

DOCKETED

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February 19, 2025

Docket 22-HERS-01

CHEERS Comments #1 RE: Golden State Registry Provider Application

Conflict of Interest Disclosures

CHEERS is responding to TN # 261766 the California Energy Commission (CEC) request for interested parties to comment on the Golden State Registry (GSR) residential data registry application.

CHEERS is requesting the CEC to release all information about the GSR's ownership affiliations and conflicts of interest.

In TN # [260692](#), GSR requested that ownership affiliation information be kept confidential from its public application review. It is unclear if the CEC granted the request.

Exhibits A2a and A2b are important to GSRs approval and **required conditions for approval.**

GSR's request states: These documents are documents regarding ownership and affiliations as well as responses regarding conflict of interest. Request: We request confidentiality for these documents in their entirety as they contain personal and private information regarding the personal addresses, phone numbers, and familial relationships of the parties involved.

This information should be publicly disclosed with sufficient time for review and comment.

Throughout GSR's application process its corporate Ownership Disclosures may have changed. (See e.g. Docket 22-HERS-01 TN 248566, TN 260692)

[Exhibit A2d](#) Stock Certificates indicate that Eric Jacoby and Jonathan Johnson, former owners and operators of iPermit, a rating company, are owners of Golden State Registry, National Energy Testing Institute, Inc.

Application materials that address the relationships between Ian Jacoby President of iPermit and Eric Jacoby should be made public for review of this applications.

In addition, relationships between Ian Jacoby, President of iPermit, Jonathan Johnson, President of GSR, and Leland Smith, CEO of Service Champions should be disclosed.

The review of the GSR's application must consider the real, perceived, and potential conflicts of interest.

Please amend the Docket to include **Exhibits A2a and A2b** and all additional information about the relationships between the National Energy Testing Institute, iPermit and parent company Arcxis, and Service Champions.

CHEERS understands the CEC's desire to bring an additional HERS Provider into the market, but conditions and safeguards must be in place to **1) Protect the Integrity of the HERS Program and 2) to Protect Homeowners.**

Conflicts of interest must be transparent to the public and conditions of approval must be put in place.

The attached letter was sent to Commissioner McAllister late last year, describing these concerns in further detail including serious quality assurance concerns.

This information is essential for a valid public comment process.



Shelby M. Gatlin, Esq.
Chief Compliance Officer
CHEERS

December 23, 2024

Commissioner Andrew McAllister
California Energy Commission
715 P Street
Sacramento, California 95814
Andrew.McAllister@energy.ca.gov

RE: Conflict of Interest Concerns – Golden State Registry, iPermit, Service Champions

Dear Commissioner McAllister:

CHEERS is reaching out to share important history relative to the management of the Energy Code Compliance / HERS Program. This concern is being brought directly to you and your advisors, given the historical decisions by CEC staff and prospective decisions from the same branch.

iPermit is unquestionably California's largest HERS Rater company serving the existing home market. Originally founded by the Jacoby Family, the company was acquired by ARCXIS¹ in 2022, with Ian Jacoby² continuing to lead its operations. The relationship between iPermit and its primary client, Service Champions³, is well established. Service Champions is one of California's largest HVAC installing contractors.

In November 2017, CalCERTS leadership convened with representatives from the CEC to address significant quality assurance concerns related to the iPermit program. The meeting, requested by the CEC, occurred during the tenure of William Dietrich, who oversaw the HERS program. At that time, Jonathan Johnson⁴ held a leadership position at iPermit under the supervision of Ian Jacoby.

During this meeting, the CEC staff presented CalCERTS with evidence indicating that hundreds of projects had been inspected improperly by iPermit. Additionally, the CEC identified multiple iPermit Raters with substandard quality assurance histories. Although CEC staff initially requested documentation from CalCERTS regarding disciplinary actions against Raters, they ultimately declined to engage further on the matter.

