inevitably remain. So, providing more
17 cohesive and a comprehensive suite of resources would
18 spur more engagement by our local governments and, in
19 turn, more implementation of not just energy efficiency
20 measures, but would also aid in really reducing that
21 staggered effect of activities.

22 You know, we kind of get some funding and so
23 then we're going to do this, and then we're going to do
24 that next. And what happens is things become a little
25 disjointed and it's very hard to realize the whole, or

1 the full benefit of all of those activities combined.

2 And as many of us know, our elected officials
3 often like to see that, that number, that big number
4 because that's really what's helping them understand.

5 So, allowing for, you know, just overall quicker
6 return on investment, and it's not just necessarily that
7 cost investment or the energy savings but really, you
8 know, as staff we're all working very hard, constantly
9 trying to figure out how to do this.

10 And so, even just those little successes really,
11 almost is like a return on investment on your time, and
12 your energy, and it really becomes a carrot to do more.

13 And, of course, this would ideally stimulate
14 deeper energy savings as well.

15 So one thought from folks that we've spoken with
16 is that, really, this local government challenge could
17 be that mechanism to help eliminate the current way we
18 do do business, which is really trying to stick the
19 square peg into a round hole, and shoving it in and
20 hoping that we can kind of capture everything we
21 possible can that way.

22 So, the third opportunity we'd like to highlight
23 is just getting things to code. And we understand this
24 is a very challenging topic. In the San Diego Region,
25 alone, we can conservatively estimate that there are

1 about a million and a half housing units, alone, that
2 technically, probably fall outside of what would be
3 considered that current building code.

4 So, we all understand the need to upgrade these
5 buildings and that, in fact, that would help the State
6 achieve their energy savings, and greenhouse gas
7 emissions reductions goals.

8 However, most of the existing building stock,
9 although may not meet current code, was actually
10 permitted and, therefore, did meet the current code at
11 the time. And so, to say that these buildings and their
12 tenants, their owners, residents, et cetera, aren't able
13 to really take advantage of existing rebates and
14 incentives to help offset the costs, to be more
15 efficient, is really just -- it's kind of a hard story
16 to tell. And it's really, often not get a pencil out
17 for the majority of these folks.

18 So if there is a way or a means to motivate
19 these building owners to get to code, then perhaps we
20 might -- you know, perhaps financial or otherwise, then
21 the expected costs for bringing the facility beyond code
22 and the ability to leverage existing rebates and
23 incentives to do so, becomes much more enticing and,
24 therefore tangible.

25 So, making upgrades and retrofits possible,

1 perhaps there's a mechanism, we can get creative by way
2 of this challenge that can really facilitate that
3 movement.

4 Speaking to some of the things that we heard
5 earlier, it is hard to justify those upgrades and those
6 changes when you're only seeing so much of that
7 percentage.

8 So, from our region, those are some of the big
9 topics, you know, the heavy hitters that we really feel
10 like could really, really move our market, our program,
11 and our efforts even further.

12 And so, with that, we just wanted to thank the
13 Energy Commission, again, for helping us overcome some
14 of these problems. And then, just really creating some
15 solutions. So, we wanted to thank you for that.

16 COMMISSIONER MC ALLISTER: Thanks, Anna. Okay.
17 Jose.

18 MR. GONZALEZ: Good afternoon, Commissioners,
19 everybody present, and everybody tuning in. My name is
20 Jose Gonzalez. I am the Energy Program Administrator
21 for the Sustainable Division of the City of Fresno.

22 And I'd like to thank everybody for the
23 opportunity to share, with you, information of our
24 Central Valley Energy Tune Up Program.

25 A bit of information, the Central Valley Energy

1 Tune Up Program is a non-resource, local government
2 partnership program designed to educate the residential
3 and nonresidential participants on energy efficiency
4 upgrades, new technologies, ultimately to help them
5 conserve energy and money.

6 A bit of history, the program started in July
7 '09, with Federal ARRA-funded money. Enhanced in March
8 2011 to include HERS II whole-house rater analysis. The
9 program began expansion in 2011. PG&E began funding the
10 Fresno Home Energy Tune Up Program in 2012. In late
11 2012, the Fresno Home Energy Tune Up changed its name to
12 the Central Valley Energy Tune Up Program and continued
13 its expansion into the, now, eight-countywide region.

14 One note, the reason it changed to the Central
15 Valley was because we moved from a purely residential to
16 a residential and nonresidential program.

17 The Central Valley Energy Tune Up Program offers
18 residential and, obviously, commercial assessments.
19 Residential assessments are offered in the Counties of
20 King, Kern, Tulare, Fresno, Madera, Merced, Stanislaus
21 and San Joaquin.

22 The commercial energy assessments are offered in
23 three Counties of Kings, Tulare and Fresno.

24 Overarching challenge. This is interesting. As
25 I was listening to some of the other presenters, there's

1 a lot of similarities in what we see. The three
2 stakeholders, these are the three key stakeholders for
3 the program, and with my experience working with them,
4 these are the three main components that actually shape
5 our program.

6 PG&E, our funder. The focus is to provide cost-
7 effective programs to maximize the energy savings to the
8 expense incurred.

9 Local government. These are the individuals who
10 actually allow us, by permitting us to accept this
11 funding. These individuals want everybody, their
12 constituents, they want all of them to benefit from the
13 funding, not just the higher energy consumers.

14 Participants. The homeowners, the commercial
15 business owners, they're interested in the bottom line.
16 How much can it save them? How much can we help them
17 for them to become profitable, for them to further
18 assist the local economy?

19 Some of our program successes. We developed a
20 slotting criteria tool. So, what we did here is we took
21 the database of all the homes that we have performed
22 assessments on, and we essentially developed an energy
23 use intensity value and created different levels for a
24 home's potential for energy savings.

25 We also changed our marketing approach, direct

1 outreach versus the standard TV, versus the radio. So,
2 we now do door-to-door, or attend at different venues,
3 different events, anywhere where we can come across
4 potential homeowners and encourage them to participate
5 in the program.

6 We also modified our program offerings on the
7 residential portion and created multiple tiers. We did
8 the same thing on our commercial, also offering multiple
9 tiers. And the concept here is to provide each
10 homeowner or business the most cost effective program
11 level that would help satisfy, obviously, the cost
12 effectiveness of our deliverables.

13 Targeting. We utilize PG&E's tableau data.
14 Fantastic, very, very detailed data to target our
15 efforts, whether it's commercial or residential. On the
16 residential we target the high energy users and, since
17 we have a door-to-door, very specific, site-specific
18 deployment, we can go to that particular block and
19 actually assist.

20 In fact, we utilized that concept for demand
21 side management in some of the PG&E-constrained
22 substations.

23 Continued program demand. We're regularly being
24 called by homeowners, and as well as being advised by
25 other PG&E individuals if we can expand our program to

1 their areas. And our normal advice is speak to your
2 program managers, or the individuals who run your
3 specific sites and request our program, because that way
4 we can definitely help them out.

5 Quantifying energy savings. As far as one of
6 our key challenges, in the residential sector we do
7 follow-up phone calls, basically to determine how many
8 individuals were motivated by our program to take some
9 action. Our lowest residential conversion is 22
10 percent, our highest has been up to 37 percent.

11 Residential Energy Adviser is a pilot that we're
12 currently implementing and we're hoping that between our
13 web-based analytics, and our Residential Energy Adviser
14 pilot, we can capture the actual savings. And instead
15 of utilizing potentials based on follow-up phone calls,
16 now we will be data driven, and here's the information.

17 Programs collaboration and tracking. This
18 mainly affects our commercial section. So, with our
19 commercial program we try to be as holistic as possible
20 when we approach a business. We bring in all the
21 necessary or available tools from our IOU, whether they
22 be direct install, or whether they be third-party
23 programs. It doesn't matter. Our concept to help the
24 community and the business is to actually bring to them
25 the most cost-effective approach to what their needs

1 are.

2 However, when we bring in multiple entities, we
3 begin to lose sight of who's on first, and so on. But
4 the benefit of that, PG&E currently has an energy
5 insight software that I am anxious to get a hold of and
6 participate in because that is, hopefully, going to
7 bring all this together.

8 Renewables. Renewables, it's a good next step.
9 However, we have to first take the first step. And,
10 unfortunately, with renewables it affects our ability to
11 identify energy savings or energy potentials. We are
12 currently performing some analysis to determine if our
13 web-based analytics can capture, and this is currently
14 in process. So, I'm hoping within the next month or so
15 we would have some data to determine whether or not our
16 web-based analytics can actually capture solar.

17 Unfortunately, whether it's commercial or
18 residential, solar causes a bit of a reduction in
19 urgency on the individuals who have it installed.

20 So I get this frequently, a homeowner installed
21 solar. They do not have the high bills. They don't
22 worry about their inefficiencies.

23 On the commercial end I get this regularly, we
24 don't need an energy assessment, we just installed
25 solar.

1 So, again, that's a future potential issue.
2 We'll move through that as we've done everything else.

3 Participant trust. Whether it's residential or
4 commercial, one of the things that we see is that the
5 individuals trust the local government, number one,
6 because we are unbiased. We're not pushing a widget.
7 We're not pushing a contractor. We are there for their
8 support and to help the community.

