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*Comment Received From: Clif Tomasini
Submitted On: 7/21/2020
Docket Number: 19-BSTD-03*

Draft CASE Report 2022-NR-COV-PROC4-D, CEH

On behalf of Quest Climate Solutions, I am writing to submit comment on the proposed code change in the Draft CASE Report 2022-NR-COV-PROC4-D, Controlled Environment Horticulture.

As a market actor in the manufacture of dehumidification equipment for Controlled Environment Horticulture (CEH), we believe that segments of this proposed code change would have a negative economic effect on our out-of-state manufacturing facilities, our California based employees, the employees and operations of our distribution network and the retail outlets across California that carry our products leading to the possible elimination of employment opportunities. We also believe the change would place California at a competitive disadvantage in the CEH market.

I am the President of Quest Climate Solutions (Quest), a division of Madison Industries (MI) based in Chicago, IL. Our division sells dehumidification equipment produced by two other divisions of Madison industries: Therma-Stor in Madison, WI and Dehumidified Air Solutions (DAS) in Ottawa, ON.

The units designed and produced by Therma-Stor are stand-alone dehumidifiers that are primarily sold through our distribution partner, Hawthorne Gardening of Seattle, WA (a division of Scott's™s Miracle Gro). Hawthorne sells the stand-alone units through numerous independent retail outlets across California to the CEH industry.

The units designed and produced by DAS would be defined by this draft report as an integrated HVAC system that meets both cooling and dehumidification needs of the grow operation. These units, known to the industry as Agronomics IQ, are primarily sold through our distribution partner, Hawthorne Gardening. Hawthorne then sells these units through independent retail outlets directly to the CEH operators and direct to contractors across California working in the CEH industry.

My comment is that inclusion of Exception 120.6(h)2, as currently drafted, will result in a major economic disruption to our company, our California based employees, our distributor, their California based employees, the numerous California based retailers of our products, the numerous California based contractors that install our products and many other in the supply chain. Ultimately, the exception as written removes a time tested and industry understood method for managing the latent loads in CEH facilities.

For clarity, the exception to 120.6(h)2 states, "In buildings with less than 2,000 square feet of canopy in combined CEH spaces, stand-alone dehumidification units with a minimum energy factor of 1.9 L/kWh are permitted." We understand this to mean our stand alone units would no longer be an option in indoor growing CEH facilities larger than 2,000 square feet.

Section 3.4.1 of draft report 2022-NR-COV-PROC4-D states that this “proposed change would not result in economic disruption to any sector of the California economy.” We respectfully disagree. It will significantly impact the economic viability of our retail partners, contractors and California based employees. It may lead to the elimination of sales positions at both Quest and Hawthorne. It will reduce sales revenue to the retail partners that sell our equipment to the CEH market.

Section 3.4.2 of draft report 2022-NR-COV-PROC4-D states that the “proposed standards represent changes to CEH which would not excessively burden or competitively disadvantage California businesses” nor would it necessarily lead to a competitive advantage for California businesses.” Likewise, Section 3.4.3 states that “the Statewide CASE Team does not anticipate that these measures proposed for the 2022 code cycle regulation would have an adverse effect on the competitiveness of California businesses.” We respectfully disagree. This exception removes an affordable first cost option for CEH operations to simply control relative humidity in their facility via lower first cost, potential high energy efficiency, easy operation, redundancy and the opportunity for effortless capacity expansion. Without this option, the level of engineering and operational expertise in the CEH industry will have to increase drastically to properly control moisture loads in facilities with canopy larger than 2,000 ft². While an increase in the knowledge base and expertise of the industry is a trend we at Quest embrace, we believe it will place California at a competitive disadvantage over other states and nations that allow the use of stand-alone dehumidifiers due to the simplicity of operation and maintenance inherent in stand-alone dehumidifiers.

To continue this comment, obviously any change that places California at an economic and competitive disadvantage to other states will affect both investment in California (section 3.4.4) and funds flowing into California’s General fund (Section 3.4.5).

We believe that a stand-alone dehumidifier at an energy factor of 2.41 L/kWh or above (measured at DOE Appendix X1 conditions) operating with a properly design air conditioning system, may provide efficiencies rivaling or exceeding that of an integrated HVAC system or chilled water system.

This comment is intended to address only the economic disruption aspect of the proposed change but additional comments to be submitted by our engineering staff will directly address the operational efficiency and the benefit-to-cost ratio. They will also provide potential alternatives to Exception 120.6 (h)2 that the CEH CASE team may find acceptable.

We welcome any conversation you wish to have on this topic either in writing or by phone. We will make ourselves available to your convenience.

Additional submitted attachment is included below.

July 20, 2020

To Our Colleagues on the CEH CASE Team:

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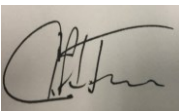
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Respectfully submitted,

7/20/2020

 X

Clif Tommasini

President - Quest

Signed by: 758d9cb7-4344-4ace-9e01-a0a9ddfdb3bb