¹ <https://www.prnewswire.com/news-releases/arcxis-acquires-california-based-ipermit-301524128.html>

² <https://www.linkedin.com/in/ian-jacoby-62ba1226/>

³ On-Time Air Conditioning & Heating Inc dba Service Champions

⁴ <https://www.linkedin.com/in/jon-johnson-5989b3122/>

In 2020, at the request of several rating companies, CalCERTS approached the CEC for assistance in resolving quality assurance concerns associated with iPermit. By 2021, due to insufficient enforcement efforts, other rating companies found themselves unable to compete effectively against iPermit. In 2021, CalCERTS submitted a comprehensive 28-page summary on iPermit specifically and filed a formal complaint with the CEC.

In 2022, the CEC initiated a comprehensive revision of the HERS Program to enhance and reinforce its quality assurance standards. As you are aware, this revision, adopted in September, is now known as the Energy Code Compliance (ECC) program. A core provision of both the ECC and the existing HERS Program is the strict prohibition of any actual or perceived conflicts of interest. The rules governing this requirement are explicit and unambiguous.

Currently, CEC staff are reviewing a HERS Provider application for the Golden State Registry, which is financed and owned by Eric Jacoby⁵ and Jonathan Johnson—both of whom played key roles in iPermit's history. Meanwhile, iPermit's operations are currently managed by Ian Jacoby, who is directly related to Eric Jacoby.

Last week, Golden State Registry filed a request to keep the information about this conflict of interest confidential.⁶ ***This request for confidentiality should be denied.*** Stakeholders deserve transparency in these decisions, particularly considering the inherent risks to their businesses. HERS Rating companies such as Archon Energy Solutions and EnergyGuy, which have invested in technology and collaborated with the CEC to enhance compliance, must be granted insight into these determinations—especially given that Golden State Registry has close ties to iPermit, their direct competition. ***The conflicts between Golden State Registry, iPermit, and Service Champions, must be addressed in the evaluation of Golden State Registry HERS Provider application.***

CHEERS acknowledges the CEC's interest in swiftly introducing another provider into the marketplace following CalCERTS' closure. However, the established rules and regulations protecting the program and its stakeholders must be upheld, especially in this instance when California's existing home market will be directly impacted. Lowering entry standards would undermine the dedicated efforts invested in enhancing the ECC/HERS

⁵ <https://www.linkedin.com/in/eric-jacoby-49464371/>

⁶ https://links-2.govdelivery.com/CL0/https:%2F%2Fefiling.energy.ca.gov%2FGetDocument.aspx%3FDocumentContentId=96992%26tn=260692%26utm_medium=email%26utm_source=govdelivery/1/01010193d7a0de55-be53bd5e-7af6-4f83-8dd0-398212891495-000000/40afPFidmU7U3F1DkJ8KWYzymj-RelMImvMQKmb8O20=384

Program to protect homeowners. The issues related to iPermit and consumer protection were central to the rulemaking.

CHEERS is meeting program requirements and is working collaboratively with the CEC to ensure that the ECC/HERS program is administered effectively and economically. On December 4th, 2024, the CHEERS team presented CEC staff information on pricing, quality assurance measures, and technology enhancements that not only safeguard consumers but could validate the integrity of 100% of field verification and diagnostic testing. Such efforts and investments cannot be sustained if CEC staff elect to expedite applicants with clear conflict of interest concerns.

We consider it imperative to bring this matter to the Commissioners' attention, given the program credibility concerns posed by evaluating a HERS Provider application under the identified conflict of interest circumstances.

Sincerely,



Jim Hodgson
Chief Executive Officer, CHEERS

CC:

Bryan Early, California Energy Commission
David Johnson, California Energy Commission
Allan Ward, Chief Counsel Officer, California Energy Commission
Will Vicent, Deputy Director, Efficiency Division, California Energy Commission
Shelby Gatlin, Chief Compliance Officer, CHEERS