9 And that is all. If anybody has any questions,
10 please feel free to ask.

11 COMMISSIONER MC ALLISTER: Well, thanks very
12 much.

13 So, I want to -- I've got a few questions and I
14 want to kind of -- hopefully, we can have a relatively
15 robust discussion about, you know, where any gaps are
16 that perhaps don't fit in the portfolio, or on a natural
17 for ratepayer funding, but that drive us toward our
18 goals, like possibly leverage the Energy Commission's
19 authority on code, and stuff like that. And that would
20 assist all these programs to do even better and ensure
21 some continuity over time.

22 I guess I do have a couple of questions. So,
23 you've highlighted some specific efforts. And I know in
24 the case of the RENS and others, you're doing more than
25 that. I'm wondering sort of what specific activities

1 you have to hit disadvantaged communities, to bring
2 services to disadvantaged communities, low income areas
3 or, you know, whole communities that are considered
4 disadvantaged, maybe -- well, I'll leave it there and
5 maybe you could intern --

6 MR. GONZALEZ: Thank you. Yeah, I'll definitely
7 comment on that. We are partnered up with a couple of
8 different organizations. Number one, Grid Alternatives.
9 They go out and install solar to income-qualified
10 locations. We're assisting them in performing a more
11 in-depth residential assessment than what they allow --
12 their assessments require the homeowner to self-assess.

13 And with our level of assessment, we can provide
14 them a lot more detail, and a lot more insight, and a
15 better future, this is the process you want to take.

16 We also perform work with our housing department
17 that is out looking for disadvantaged communities, and
18 assist them with our assessments. Again, the concept
19 is, if we can provide the assistance, we can gain
20 capacity, we can perform more work as far as within the
21 housing division.

22 We also provide computer literacy classes. So,
23 we connect with other implementers that are performing
24 work. We work together and collaboratively modify
25 existing programs and simply include a portion. And the

1 computer literacy classes are offered at schools. And,
2 currently, it's mainly the parent. But we are also
3 looking at including the parents' kids that are going to
4 school, and have them jointly go through the computer
5 literacy class. And again, those low-income-qualified.

6 COMMISSIONER MC ALLISTER: Okay. So, are you
7 still talking about a utility-funded activity or this is
8 broadly in the city government.

9 MR. GONZALEZ: This is broadly in the -- this
10 both.

11 COMMISSIONER MC ALLISTER: Okay.

12 MR. GONZALEZ: Both.

13 COMMISSIONER MC ALLISTER: Okay, great. Thanks.

14 MS. LOWE: So, the SANDAG Partnership is unique
15 in that our membership is actually made up of the local
16 governments and the county in San Diego.

17 COMMISSIONER MC ALLISTER: I see.

18 MS. LOWE: So, we work with all of our local
19 governments. Some have far more disadvantaged
20 communities identified, than others. But to that point,
21 we coordinate with them and communicate with them in
22 helping to support whatever their needs are.

23 We have been having some conversations,
24 recently, with SDG&E to help us understand where their
25 hard-to-reach communities are, or population sectors,

1 that kind of thing. That conversation is ongoing. But
2 the hope is that perhaps we can overlay some of those
3 information that we get from our jurisdictions, where
4 they've identified our targeted areas, as well as then
5 kind of overlap with some of the utility-identified
6 areas to then really kind of hyper-focus, perhaps, some
7 of those efforts to then align existing programs, and
8 that kind of thing.

9 MS. ROSHSCHILD: Hi. So, unfortunately, I'm not
10 in a position to speak about the low-income programs for
11 the SoCal REN. But I can speak quickly to the Local
12 Government Partnership Programs.

13 So what we've found over the years, in the Local
14 Government Partnerships, is that working with the
15 utilities and the city we're able to really promote
16 things like the Mobile Homes Programs, and the Energy
17 Savings Assistance Program.

18 And so -- and cities get really excited about
19 this, so we are able to target the locations by working
20 not only with the city, but the utilities, combining the
21 information and have targeted outreach.

22 And so, this can include trainings to the local
23 governments to understand these programs, and also going
24 out directly into the community.

25 So, we've had some great success in measuring

1 the uptake of the program before and after.

2 COMMISSIONER MC ALLISTER: Thanks.

3 MR. SULLENS: And from the, I guess Bay REN
4 perspective, the program I was talking about today,
5 CODES, is kind of whoever's pulling a permit, right.

6 But the other programs that are within our
7 portfolio for single family, multi-family in particular,
8 and the one I'm most familiar with is multi-family. And
9 I think a lot of the successes we've seen in that
10 program are because of our connections to the Affordable
11 Housing community, and some of those nonprofit housing
12 developers.

13 And I think those are programs that they are
14 asking for more of. They also are interested in kind of
15 a multiple benefits approach. So, if there was some
16 kind of a green labeling program?

17 So, these housing stocks care about energy, but
18 they also care about indoor air quality, and all the
19 other things associated.

20 So, my other colleagues could probably talk
21 about the program, some more specifics on what we're
22 doing in that sphere, but that's something we've
23 certainly heard and seen.

24 COMMISSIONER MC ALLISTER: Okay, great. Thanks.

25 So, I guess I wanted to ask a couple of

1 questions just about kind of locating some of these
2 efforts, you know, the RENS, and the CCA, sort of in the
3 grand scheme of things in terms of the PUC. So, Jeremy,
4 maybe this is more for you.

5 But, you know, what's the expectation of, you
6 know, we're trying to create, broadly, a context in
7 which local governments have -- you know, they can what
8 works. A lot of that, we've heard, is going on. And
9 then they can build tools, replicate, you know, sort of
10 network amongst themselves.

11 Yet, I think there -- you know, is this -- well,
12 there's accountability and sort of effectiveness
13 criteria that the PUC uses to evaluate how they invest
14 ratepayer funds.

15 And I guess I'm wondering how those criteria
16 apply to the RENS and maybe an update on sort of how you
17 feel they're doing. I don't know, that might be hard
18 for you to answer.

19 But I guess what's the expectation here in terms
20 of generation of savings that you can sort of assign?

21 MR. BATTIS: I'll take that question. So,
22 looking back a little bit on the history of the RENS,
23 and how they were conceived, and the initially-enabling
24 decision that green-lighted them, I think they were
25 conceived with an idea that they were not necessarily

1 ever going to be completely cost effective with the TRC
2 at one point.

3 With that, I think there is some expectation of
4 some sort of a cost-effectiveness measure. And what
5 that exact number is, I think that remains to be
6 determined.

7 We have a number of professional consultants
8 working to inform Commission staff, as well as decision
9 makers. We've got a process evaluation that's underway.
10 We're expecting the first phase of that to be completed
11 by the end of summer. We have a second phase of that,
12 that would build on the '13-'14 period evaluation to
13 cover 2015.

14 We also have an impact evaluation that will try
15 to get to the actual cost-effectiveness answer, and some
16 of the actual savings.

17 So, the value, I think, of the RENS, it kind of
18 goes back a little bit to, you know, how they were
19 conceived. And I think that, you know, this predates my
20 coming to the Commission. But I think there was a
21 notion that the ARRA period enabled these local
22 governments, who sort of started out as partnerships, to
23 kind of evolve and jump to the next level of capacity.

24 And I think what RENS inherently represent is an
25 experiment with program design and going after some of

1 these other areas, this niches that haven't been tapped,
2 previously, and targeted by the IOUs.

3 And, you know, coming full circle on coming back
4 to the first question, you know, there is an expectation
5 by definition, I think within their, I'll call it a
6 charter, that they will go after, whether we call it
7 hard to reach, or underserved, or marginalized
8 communities, and that they'll be innovation drivers.

9 So, you know, whether they're working with L.A.
10 County as the lead, or whether they're working with ABAG
11 and its lead counties in the Northern California Bay
12 Area REN, I think their working hard to build the
13 knowledge transfer, and to gain that capacity, and take
14 maybe some of the more marginalized counties, and local
15 governments that haven't, necessarily, had the capacity
16 of the staff. So, the San Francisco or in L.A. County,
17 and to kind of give them the support. And that
18 resources, whether it's through permitting, and project
19 management, and the ability to get a project out, or
20 whether it's through codes and standards.

21 So, it's sort of raising the expectation and
22 raising the bar so that I think that ARRA knowledge
23 transfer just goes to the next level.

24 COMMISSIONER MC ALLISTER: Great. Okay, thanks
25 a lot. And maybe a similar question about the CCA is, I

1 guess, just Marin County so far is doing efficiency.

2 But what -- is that a similar landscape in terms of what
3 the expectation on them is?

4 MR. BATTIS: I think with Marin we have a little
5 bit -- a little bit more of a definitive target. I
6 don't think it's necessarily been narrowed to 1.0, yet.
7 They do have, I think, a greater expectation for cost
8 effectiveness. I think that they're somewhat different
9 than a REN in that they weren't conceived as a pilot.
10 They're now a permanent program.

11 So, they share some similarities with RENs, but
12 they're not entirely the same vehicle.

13 COMMISSIONER MC ALLISTER: Okay. Okay, thanks.

14 Well, so I guess I want to invite any sort of
15 staff also to think about, you know, what you heard and
16 what questions you might have. And also, we'll get to
17 everybody in the room, as well.

