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Comments from Joint Agency Workshop on Governor's EE Goals on July 6, 2015

Additional submitted attachment is included below.



Local Government Commission

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Board of Directors

July 16, 2015

Councilmember Jake Mackenzie Chairman City of Rohnert Park RE: Docket No. 15-IEPR-05

Councilmember Pam O'Connor Vice-Chair City of Santa Monica

The Local Government Commission (LGC) respectfully submits the following comments related to the Joint Agency Workshop on the Governor's Energy Efficiency Goals.

Supervisor Deidre Kelsey Secretary/Treasurer County of Merced

LGC supports the Governor's goal for doubling the energy efficiency of all existing buildings in California by 2030. However, based on Census data, California is estimated to have approximately 14.5 million existing buildings and the task ahead for the next fifteen years is a challenging one. LGC believes that the only way the State can achieve this ambitious goal is to fully engage local governments along with all other key stakeholders in this effort.

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> Supervisor Jane Parker County of Monterey

Supervisor Leticia Perez County of Kern

> **Executive Director** Kate Meis

Because LGC has a 35-year-long history of engagement with local governments, we understand their values and mission and make the following recommendations for the joint agencies to consider:

- 1. Develop a concise impact assessment of how efforts to implement the goal will potentially effect local governments. The assessment should include projected impacts on local government facilities, businesses, and residents. The assessment should focus on the positive aspects, such as job growth, energy cost savings, and improved health and safety for community residents. However, it should also include potential negative impacts and propose solutions to help local governments mitigate and manage these impacts. A good example of a negative impact is the increased burden on local building departments with the updates to energy code standards every three years. The recent report by BayREN on their CS PROP project highlights the challenges faced by local government building departments http://eecoordinator.info/wp-content/uploads/2012/01/BayREN-CS-PROP-Final-Report-2015-04-01.pdf. A potential solution is to follow the recommendations from TURN and NRDC in the recent CPUC 10-year rolling portfolio proceeding, R.13-11-005, related to developing new innovative funding streams from EE benefits to the grid and then creating pathways for local governments to access those revenues to improve energy code performance rates. If State agencies do not have solutions to specific impacts identified, then the assessment should provide an invitation to collaborate with local governments to seek mutually beneficial outcomes.
- 2. Develop an integration matrix that shows how the three goals—50% reduction in transportation fuel use, 50% improvement in existing building energy efficiency, and 50% renewable energy portfolio—have synergy, and provide some real world examples for public engagement. The integration matrix should portray the vision of the future that the goals represent. This vision should translate to the local level to help local governments sell the vision to their constituents.

- 3. LGC believes that for local governments to implement comprehensive projects that achieve deep GHG reductions through integrated clean energy and transportation strategies, the State needs to streamline the funding and application process. Ideally this would be an integrated funding allocation across multiple state agencies, but at a minimum there is a need for greater integration between the separate funding allocations by streamlining guidelines, increasing consistency in requirements across agencies and giving priority to projects that integrate and leverage other funds. Development of an integrated grant information portal specifically for funding from State agencies designed to achieve the 2030 goals laid out by the Governor in January and focused on local government engagement would be a good start in this direction. This approach would encourage jurisdictions to create comprehensive plans for reaching these goals even if individual projects within the plan need to be parsed out to different grants.
- 4. LGC supports the ideas presented by TURN and NRDC in recent comments to the CPUC related to development of innovative funding models for energy efficiency projects. LGC believes that "bundling EE" with demand response, distributed generation, and energy storage will better align programs with the current public view of energy efficiency, which will lead to greater program participation. LGC also believes that efforts to develop energy efficiency benefits into a commodity that can then be traded to benefit the grid should be supported through policy.
- 5. LGC also supports the use of existing energy usage conditions as a baseline for developing incentives for property owners to retrofit existing buildings. This is particularly important in the interior valley areas of California where economic challenges and climate change impacts are the most significant.