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ARCXIS Comments and Concerns 22-BSTD-03 (September 13)

Additional submitted attachment is included below.



September 13, 2023

David Hochschild, Chair
California Energy Commission
715 P Street
Sacramento, California 95814

RE: Comments and Concerns:
Title 24 HERS Program Docket Number 22-BSTD-03

Dear Chair Hochschild:

We are writing to share our ongoing concerns regarding the substance and process in the development of new Title 24 regulations for the HERS Program Field Verification and Diagnostic Testing (FV&DT).

We were happy to host CEC staff earlier this summer. It was a fruitful day for all of us and led to some changes that we think are positive. For example, the development of what we would call a "Homeowners' Bill of Rights" will not only ensure consumers better understand the program but could also be used to educate homeowners about the value of home inspections.

We agree that the program can be improved, especially given the limited participation by homeowners. However, there are several process issues that we believe have limited the public's full participation in this process and create uncertain rationale for many of the proposed changes.

Data

Unfortunately, the staff reports released to date propose significant changes ***without the benefit of publicly available data and analysis to define the problem(s)*** in the program and the correlated proposed changes. While we understand that on average there is one complaint a month (less than .01% in the context of the rater inspections completed annually) it is not clear whether the complaints are about the rater and inspection or other issues. In not sharing the data, we do not know the quantity of complaint themes and are hampered in our ability to

evaluate the efficacy of the recommendations and contribute to improving them. We still do not know and wonder whether this number of complaints in fact justifies the extensive new regulations and associated cost increases for providers, raters and ultimately consumers and home costs.

On August 29th when the CEC staff conducted their final workshop on this matter the drafted regulations were not available. Instead the workshop featured a powerpoint which was only recently released to the public. This lack of detail stymies the public's ability to *review, ask questions, and provide feedback*. Given our previous concerns with the impact of these proposals on the operations of this program and the costs this was unfortunate. Further we found that the power point and staff presentation, comments to be inconsistent. For example, the power point suggests that the report will prohibit HERS raters from assisting in the design of energy systems. When asked whether this was the intent given the power point, staff clarified that this was not intended for the final report. But without the proposed regulations we are unable to confirm this information.

Costs

Lastly, we believe that the cost analysis provided by staff in the previous report to be grossly inaccurate and to significantly underestimate the costs of the proposed regulations. For example, we are unsure how staff determined the appropriate personnel classification and salary to estimate the new reporting requirements costs for raters. The analysis only looks at costs for providers and raters distinctly. The analysis fails to estimate the ultimate costs to consumers which if too exorbitant will further reduce consumer participation in the program.

We are providing our "reply" to a final report by September 15th that we have yet to see and so we withhold our full comments until the release of the next staff report. Given these process issues and the inherent impact to consumers and housing costs, we urge the California Energy Commission (CEC) to consider a more *incremental and participatory approach to ensure final regulations do not have negative and unintended consequences*.

We **recommend that the CEC develop regulations that address three core issues – *rater training standards, common progressive discipline, and quality assurance as a first step.*** Most in the industry would agree that this would improve the program and ensure consumer protection without excessive costs. It is also likely that focusing on these issues will provide data that can help drive future proposed changes. From there we can all work in the triennial review using current, verified data and analysis that we can all use to develop any further changes.

Sincerely,

DocuSigned by:

Jonathan Risch

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Jonathan Risch