18 So, I'm feeling like that there aren't a whole
19 lot of consistent themes here in terms of what the gaps
20 actually are. And yet, over time I feel like I've very
21 much heard that there are gaps, that particularly
22 related to sort of existing buildings and some of the
23 ways that we might decrease the transaction costs in
24 getting projects permitted and done, and responsibly so.

25 And lots of good ideas at the local government

1 level that are innovative, and could be replicated, but
2 kind of need a little push. So I want to kind of
3 encourage folks to think about that.

4 But I'm sort of hearing, you know, that
5 there's -- if there's additional funding needed, it's
6 kind of sort of a slush fund to fill gaps, like to hire
7 people that you can't do with ratepayer money.

8 And that's not going to really be -- that's not
9 going to fly very well in terms of how we sweep existing
10 funds into this program. And certainly not if we go to
11 the Legislature and say, hey, we need more funding year
12 after year for this.

13 The funding of sort of positions is a difficult
14 thing to get and isn't going to be received all that
15 well.

16 But concrete things around, say, innovative
17 benchmarking, you know, a lot of things we talked about
18 this morning, we need local governments to get out in
19 front of that.

20 We need, you know, ordinances that go beyond
21 code. You know, some jurisdictions have done that. But
22 we need a variety of jurisdictions to do that and we
23 want to help them do that.

24 Things like that, that I think play to the
25 Energy Commission's role in the building environment, in

1 the built environment, but local governments need to
2 tell us what those things are.

3 So, you know, I understand it's hard to sort of
4 say, oh, there are all these problems with our existing
5 funding. Nobody wants to say that.

6 But I want to just invite you to think
7 creatively about what additional things you need,
8 specifically, and kind of not just an account you can
9 charge to, when you can't charge from anywhere else.
10 So, you know, speaking in consultant lingo.

11 So with that, I guess, you know, Martha, it
12 looks like you have something to ask.

13 MS. BROOK: Yeah, this is Martha Brook. I just
14 wanted to ask, it sounded like the panel, and I'd invite
15 other local government representatives to come up and
16 answer this question, too. It doesn't sound like you
17 have equal, unfettered access to your constituents'
18 energy use data. It sounds like some of you have some
19 aggregate data, like Tableau, and others of you maybe
20 don't.

21 And so, what I'm wondering is, is there an
22 obligation, does the PUC require the utilities to
23 provide you with that data? Does it happen only if you
24 ask? Does it happen -- so, that's kind of my general
25 question.

1 MS. ROTHSCHILD: So, I did have a bullet about
2 data, but I didn't want to jump into it. So, just a few
3 things. No, we do not have access to data.

4 And so, on the partnership side, first, which
5 is, by the way, we have a direct agreement with both
6 Edison and the gas company to implement these programs,
7 and we do not receive data.

8 So, we have to go through the scissors form
9 process, and which with each individual agency it's
10 sometimes the city manager needs to sign the form. It
11 will take several months.

12 And then after that, we have to request the data
13 in a certain format and we have to analyze it. Very
14 time consuming.

15 On the energy network side, early on we really
16 wanted to work closely with the utilities to help
17 identify opportunities but, you know, we were not in a
18 position to gain access to that data.

19 So, we tried to be creative. And one way we've
20 worked around the scissors process is we've created
21 template language that we send to the agency, that then
22 they forward to the utility in a way to request the
23 data. So, we can get access to the data through the
24 city.

25 And it's a process that took a lot of

1 coordination with the utilities' understanding that's
2 what we were doing.

3 I do want to mention we have a program, under
4 the SoCal REN, called the Energy Atlas, which is
5 partnership with UCLA. Now, they were able to gain
6 access to utility data through an order through the PUC.
7 So, that's definitely an opportunity.

8 But even through that, you know, I don't have
9 access to that data for the other programs. So, they
10 had to sign a number of nondisclosure agreements to even
11 gain access to that. And still, the tool hasn't been
12 released because they need to go through it and make
13 sure that they don't break any sort of the 2020 laws.
14 So, it's been a process.

15 MS. BROOK: Okay.

16 COMMISSIONER MC ALLISTER: Could you describe
17 the scissors process that you referred to, for the
18 record?

19 MS. ROTHSCHILD: Sure. For those that are
20 unfamiliar, every utility has their own scissors form,
21 so we have to fill out a separate form for both Edison
22 and the gas company.

23 And it's a form where you have to initial -- for
24 Edison, for example, you have to know how to fill it
25 out. You have to read the instructions very carefully,

1 and you have to request the data for a certain period of
2 time and a certain level of access. So, you have to
3 give instruction to the agency on what level you need,
4 and they have to -- just to give you an idea of how
5 difficult it is, they must initial in the box. If they
6 check the box, then you have to go through the process
7 all again, all over.

8 So, we've learned the hard way. And so, you
9 just have to be very careful because you're not handing
10 the form directly to the person that needs to sign it,
11 so it comes with a lot of instruction.

12 And then there's a processing time, after you
13 submit the scissors form, to actually receive the data.
14 And if you don't specify, it comes in a standard format
15 that can be very difficult to pull what you need.

16 MS. WADHWA: So, this is Abhi Wadhwa, Manager
17 for the Commission. Just a follow-up question, does the
18 scissor form allow, though, to ask for data in bulk or
19 is it per individual meter customer?

20 MS. ROTHSCHILD: So, you actually attach a list
21 of all the service accounts, a listing. So if you miss
22 a service account, you're not going to receive data for
23 that service account.

24 MS. WADHWA: So, as a local government, if
25 you're planning programs how would that come into it?

1 Does that help or is that a completely different
2 process?

3 MS. ROTHSCCHILD: So what's interesting is the
4 process I was speaking to is just to receive utility
5 data for the city facilities. I was not talking about
6 community data.

7 So, if you want to access community data, it's a
8 completely separate process, which I know the
9 utilities -- and I apologize, I'm not an expert on that,
10 on that side. But they are setting up a system where
11 you can access aggregated community data for help in
12 implementation of your climate action plans.

13 And I do want to say there may be other people
14 on the line, involved in SolCal REN, that may be able to
15 speak to this as well. But did that answer your
16 question?

17 MR. SULLENS: If I could just add to that, so
18 this is Wes with StopWaste, Wes Sullens.

19 So in addition, yes, and I'd say we agree with
20 all of what you've said. There's also a level of
21 sophistication on knowing that you can request this data
22 and what to do with it, once you get it, that a lot of
23 the smaller cities just don't have. They don't have the
24 band width, they don't have the time. So, I'm not
25 advocating for more staff time or more positions to do

1 that, but that's clearly something that not all
2 jurisdictions even know they can ask for or know what to
3 do with, once they get it.

4 COMMISSIONER MC ALLISTER: Now, do you guys --
5 those sophisticated ones that are at the table, do you
6 know what data exists that you can ask for? Do you know
7 like what fields that you would like to have, and
8 whether the utility actually tracks them?

9 MS. ROTHSCHILD: Yes, after extensive
10 conversations with various folks at the utilities, and
11 my years of experience in this field, I now understand.

12 COMMISSIONER MC ALLISTER: I mean, it sounds
13 like maybe this isn't actually a local government
14 challenge topic, but we did talk about data this
15 morning. And maybe there's a -- you know, we talked a
16 bit about standardization in the benchmarking, you know,
17 context.

18 But even just that kind of information, knowing
19 what exists in the world, might be a leveler of the
20 playing field, if I'm hearing you.

21 MS. ROTHSCHILD: I'd say, absolutely. And I do
22 just want to quickly comment because we coordinate very
23 closely with the investor-owned utilities on this. It's
24 not the fault of any individual, it's just the process
25 they have set up. There's a lot of people that want to

1 help, but they have limited staff time and availability
2 to kind of walk you through the process.

3 COMMISSIONER MC ALLISTER: Absolutely. I mean,
4 I'm certainly not bashing anybody in particular. Maybe
5 I am kind of bashing the structure that's grown up
6 around us. But I think, you know, we're at the point
7 where we have to find solutions to this because it's
8 2015, for crying out loud. And data is what everybody
9 needs to make better decisions.

10 MS. ROTHSCHILD: I can't help myself, I have one
11 last comment related to street lighting data, which is a
12 huge opportunity where we're dealing with a lot of
13 agencies right now on trying to retrofit their
14 streetlights to LED. And so that has been a very
15 challenging process to request that data, and then the
16 accuracy, which is based on a number of factors.

17 But it can take, you know, up to two months to
18 receive the data once requested, and it holds up
19 projects.

20 COMMISSIONER MC ALLISTER: So, I guess I'm
21 hearing if there is a theme -- maybe there are a couple.
22 There's sort of the code-related and otherwise
23 messaging, and outreach, and kind of education that
24 local governments really can play a key role in. And
25 I'm hearing that you're good at that and you want to do

1 more of that, and I agree.

2 And then, also, sort of to Wes's point just now,
3 but it's come up a couple of times, briefly, the less --
4 the smaller cities, the less-sophisticated cities, you
5 know, those -- I think we hear this from the smaller,
6 publicly-owned utilities, as well, and really we have
7 not talked about publicly-owned utilities here, in this
8 panel at all, and where they don't have RENs, I think.

9 Well, I guess they have -- in LADWP territory
10 there's some.

11 Or local government partnerships, really, I mean
12 they kind of are the local government. So, maybe that's
13 a separate bucket.

