

DOCKETED

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AB 802 Regulations - Unintended Impact on Stakeholders

Additional submitted attachment is included below.

September 29, 2017

California Energy Commission
Dockets Office MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Docket No. 15-OIR-05. AB 802 Regulations - Unintended Impact on Stakeholders

Dear Commissioners:

On behalf of stakeholders who conduct municipal energy use benchmarking, we would like to call attention to unintended impacts of the changes prematurely implemented and enforced by the California Investor Owned Utilities (IOUs) in efforts to comply with the AB 802 regulation. These unintended impacts negatively affect the ability to continue providing benchmarking services to organizations in the public sector. While we are pleased to see the 15-day language address some of our concerns, the San Joaquin Valley Clean Energy Organization (SJVCEO), and those who endorse these comments, have concerns about how the IOUs will interpret the data access procedures and their impacts to municipal energy accounts. We would like the California Energy Commission (CEC) to address which of these concerns can be addressed in regulatory updates to the 15-day language, versus which can be addressed through implementation coordination. We are also concerned that the IOUs acted to increase data access barriers before the regulations were finalized, and have not, and may never, act to remedy these barriers with the newly proposed language.

Scope and Focus

Efforts to implement processes to comply with AB 802 regulations have been disproportionately focused on the private sector in terms of the impact that the regulations have for data access via the E.P.A. ENERGY STAR Portfolio Manager (ESPM), authorization requirements, and project-associated labor and cost increases. Specifically, public sector infrastructure presents unique challenges when compared to the private sector. Many of the municipalities in the SJVCEO service territory, and in service territories of those who endorse these comments, are significantly under-staffed and under-resourced. IOUs are in the process of implementing portals to work in conjunction with existing benchmarking systems, such as ESPM, to comply with the new regulations. These portals present additional layers of work to an already resource-constrained customer base. These portals were prematurely created in response to draft AB 802 regulations, and affect not just covered buildings, but all utility service accounts (streetlights, pumps, public infrastructure).

Operational Impacts

Through conversations with IOU benchmarking teams and other stakeholders, we have verified many of the operational changes that will be put in place through the IOU portals. The following is a list of some of the known challenges associated with those changes:

- Data uploads in both portal and ESPM nearly doubles labor time – customers that use ESPM must enter site information data first into the IOU portal for reporting purposes, then again in

ESPM for benchmarking purposes; portals additionally require each site and associated property information to be entered individually as opposed to uploaded in bulk.

- Potential inability for 3rd party organizations (such as SJVCEO and other IOU Local Government Partnership implementers, including those who endorse these comments) to initiate and complete work on behalf of customers due to restrictive access of IOU portals.
- Alleviation of the requirement for proof of ownership with the current 15-day language revision is a constructive change; but there is a reasonable concern about how IOUs may not change these portals; therefore, potential burdens exist to prove authorization of a 3rd party to receive data on behalf of the property owner.
- Inability to benchmark all municipal energy accounts; IOUs portals only allow for AB 802-mandated buildings to be uploaded.

Long-Term Impacts

Systems like ESPM are available to the public at no cost. Publicly available tools for benchmarking, established under AB 1103, have made the activity attainable for all public entities, especially those with budgetary constraints. The ability to utilize these tools for benchmarking, commonly referred to as legacy programs, allow for data request and transfer directly into ESPM. Implementation of the IOU portals, in some cases, have already replaced or will eventually lead to the sunset of these tools as communicated by IOU staff. The loss of these tools would make benchmarking public facilities and other accounts cost prohibitive for many municipalities. The loss of capacity for benchmarking would, undoubtedly, lead to a reduction in energy efficiency projects in the public sector.

Considering the IOUs are moving to a data access model that separates public sector infrastructure from private sector facilities, it would be advantageous that any tools being put forth would equally consider the needs of both sectors or address them separately. Public sector customers generally have substantially more utility accounts than private sector customers. New IOU portal models greatly reduce efficiencies, rendering the process of benchmarking for public sector customers vastly prohibitive. Public sector customers will be unable to bear the additional strain on labor resources, which would, consequently, reduce the number of energy efficiency projects completed. In addition, there is concern that the utility program would not be as robust. For example, the ability exists to compare like buildings, which is a great benefit to identifying building inefficiencies and energy efficiency project potential.

As a normal practice, the SJVCEO benchmarks all municipal energy accounts. This includes non-building facilities and sites such as street lighting, landscape districts and water infrastructure. Although current systems were not specifically built to accommodate such usage, there is tremendous value in municipalities having access to all existing utility accounts in one central place. This “whole portfolio” approach has provided a roadmap for investment in many infrastructure energy efficiency projects that would not have otherwise been identified as well as Energy Action Planning and targeted awareness efforts. New IOU portals do not accommodate non-building accounts.

The additional work required to comply with the IOU portals will significantly increase labor time and cost budgets for IOU contracts. Implementing partners of Local Government Partnerships, such as SJVCEO and the stakeholders who endorse these comments, are contracted to perform municipal energy benchmarking services. It is in the best interest of all parties to maintain effective stewardship of rate payer funds. The additional labor required to navigate new IOU portals would substantially increase the cost to execute those contracts.

Proposed Solutions

- At a minimum, non-disclosable buildings and all non-building service accounts to receive utility data in ESPM through AB 1103 process (legacy process) and bypass IOU portal.
- Currently executed Customer Information Service Request (CISR) forms to be “grandfathered” in; renewal of forms granted with new process only upon expiration of the old forms.
- For disclosable buildings, allow for bulk upload of facility information in IOU portal.
- Automated data sync from ESPM to IOU portals.

Closing

We propose that SJVCEO and associated stakeholder groups, including those who endorse these comments, play an active role in how 15-day language is enforced and implemented. We request direct participation in a forum with the CEC and IOUs to discuss the implementation process.

AB 802 will require additional language to ensure the survival of its intended purpose. We propose IOUs may request property information through their individual portals for disclosable buildings. However, IOUs should keep legacy systems in place; non-disclosable buildings and other infrastructure accounts should continue to obtain data directly through ESPM web services. To reduce undue burden on customers, those utilizing ESPM to benchmark municipal energy accounts should continue to obtain data via the process created by AB 1103.

This regulation stems from a statewide initiative to encourage organizations to monitor energy use across their portfolio and engage in energy efficiency projects. However, the implementation of compliance measures places an undue burden on customers.

IOUs have created a method to capture the data required by AB 802 for reporting purposes. However, this data is already effectively captured by existing systems. A strong recommendation is to allow continued use of the tools currently at our disposal to comply with the AB 802 regulation instead of making substantial changes, which are damaging to the overall end goal. The effort to comply with AB 802 would be far less intrusive if the data is extracted from existing systems that have been proven to work effectively. The current approach is, in a manner, reinventing the wheel.

Sincerely,

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