14 But I'm thinking maybe there's a focus for the
15 Local Government Challenge in those smaller -- maybe
16 there's a rural component, but sort of thinking through
17 the need for innovation could actually be more dire, I
18 guess. So, maybe we can think about that.

19 I want to open up for anybody in the room and
20 then on the phone. But I don't know if, Abhi or Martha,
21 you had anything else?

22 MS. WADHWA: Oh, this is Abhi Wadhwa.

23 COMMISSIONER MC ALLISTER: Okay.

24 MS. WADHWA: I just have a broader question,
25 just wrapping up on the data issue. We heard from Jose

1 about PG&E's Tableau, and I believe there were other
2 efforts going on with the other utilities of the same
3 scale, that came out of the CPUC Energy Data Center
4 decision.

5 So, perhaps Jeremy, or someone could provide an
6 update on that, what your experience has been with some
7 of the other utilities on the data access?

8 MR. BATTIS: I'm not the data access expert, so
9 I'm going to go ahead and defer that question.

10 But I'd like to come back to a couple of things
11 as soon as we resolve that.

12 MS. WADWHA: Okay.

13 MS. LOWE: I just wanted to chime in a little
14 bit on some of the data challenges. And again, it's not
15 necessarily any one person. But as one person leaves
16 and somebody else comes in, we're receiving data, and
17 it's typically aggregated because, again, we're working
18 at the municipal scale.

19 But, you know, we're fortunate -- I am not a
20 technical person. But, fortunately, we have a
21 consultant on board, an energy consultant on board and
22 they can look at those numbers and say, somebody pulled
23 different sets of numbers. And to get to the bottom of
24 what that means, means, you know, another five years of
25 I don't know how long -- you know, trying to figure out

1 where and how that came about.

2 You know, I know from a variety of different
3 efforts, not necessarily strictly, you know, Local
4 Government Partnership effort, you know, we've been
5 trying to figure out what rebate, and incentive dollars
6 have looked like over the course of the last, I don't
7 know, five years or so. I mean we've been asking, how
8 can we look at this?

9 Just to see what the uptake is in the rebates
10 and incentives and maybe compare it to the permits that
11 are being pulled in those same jurisdictions. And, you
12 know, it's just this roadblock.

13 I mean, we've had another set of conversations
14 that sounds like maybe we're getting closer. And again,
15 not pointing at any one person, but it's this system
16 thing, again, that seems to get in the way.

17 And so, it's making it very hard for us, you
18 know, at the local government level to be able to
19 leverage, or highlight, or emphasize some of the
20 activities. How are we going to point to the fact that,
21 look, the uptake is such because our program, based on
22 the fact that we can't even point to what those
23 participation numbers are.

24 COMMISSIONER MC ALLISTER: So for you example,
25 you have no way to -- okay, so we, as the Energy

1 Commission, really want local government to focus on
2 enforcement, right, and we want to help you any way we
3 can.

4 But you can't compare permits to sort of
5 participation in energy efficiency programs?

6 MS. LOWE: Not effectively.

7 COMMISSIONER MC ALLISTER: Okay. I find that
8 quite disturbing but --

9 MR. SULLENS: There are kind of efforts underway
10 to streamline, or get electronic permits, and maybe even
11 integrate that with the energy kind of code process, but
12 those are different silos for the most part, yeah.

13 COMMISSIONER MC ALLISTER: Yeah.

14 MS. ROTHSCHILD: And I do want to comment that
15 there is a pilot through the Energy Network, where it's
16 called CEEPMS.

17 COMMISSIONER MC ALLISTER: CEEPMS.

18 MS. ROTHSCHILD: I'm sorry, Community Energy
19 Efficiency Program Management System.

20 COMMISSIONER MC ALLISTER: Yeah, I have heard of
21 that.

22 MS. ROTHSCHILD: So that is trying to do exactly
23 that, which is matching and pulling the permit to an
24 energy efficiency program and educating the permit
25 puller.

1 COMMISSIONER MC ALLISTER: Yeah, so that's
2 exactly the kind of thing, you know, in that particular
3 context and during other contexts, because every city's
4 a little bit different, and other regions, rural,
5 whatever. That's exactly the kind of thing that we've
6 heard over time is kind of in need of a push and would
7 help -- would be helped by -- that's sort of what's
8 given rise to this idea of the Local Government
9 Challenge is like, okay, well, so you're doing something
10 innovative. You know, write it up and we can sort of
11 put that on steroids and get to the finish line.

12 So, that's kind of the idea. But I think we
13 need a bucket of ideas like that.

14 MR. SULLENS: If I may, that's absolutely true.
15 How do you do that if -- so, my presentation was on code
16 compliance and the fact that a lot of times projects
17 aren't meeting their goals, right.

18 But how do you do that and also show cost
19 effectiveness in just getting permits to be filed, and
20 building officials to be able to have the bandwidth to
21 check these things, and get things into compliance?

22 Right now, that's a gap that's assumed to be
23 happening. It's not something that you can claim as
24 savings. I know there's a lot of math there. But, I
25 mean, how can we incentivize that at the local level

1 with, you know, what buckets of funds?

2 COMMISSIONER MC ALLISTER: Yeah, so I agree.

3 And I think this is where we tread on this ground of
4 attribution, which we were talking about before. And,
5 you know, we actually don't, necessarily, with the Local
6 Government Challenge have to submit it to a TRC
7 calculation, right.

8 But I can't just go -- I can't just go and say,
9 hey, we're going to fund positions. We're going to fund
10 building departments to just do more, right.

11 Well, we've got to have some innovation there
12 where it's more effective, where you're using technical
13 tools, where you're showing that you have bigger permit
14 through put, like you have growth in applications over
15 time. And that would be a metric that we would then
16 gauge.

17 So, I don't -- like, I don't necessarily need
18 savings, per se, but I do need some metric that we can
19 plausibly argue is improvement. Like if we show the
20 right motion in permit through put, then that is
21 success.

22 And then we learn from it, we build on it, and
23 we push it to the next level.

24 So, I'm not really answering your question, but
25 that's the ideal. The challenge would be something that

1 is, you know, considered within a market transformation
2 context, where the expectation that you'll be able to
3 attribute, you know, A savings to -- or, you know, B
4 savings to A initiative isn't necessarily there, but you
5 do have to have some kind of indication that you're
6 moving in the right direction.

7 You know, that's what market transformation is.
8 You don't know why people make the decisions. You know,
9 it's 10 or 20 things that all combine to make them go
10 there. So, the attribution then becomes kind of a
11 secondary consideration. You know, you want to see the
12 movement on the baseline.

13 So, anyway, that's kind of the idea. I'll be
14 quiet.

15 Did anybody else want to say anything?

16 MS. BROOK: I think what I'm hearing is that we
17 need to be thoughtful going forward with planning the
18 Challenge Program to partner, and collaborate with the
19 Public Utility Commission and their guidance to the
20 investor-owned utility portfolio of programs to make
21 some connections.

22 COMMISSIONER MC ALLISTER: Yeah.

23 MS. BROOK: So, for example, what Wes was
24 talking about is how can you justify doing it, if the
25 savings have already been assumed to happen?

1 And so, I think we need to think differently
2 about the codes program, and say a codes program is all
3 the way from advocacy to permits, permitting
4 streamlining, and all the compliance and enforcement
5 side of it. The whole thing is the code part.

6 COMMISSIONER MC ALLISTER: I would actually
7 argue that, you know, from our perspective, if the
8 Commission itself is in it, it's actually from code
9 design, to adoption, to implementation, then all the way
10 through what you just said. So, it actually is --

11 MS. BROOK: Right, that's what I meant by
12 advocacy is the design part.

13 COMMISSIONER MC ALLISTER: Yeah, okay, great.

14 MS. BROOK: Sorry.

15 COMMISSIONER MC ALLISTER: Yeah. So, yeah,
16 there's a long logic chain there and every link has to
17 be good if we're going to get to the end of it with a
18 high percentage of permitted projects.

19 MS. BROOK: Yeah.

20 COMMISSIONER MC ALLISTER: So, yeah, I agree. I
21 think absolutely the partnerships, you know, there's a
22 lot of funding going to local government. It has
23 certain constraints that we hear about but, in general,
24 you know, obviously local governments use it well and
25 like to have it.

1 So, how can we be effective to sort of help
2 those efforts get better, get replicated more quickly,
3 get more broad acceptance. And, you know, cover more
4 population. Because none of us are talking about
5 truly -- initiatives that truly cover, you know, the
6 majority of Californians, right. We're always talking
7 about, you know, a sliver of participation and we need
8 to really make that number bigger.

9 So, how can we go about scaling? You know, like
10 local governments, how do you think that you can get
11 more of your residents and businesses to adopt, you
12 know, whether or not it's sort of within the utility
13 incentive portfolio environment. You know, just out
14 there in naturally occurring savings. Let's amp those
15 up, too, right.

16 MS. BROOK: Uh-hum.

17 COMMISSIONER MC ALLISTER: So, anyway, I'm
18 inviting innovation. I'd love to see sort of everybody
19 put their thinking caps on, and their comments, and come
20 up with some ideas about how you'd like to do things in
21 an ideal world at the local jurisdiction, and how we can
22 try to align what we're doing at the State level, you
23 know, with the sort of -- granted, we have a lot of
24 instruments, but they're relatively blunt because
25 they're not specific to each of your contexts. So we

1 have to be careful, but I think there's a lot of
2 willingness to try to help where it makes sense.

3 Let's see, did you want to say something,
4 Jeremy, or --

5 MR. BATTIS: Yeah, I'd be happy to get the ball
6 rolling on that. So, for anybody on the line, Jeremy
7 Battis, with the CPUC staff.

8 So, I just want to go back to your observation
9 earlier about being mindful of the public utilities.
10 And I think we have an opportunity here, with a funding
11 source that I think its amount remains to be finalized.
12 But I think your observation about the need for the
13 public utilities and linking it to this program budget
14 is an intriguing one, if only because that would negate
15 the opportunities for there to be duplication and
16 redundancy.

17 And I just want to go back to sort of one of the
18 guiding principles of authorizing the RENs and inviting
19 the REN applications, and that was to not duplicate
20 programs with the Local Government Partnerships.

21 And, in fact, that's one of the principle
22 questions we're going to be attempting to answer with
23 the REN evaluation that's underway now. There's a
24 question having to do with market and consumer confusion
25 caused by various actors conducting energy efficiency.

1 So, I do think we need to be mindful with this
2 opportunity to look at what the partnerships are capable
3 of doing, what they're doing, and what they're not able
4 to do. And perhaps give a closer eye to those areas
5 that are not being done, and are not able to be funded
6 by ratepayer dollars.

7 And I think the codes and standards thing is an
8 excellent start because that's an area where I think the
9 Commission, my Commission, the CPUC, often defers to
10 yours, the Energy Commission.

11 And I'd like to just throw it out to the panel
12 here as an idea, to see what their thoughts might be on
13 a voluntary approach, where the State could invite good
14 ideas and sort of do this crowd sourcing to see what
15 sort of opportunities and what sort of challenges are
16 the local governments willing to accept and take on, if
17 the Energy Commission were to make those funds available
18 in a way that we have not seen before.

19 So, I'd just like to put that out to the panel
20 and see if people have any ideas for perhaps -- open it
21 up with the Bay REN folks and the PROP report.

22 MR. SULLENS: Yeah, that's a great question. I
23 think anything that helps expedite their processes at
24 the local level is definitely favored and would be
25 looked upon, even maybe as a way to give back to make

1 that happen.

2 Because what we're hearing over and over again
3 is there's just too many things to inspect, and too
4 little time, right, so on the plan check all the way
5 through the construction process.

6 So how can you find, just like you were saying,
7 those ways to streamline implementation tools. So,
8 maybe there's kind of a sharing there of greater access
9 to permits or something, but then also having some more
10 tools to streamline some assistance that's targeted.

11 COMMISSIONER MC ALLISTER: Uh-hum.

12 MR. SULLENS: I think that's interesting to
13 think about.

14 And part of our Regional Plan Check Center is
15 trying to find those specific areas, the sticking points
16 in the process that need addressed, and then finding
17 ways to streamline that and fill some of those specific
18 gaps.

19 So, I think using the PROP report and thinking
20 through some of these gaps in the process, and then
21 finding fundable solutions to it would be great, and I
22 think would be well-received. Yeah.

23 MS. ROTHSCHILD: And so, separate from codes and
24 standards, just thinking about funding availability, you
25 know, funding to get to code, I think is just a theme we

1 hear across the board. So, just something to think
2 about.

3 And then, also, just thinking about expanding
4 successful programs. And, you know, I think what's
5 great to see, to hear about what's happening in the Bay
6 REN, and just thinking about how we can expand that
7 regionally.

8 So, you know, but I'll have to think about that
9 question, too.

10 COMMISSIONER MC ALLISTER: Well, I guess, I
11 wanted to bring up a question that's related to both
12 your points. So we are hearing, as we really look at
13 the -- actually the 2016 code update that we're talking
14 about these days, there is an issue that, oh, gosh, you
15 know, since new construction tends to drive the code
16 conversation, and existing buildings, actually, given
17 measure in the existing building environment might
18 actually -- typically would have a different cost
19 profile.

20 So, cost effectiveness in the new construction
21 doesn't necessarily translate over to existing
22 buildings. So, that's actually a really important
23 question.

24 So, you know, does the incremental cost of an
25 HVAC upgrade being more efficient in a replacement

1 scenario, how much bigger is that or how different is
2 that from just the buying a slightly more efficient one
3 at the new construction phase, right.

4 Well, that's an important question. And so, I
5 think local governments and building departments could
6 absolutely vet that, if one of our goals in the 758
7 Action Plan is to improve as it applies to existing
8 buildings.

9 So, that becomes a really important question and
10 it covers a massive number of buildings. And so, if
11 there's an inadvertent sort of transaction cost we're
12 imposing, through code, on the marketplace, we need to
13 know that, right.

14 So, I think -- and we need to characterize it,
15 right. So, in order to then address it and sort of get
16 code sort of more functional, in a practical sense, to
17 people who are out there doing projects.

18 So, that's one example. But I think the local
19 government participation in that conversation is
20 absolutely critical. And, you know, you're not going to
21 be able to do it, at least I'm hearing you're not going
22 to be able to do it just sort of on the natural, right.

23 So, that's something I think we could -- for
24 example, so I think what Jeremy said is exactly right.
25 We've conceived of that as a competitive procurement,

1 essentially, like a challenge where, you know, you
2 identify these ideas and you sort of bring them to us.
3 But, basically, that's the crowd-sourcing sort of
4 mechanism that we've come up with. But it doesn't --
5 you know, we're definitely open to comment on what might
6 work best for you guys.

7 I mean, we don't want 100 cities to bend over
8 backwards to write a proposal and then, you know, only
9 be able to award it to five, right. So, I think there's
10 a process, efficiency that we want to hear from you guys
11 about.

12 So, sorry, Anna I think was next. I'm just
13 jumping in.

14 MS. LOWE: No, I think that to-code, you know,
15 above and beyond the idea that they should be new
16 construction versus existing buildings really are two
17 separate animals.

18 And so, the ability to, you know, for lack of a
19 better term, market, identify, and come up solutions in
20 order for that particular cluster of constituencies,
21 let's say, are able to work through a separate kind of
22 series of permitting processes, let's say, and maybe
23 leveraging then some of the existing or available
24 rebates and incentives. There's just ways in which
25 those things can be coupled. But it's a completely

1 different animal.

2 And I think that it is more time consuming. And
3 there's just so many more unknowns. And I think that is
4 part of what is, you know, so scary and turns people off
5 is that it's just something that is not clear to
6 everybody.

7 And so coming up, even just with a mechanism to
8 help clarify some of that process, and how different
9 mechanisms could be incorporated to further that would
10 be huge.

11 And then, one of the other challenges I think we
12 all see, too, goes back to permitting. And, you know,
13 each little jurisdiction has their own way of doing
14 things. And so I think it seems to stifle folks from
15 getting permits because, well, I did it this way here
16 and now it's not working. Oh, forget it, I'm done. I'm
17 over it.

18 And not to say that anybody's going to be able
19 to streamline that process but, you know, really helping
20 to highlight if there are places -- you know, if the Bay
21 REN is coming up with some standardized or similar
22 theories about doing things.

23 I know in our region that we've been working
24 with the Center for Sustainable Energy and trying -- you
25 know, in the past trying to kind of even identify what

1 it takes to get X permit through X system. Just for one
2 permit, I mean, and it's just daunting. So, that's a
3 challenge and it's coming up with a way to figure that
4 out.

5 COMMISSIONER MC ALLISTER: I mean, if you could
6 ping your building departments to sort of drill into
7 that and say, okay, well, here are some common -- here
8 are the five things we need to sort of -- that would
9 help statewide to get some consistency and improve our
10 processes, that would be great, too. I don't know
11 exactly what those would be.

12 But I saw Tim Tutt over there and I'm kind of
13 wanting to get SMUD's perspective on all of this. But I
14 don't think he's in the room anymore, right now.

15 So, Jose, I don't know if you had something to
16 say about this?

17 MR. GONZALEZ: Definitely. One of the things
18 that has been pointed out is that there's so many
19 different programs that local governments could and
20 maybe are taking advantage of, and implementing
21 separately that it's a difficult question to answer with
22 such simplicity.

23 So, one of the things that I would recommend is
24 if we can get a list of, well, what are the suites of
25 offerings that we, as local governments, are going to be

1 making decisions on whether or not we would like to, or
2 could implement.

3 Because our presentation was to be kept to ten
4 minutes. I can talk for hours of what we're doing. So,
5 I don't know whether some of the things, like for
6 example, to code pilots. We already are doing to code
7 pilots, water and energy nexus. We're already doing
8 water and energy nexus.

9 So, without seeing the list of suites, I find it
10 a bit difficult to just simply offer up a yes or no.
11 But we would definitely be interested in seeing what's
12 available.

13 COMMISSIONER MC ALLISTER: Well, great. So, I
14 mean part of this is, you know, each jurisdiction can
15 say, look, here are the things that we found effective
16 and, you know, others can then pick them up, or not, or
17 sort of take them ala carte.

18 MR. GONZALEZ: Exactly.

19 COMMISSIONER MC ALLISTER: So, thanks.

20 Let's see, does anybody else -- so, I had one
21 blue card and I'm kind of wanting to go to that one, and
22 then we can continue the rest of the discussion.

23 So, Daniel Hamilton, from the City of Oakland?
24 Okay, great, thanks for being here.

25 MR. HAMILTON: Thank you, Commissioner

1 McAllister. To your point, it looked like you were
2 striving earlier to find commonalities in these
3 presentations. And what struck me is what's left out?

4 You heard everything here is directly related in
5 some way to the investor-owned utilities. If it's
6 through the Local Government Partnerships, or in the
7 RENs, as a pilot through those. Lots of the cities in
8 your State are doing energy efficiency completely
9 outside of the IOUs.

10 We get a lot of benefit from our East Bay Energy
11 Watch, the City of Oakland, but we do a lot of our own
12 programs because they don't fit neatly within the
13 reasons why you use ratepayer funds through the CPUC.

14 And these, a lot of them have dovetailing
15 interests with the things that the Energy Commission is
16 doing.

17 So, I think that it's important that we don't
18 focus purely on the way things are fitting within the
19 structure of the IOUs and the CPUC but, rather, the
20 range of what local governments can do to help
21 accomplish the Energy Commission and the State's goals
22 on energy efficiency. Because there's a lot more that
23 doesn't get covered in a forum like this.

24 COMMISSIONER MC ALLISTER: Do you have any
25 examples about that? I mean, it would be interesting to

1 sort of hear what the -- and I know the City of Oakland
2 has a long, long history of doing a lot of really
3 innovative stuff.

4 MR. HAMILTON: Yeah, I'll give you an example.
5 Some of the LGP programs, some of the most successful
6 ones are direct install programs, like smart lights, or
7 retrocommissioning.

8 These programs were actually piloted by the City
9 of Oakland, done internally, and then we pushed them out
10 into the LGP once we showed that they were functional
11 programs that did cost-effective energy efficiency. We
12 are the pilot for the pilots.

13 It's an interesting -- there's examples of that.
14 We're doing behavioral programs with water energy nexus
15 in the City of Oakland. This is not something that we
16 know of that's any availability through the IOUs. And
17 we have ideas for more.

18 And these are things that often relate
19 specifically to -- I'll give you an example. Wes is
20 presenting on the codes and standards, the proper port,
21 and it gives a lot of fantastic things that are directly
22 within the local government purview.

23 The IOU programs, in that whole process, talk
24 about the development of the code, the adoption, and the
25 implementation of the code. But nowhere in there do we

1 talk about the non-permitted projects. And that is
2 something that's documented. We have estimates for the
3 HVAC units that come into the State. The ones that
4 actually get permitted, we know the remainder is the gap
5 in that.

6 Yet, if we want to propose something that we
7 think is cost effective, that has energy savings,
8 there's not an established methodological baseline for
9 us to say the permit rate is this. If we increase it to
10 this, here's the incremental difference and here's the
11 energy savings associated with those.

12 That's what I think Wes was getting to earlier
13 by saying we have to be creative about what you consider
14 a measured savings because there's not an NE3 calculator
15 that allows us to quantify what that looks like.

16 We have to be able to come up with some creative
17 math to do this.

18 And maybe you want us proposing this stuff on
19 our own. We're happy to give you our ideas on it.
20 Maybe you want that to be part of a structured process
21 outside of what the local governments are doing. We're
22 happy to do that, too.

23 But the idea is if you want our full creative
24 hat ideas on, and we're happy to share those, most of
25 what we see requires differences because the CPUC and

1 the IOUs have been running these programs for so long
2 they've hit almost all of the areas that fit within
3 their structure for measuring cost effectiveness.

4 The new ideas are when you think differently
5 from that structure and that's what I think offers the
6 greatest opportunity for the local government energy
7 challenge here. For us to come up with creative ideas
8 is to rethink the fundamentals of what that system looks
9 like, and how you measure its performance and successes.

10 COMMISSIONER MC ALLISTER: Great. That makes a
11 lot of sense. And I hope you can find time, in your
12 busy schedule, to submit some comments. That would be
13 good to have on the record. But, actually, you just got
14 some of it on the record. So, thanks for being here.

15 MR. HAMILTON: Thanks.

16 MS. BROOK: Yeah, and I think, Commissioner, I
17 think when you were talking about those other metrics,
18 the non-energy quantifiable metrics, you were aligned
19 with Daniel and his comments in terms of we can be
20 flexible. We do know that we need to change the
21 paradigm here, and that's really what the Challenge
22 Program is intended to do is to innovate, not just in
23 technical solutions, but innovate in that whole market
24 transformation space.

25 COMMISSIONER MC ALLISTER: All right, thanks.

1 So does anybody else -- is that Valerie who
2 wants to? Yeah, great. All right.

3 MS. WINN: Good afternoon, Commissioner
4 McAllister, Valerie Winn with PG&E.

5 I think some of the issues that have been
6 discussed here this afternoon, particularly on the codes
7 for two incentives -- or the incentives to code. I did
8 want to make folks aware that the CPUC did have a
9 workshop on that issue last week. And comments are due
10 to the CPUC on May the 28th.

11 I understand folks in the Energy Division are
12 going to be working on developing a white paper on this
13 topic, based on those comments. So, I'd really
14 encourage people to submit some of their innovative
15 ideas to the CPUC.

16 COMMISSIONER MC ALLISTER: And so, thanks for
17 that. Thanks for that reminder. I think we were there,
18 right.

19 MS. BROOK: We were there. We are actually
20 partnering with the Public Utility Commission staff on
21 that effort, and we'll also be authoring a white paper
22 on the topic.

23 COMMISSIONER MC ALLISTER: Yeah, great. And I
24 think many of the folks -- well, at least some of the
25 folks in the room were there.

1 And maybe there's a transcript, or the
2 recording, something, that folks who were not there, and
3 aren't aware of it, can listen to on the PUC's website.

4 MS. BROOK: It was an informal workshop.

5 COMMISSIONER MC ALLISTER: Oh, right, shoot.
6 Okay.

7 MS. BROOK: And so there's no transcript.

8 COMMISSIONER MC ALLISTER: Okay, so you'll have
9 to try and go -- you'll have to ask somebody who was
10 there in order to get your comments done.

11 MS. BROOK: Yeah, so if you know Dina Mackin,
12 she's collecting the comments. If you're interested, I
13 can give you her contact information, if you don't know
14 it.

15 COMMISSIONER MC ALLISTER: Yeah, so that's a
16 really great opportunity to talk about that to-code
17 issue, and sort of get your voice heard on that.

18 MS. BROOK: Yeah. And I think the -- I mean, at
19 least for us at the workshop, at the PUC, it's really
20 important to clarify the specific market failure you
21 were talking about.

22 So there's the -- there's definitely two big
23 ones, and they're separate, in my opinion. There's the,
24 if you do a project, did you meet the code requirements?

25 But the bigger one, I think, that's the one that

1 you're suffering with, is the deferred upgrade, because
2 you don't get to count all the savings because you were
3 assumed to already have brought your building up to
4 code.

5 COMMISSIONER MC ALLISTER: I think the argument
6 that, you know, is most likely to kind of swing the
7 pendulum on there is saying that there are projects that
8 simply are not happening because of this sort of onerous
9 requirements, and that they really need a utility
10 incentive in order to happen. And otherwise, you're
11 not -- not only are you not going to get the above-code
12 savings, but you're not going to get the to-code
13 savings, right. So, that's really -- if we can't kind
14 of show that that -- I mean, it would be nice to have
15 some data or information about that aspect of the
16 marketplace.

17 Because, really, unpacking that issue is -- it
18 can be kind of complex. So, I think there are a few
19 strategies, and some of them are more complicated than
20 others, a few solutions to that. But, you know, it's
21 good that that discussion is happening.

22 Jerry?

23 MR. LAHR: Jerry Lahr, ABAG, Bay REN. I
24 appreciate this recent discussion because it goes to
25 kind of my question or comment that I wanted to get at a

1 little bit.

2 You've kind of been asking, I think, what are
3 the gaps that can be filled kind of with this funding,
4 which is probably the appropriate question. But I'm
5 coming at it from a little the other side, maybe, is
6 what's going to be allowed? What is a little bit more
7 of the criteria that you're going to look at?

8 And, you know, Martha, in your presentation you
9 had up there performance-based efficiency improvements,
10 reward, measure savings, approaches to confirm project
11 savings. Which, to me, sounds like TRC, resource, cost
12 effectiveness. And I think I heard you, Commissioner,
13 say that you aren't being held to a particular TRC with
14 these funds.

15 MS. BROOK: Yeah, yeah.

16 MR. LAHR: I guess I want to push that a little
17 bit farther. I mean, hopefully, that's true. Things
18 like, I mean this morning with benchmarking, the
19 Chairman asked about, you know, water. I mean, is cold
20 water savings something that you're going to be looking
21 at.

22 But even farther than that, he mentioned
23 seismic. I mean, we feel like maybe there's an
24 opportunity to marry seismic and efficiency retrofits.
25 You know, is that an area that would be looked at?

1 MS. BROOK: Yeah, so I think we definitely
2 haven't made the decision, so we want your suggestions.

3 But just to clarify my presentation, I didn't
4 mean TRC, I didn't meant the PUC's version of
5 performance. I meant measured. I meant not deemed, not
6 calculated, measured at the meter. That's what I meant
7 when I said performance.

8 COMMISSIONER MC ALLISTER: So, and I think, just
9 to put some additional context on that, there are some
10 recent developments in that realm that really do promise
11 to make that much less onerous than it has been in the
12 past, and actually not -- and be more real-time and
13 stuff.

14 And I guess to the extent that there are local
15 jurisdictions that are interested in sort of building a
16 system that allows them to sort of do -- I mean, you
17 might call it, you know, continuous monitoring of their
18 efforts, in their jurisdictions, to improve the
19 performance of buildings.

20 You know, I'm not going to get specific because
21 it's not fully fleshed out. But I think there's some
22 technologies and program designs that could really make
23 life much easier for us.

24 And I think that's -- you know, who knows what
25 they look like because we need to wait to see people's

1 ideas. But it's not more of the bigger same, it's sort
2 of trying to modernize the system by which we develop
3 and understand the impact of these initiatives.

4 MS. BROOK: Yeah, we really -- I mean, the way
5 that I look at it is we're a big State and so, you know,
6 it's kind of a big ship to change direction with. And
7 so, we really need the local governments to innovate at
8 a smaller level so that we can, not just talk about
9 ideas, but actually have demonstrated success stories
10 that we can then say, oh, yeah, this could go statewide,
11 and here's how. Because we've actually -- we've thumped
12 on it a little bit and it's not just a concept or a
13 vision, it's actually be realized at a local level.

14 COMMISSIONER MC ALLISTER: Also, you know, on
15 the -- you made the point -- so, I did say earlier,
16 look, we don't have to put exactly the same pencils and
17 sharpen them in the same ways. But certainly, you know,
18 I want to be able to go argue as best I can that these
19 are effective investments and that we're getting some
20 impact from them. I just don't -- you know, I want to
21 be able to point towards real innovation at the local
22 governments. And if we can't answer them in the
23 traditional way, we need a different way to answer them.

24 Because we can't really expect -- if we're
25 spending public money, it's not ratepayer money,

1 necessarily, but if we're spending public money, we need
2 to be accountable for that money. So, it can't just be
3 a slush fund to use for whatever we want.

4 MR. LAHR: But we can propose how that would --

5 COMMISSIONER MC ALLISTER: Absolutely.
6 Absolutely.

7 MR. LAHR: Yeah.

8 COMMISSIONER MC ALLISTER: All right, Tim Tutt.

9 MR. TUTT: Yes, Tim Tutt, from SMUD. I heard
10 you called my name, Commissioner.

11 COMMISSIONER MC ALLISTER: I didn't want to put
12 you on the spot, but if there's --

13 MR. TUTT: I wasn't sure that I had anything
14 intelligent to say, so I was going to hide in the back
15 of the room and hope you didn't notice me.

16 But I will speak a little bit. SMUD is, as you
17 know, a local government, but not the kind of local
18 government that many municipal utilities are. We're a
19 separate entity.

20 And so, we do have collaborative relationships
21 with the local governments in our service territory. We
22 have a whole group of people that work with local
23 governments and understand or try to work to understand
24 the variety of issues we have, from permitting of new
25 development all the way to energy-efficiency programs.

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1 We've collaborated with the City of
2 California -- I'm sorry, the City of Sacramento and the
3 County of Sacramento on climate action plans, for
4 example, and on energy efficiency programs.

5 I guess what I'd like to say, also, is we have
6 some -- we're outside the realm of the Public Utilities
7 Commission, obviously, but we followed some of the same
8 measurement and cost-effectiveness tests as they do, in
9 the statewide energy efficiency realm. And we're very
10 interested in the to-code issue, as well.

11 I mean, that's been a big thing for us in being
12 able to get our programs cost effective. And as code
13 gets more and more strict, it becomes more and more of
14 an issue.

15 It also is an issue, potentially, in the,
16 perhaps, upcoming Federal 1-11-D Clean Power Plant
17 process, and how to count energy efficiency from a
18 variety of programs, and efforts. That all has to be
19 worked out on sort of a California-wide basis, rather
20 than each individual utility saying this is how much
21 savings I have to bring to the picture, I think.

22 Lastly, we have some surplus money that we get
23 through the AB32 process since -- I mean, the overall
24 goals is climate change and greenhouse gas reduction
25 here, I think, for all of us.

1 So, we take that surplus money that comes from
2 selling some of the allowances that we have, and we
3 engage in local programs. Some of them are energy
4 efficiency, some of them are electric transportation,
5 some of them are renewable.

6 But we collaborate with, again, or hope to
7 collaborate with some of the statewide efforts there,
8 particularly, for example, deep energy retrofits for
9 low-income customers.

10 We've been working on a variety of ways to do
11 that, trying to hone in on exactly the right level of
12 retrofit and incentive to get good participation, and
13 use the funds efficiently.

14 And we don't necessarily have the same
15 measurement requirement for those. It would be
16 interesting to collaborate in this effort with all of
17 that.

18 So, I will commit that we will provide you some
19 written comments.

20 COMMISSIONER MC ALLISTER: Oh, great. Thanks a
21 lot, Tim, appreciate it.

22 Does anybody else in the room have a comment?
23 Oh, great, gentleman.

24 MR. MOHR: Good afternoon. My name is Ronald
25 Mohr, over at the County of Los Angeles, a little

1 government agency down south.

2 I'd like to speak today down -- as not an
3 implementer of programs, or anything, but as a local
4 government agency that does projects, that offers things
5 out to our constituents.

6 And there needs to be acknowledgement that for
7 government agencies there has to be stability. The
8 landscape for what we participate in, especially in
9 regards to programs and rebates, is constantly changing.
10 It's like a minefield.

11 What we're going to do next fiscal year, July
12 1st through the following June 30th, fiscal 2016, is
13 already in place. Come out with a program tomorrow,
14 come out with funding, our ability to participate is
15 really, really against the wall. We may or may not be
16 able to do anything because we're already set for next
17 year.

18 We put our proposals in for what we want to do
19 around December and January. Fiscal budgets get set in
20 February and March, and that's the way it is.

21 So, if you want to do something, you have to be
22 aware of when the timelines start, and then it has to
23 go. We have to know that it's going to exist. If we're
24 going to start something, but there's a possibility in
25 18 months, or 24 months it might end, we can't take the

1 risk.

2 As an employee, I got to think about CYA and my
3 credibility with my politicians all the time. I can't
4 propose something I'm not going to be successful at.

5 If I think I'm going to get financing, or I
6 think I'm going to get rebates, or I think I'm going to
7 get money and it might be there -- excuse me, it might
8 not be there, might make me look like a failure, I can't
9 take the risk.

10 Doing programs with performance-based pay, for
11 instance, on rebates and things like that, I will not
12 propose. Because if part of my financials is based on
13 knowing I'm going to get a rebate and I might not
14 perform, so I might not get that funding, I can't go to
15 my politicians and ask for forgiveness. You know, you
16 only get one mistake in your career and then you go to
17 purgatory for a while.

18 So, you've got to be aware of how we work and
19 what our priorities are, and especially the timelines on
20 budgeting. Thanks and good afternoon.

21 COMMISSIONER MC ALLISTER: Thanks very much.

22 Thanks for being here.

23 All right, Hanna Grene.

24 MS. GRENE: Hi, my name's Hanna Grene, I'm with
25 Center for Sustainable Energy. A few quick comments.

1 First, I want to just thank all the panelists for
2 speaking and, in particular, for our discussion about
3 code and inputting permit compliance.

4 We've been working with L.A. County and the
5 Energy Commission on research and a report identifying
6 best practices for improving HVAC residential change out
7 permit compliance. The report is forthcoming and we look
8 forward to sharing it when it's ready.

9 But I just wanted to say that as part of this
10 work we engaged with local government building
11 departments across Southern California and really were
12 able to gather a great deal of feedback from them, and
13 use that feedback to identify those best practices. So,
14 they are local government-generated.

15 And as a part of that outreach, we were also
16 able to identify that local governments really are at a
17 range, or at a continuum of where they are in being able
18 to implement these best practices.

19 So, even though we might be able to say there
20 are, you know, eight best practices for local
21 governments in California, different local governments
22 are going to be at different phases of a continuum for
23 where they can move forward to implement.

24 With that in mind, we would want to encourage a
25 very flexible type of application process for Local

1 Government Challenge because I think we're going to find
2 the same thing that different local governments are
3 going to be at different places on a continuum of what
4 looks -- what's innovation for them? What's going to be
5 the next step of funding for them?

6 And in the spirit of allowing for a broad range
7 of local governments that are geographically and
8 economically diverse to participate, we're going to have
9 to recognize that there's that broad continuum of
10 capability and of readiness.

11 In addition, and with that same agenda in mind,
12 we would encourage that a shared space be developed and
13 launched as quickly as possible to provide resources to
14 local governments.

15 We know that they're not all able to be in the
16 room with us today, or even online, and that there's a
17 lot of the great work such as the Bay REN report, such
18 as I think many, many of the presentations we saw this
19 morning are on benchmarking. There are a lot of great
20 resources that local governments could start digesting
21 and referring to, even as they prepare their proposals
22 moving forward.

23 And if there's a way that we can pull those
24 together and share them out that would be, I think, very
25 empowering and informative.

1 I think it would also help many of us, who have
2 heard about many of these things, and are still trying
3 to tie them together even when we're here and doing this
4 all the time.

5 COMMISSIONER MC ALLISTER: Right.

6 MS. GRENE: Finally, we recognize that it is a
7 difficult ask to fund something like staff time. That's
8 somewhat amorphous and is hard to pencil out that staff
9 time delivers energy savings, and climate benefits.

10 However, we would say that investing in local
11 government staff will help the State reduce energy and
12 improve its capacity in the long run.

13 And I would point to some models, instances
14 where ARRA funding or grant funding has been used to
15 fund a part of a position with a local government. I'll
16 point to some of the benchmarking help centers that have
17 been used across the country, where funding has been
18 leveraged to fund, you know, sort of like a wedge or a
19 portion of that person's salary to keep them at the
20 local government, to help get something like a
21 benchmarking ordinance in place, and then implemented.

22 And over time the local government, I think, was
23 able to work with their elected officials, and folks
24 that make some of those financial decisions and say,
25 look at this great position that we've created, we have

1 to keep it, and then get those funds into the budget
2 long term.

3 But I think doing some of that, particularly
4 with mid- and small-sized local governments that,
5 frankly, need more staff capacity, if there's a way to
6 leverage those resources, give them the boost and help
7 them show the benefits, that would be a great benefit.

8 COMMISSIONER MC ALLISTER: Thanks very much.

9 I remember a program when I lived in Berkeley,
10 owned a house in Berkeley and they had a seismic program
11 where half the transfer tax, when you bought the
12 house -- you know, it was a hefty transfer tax, I
13 remember, or it seemed so at the time. But you got half
14 of it back if you spent that money on your seismic
15 upgrade, right.

16 And I thought that was a really interesting
17 model to give an incentive. It expired after a year,
18 you had to do that seismic within a year. So, you've
19 got a lot of people, you know, 11 months in doing
20 seismic, and so including myself.

21 So maybe that money, in a jurisdiction like
22 that, could be if the house has seismic already, then
23 maybe you allow it to be used for insulation, or
24 something energy related, or water related.

25 So, I think those kinds of creative ideas I

1 think are really welcome and aren't going to come from
2 the Energy Commission, they're going to come from the
3 local government.

4 And so, working on those and then talking
5 amongst yourself, you know, and learning from contiguous
6 jurisdictions and other jurisdictions' experience I
7 think is really what we're trying to get going here.
8 And a lot of that happens already. So, I just want to
9 make sure that we're additive. That's really the key
10 here.

11 Is there anybody else in the room? And maybe,
12 if not, then we can go to the phones, if we have anybody
13 on the phones.

14 Oh, hey, Jeanne, hey.

15 MS. CLINTON: I have a general question. So, I
16 understand that a year ago the Legislature sort of laid
17 out a grand plan for how to use cap and trade funds in
18 California. And I have a vague recollection that a
19 significant portion of those funds, maybe a quarter, or
20 a fifth were to be dedicated to sustainable communities.

21 I'm guessing that the translation of that meant
22 help build multi-family housing along transit lines, but
23 I don't know.

24 But I'm just curious if anybody in the room,
25 from a local government perspective, happens to know

1 what the plans are for those funds?

2 COMMISSIONER MC ALLISTER: Are you talking about
3 the Strategic Growth Council, SB375 stuff? Okay, right.

4 MS. CLINTON: But in round numbers, if you had a
5 billion dollars a year of cap and trade funds, and a
6 quarter to a fifth were dedicated, it's not small
7 change.

8 COMMISSIONER MC ALLISTER: Anybody know? Oh,
9 well, maybe Tim knows.

10 MR. TUTT: Well, I don't know the details of
11 exactly how that money is -- how it's all disbursed or
12 like allocated. But I do know, I believe some of it is
13 allocated to programs to help engage in energy
14 efficiency actions with disadvantaged communities, low-
15 income people.

16 And that's a program that I know that SMUD is
17 interested in collaborating with, along with Valley
18 Vision, and other local sort of nonprofits, and local
19 government agencies to try to apply for those funds in
20 the solicitation and get some for our community.

21 MS. MEIS: I was just going to answer that
22 question.

23 COMMISSIONER MC ALLISTER: Oh, great.

24 MS. MEIS: The Affordable Housing Sustainable
25 Communities is that pot. So, it's \$125 million for this

1 cycle, but there will be more as the pot is growing.

2 I think one of the other themes that has come up
3 is the siloed approach. And I think local governments
4 are very well-positioned to take that funding for the
5 Affordable Housing Sustainable Communities and to pair
6 it with money through the Energy Challenge, with money
7 through the Local Government Partnerships to come up
8 with deeper savings that cut across all these different
9 programs.

10 And so, you know, people that are on the ground,
11 that are paying attention to all these different
12 sources, this is just an infographic that we put
13 together, which highlights the fact that the direction
14 we really want to see communities go cut across all
15 these different funds.

16 COMMISSIONER MC ALLISTER: Yeah.

17 MS. MEIS: And so it takes somebody that's
18 looking across the landscape to really get to the deep
19 savings we need to see.

20 COMMISSIONER MC ALLISTER: Yeah, and transit
21 funds as well, transportation.

22 So, I wanted to just say thanks to Kate Meis.
23 And I see Joseph Oldham over there from the Local
24 Government Commission. And that was Kate Meis, by the
25 way, just for the court reporter.

1 They've been a great partner through the ARRA
2 period and continue to have -- and it's great to have
3 that contact go down to the local governments, so
4 thanks.

5 Let's see, so anybody else in the room? And I'm
6 not sure if there are any hands raised on the phone?

7 MS. RAITT: We do have one comment that I'll
8 relay. So, it's from Kim Springer, and she has actually
9 two comments. Oh, excuse me, he, I'm sorry. He has two
10 comments.

11 The first is, "Data privacy is the issue. IOUs
12 have to protect themselves based on the statute. Remove
13 the statute and make everyone's energy use data public?"

14 That's the question, "Remove the statute and
15 make everyone's energy use data public?"

16 Second, "Perhaps code enforcement knowledge
17 should be coordinated at the State level. Should plan
18 check and building inspectors be certified by the State
19 in order to hold the local government positions with
20 continuing education requirements?" That's the
21 question.

22 I don't know if anyone wants to come up?

23 COMMISSIONER MC ALLISTER: I think that's a --
24 we'll take that under advisement. You know, that's the
25 kind of thing we can't sort of just decide, we've got to

1 have a stakeholder conversation about that. Lots of
2 people interested in that issue. But thanks for the
3 comments.

4 And then, Kate, could you maybe submit that
5 infographic to the record as well, it would be kind of
6 helpful? Okay, thanks.

7 MS. RAITT: So that's it for WebEx. We could
8 open up the lines quickly and see if anyone on the phone
9 has comments. Please mute your phone, if you don't.

10 I think that's it for the comments.

11 COMMISSIONER MC ALLISTER: Okay. Well, so if
12 there's no further comment, I'm -- I think we all had an
13 interesting day. And I want to thank staff for putting
14 it together, really appreciate all the effort.

15 And we've got a long -- a lot of milestones to
16 hit in the 758 Action Plan, you know, moving into the
17 discussion and implementation. And in this case program
18 development.

19 And, actually, I'll just talk a little bit, I
20 don't know if we got into the timeline of the Local
21 Government Challenge very much.

22 But we actually need some legislation to make
23 sure we have the authority to sweep some of the funding
24 into this program, so that's a function of the leg.
25 session. Pretty confident that will happen, but we just

1 have to let that process go through. And then, that
2 will happen sort of late in the year, hopefully. And
3 then early next year, I believe, we hope to have the
4 program basically on the street.

5 So, does that roughly hit our timeline, I'm
6 thinking --

7 MS. BROOK: I think so. We can't come up with
8 the date that the State budget will pass, but that's
9 basically what we're waiting for is part of the
10 legislative fix to spend the ARRA funds.

11 And we do have the -- we are hoping the Local
12 Government Commission helps us administer the program,
13 with the existing funds that we're reallocating. And I
14 would expect it would take the rest of the calendar year
15 to -- based on your comments, and feedback, and
16 additional probably discussions we'll have with you, and
17 your groups, it will probably take us to the end of the
18 calendar year to flesh out the requirements of a grant
19 program.

20 MS. WADHWA: So Ron, you don't have to worry
21 about this coming to you by July 1st of next year.

22 COMMISSIONER MC ALLISTER: Of this year, you
23 mean, yeah. Or the beginning of next fiscal year,
24 right.

25 So, again, May 21, comments due. Really, you

1 know, I know there's a lot going on in everyone's life,
2 but it would really be nice if we could hear sort of,
3 you know, a thoughtful submission, from those of you who
4 can do it about what -- you know, what the potential for
5 this is, because I think we want to try to have an
6 impact in the right places.

7 I want to really thank all of you for coming,
8 and for taking your day to be with us, and developing
9 your presentations. I know you've also got a lot of
10 stuff going on back at the office.

11 So with that, I think thanks again for a great
12 discussion and we're adjourned.

13 (Thereupon, the Workshop was adjourned at
14 3:30 p.m.)

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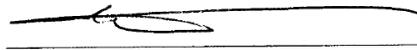
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