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Docket Number:	22-HERS-01
Project Title:	2022 HERS Provider Applications for the 2022 Building Energy Efficiency Standards
TN #:	261957
Document Title:	David Hegarty Comments - 22-HERS-01 Comments
Description:	N/A
Filer:	System
Organization:	David Hegarty
Submitter Role:	Public
Submission Date:	2/25/2025 8:36:50 AM
Docketed Date:	2/25/2025

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Submitted On: 2/25/2025
Docket Number: 22-HERS-01*

22-HERS-01 Comments

Dear CEC Staff,

I have had the privilege of serving the energy efficiency industry for over two decades and have witnessed firsthand the evolution of HERS Providers in California. My experience spans from founding and operating DuctTestersâ€™one of the stateâ€™s largest HERS rating companies, later acquired by QualityBuilt in 2021â€™to observing the significant shifts in our industry landscape.

As the CEC considers the approval of the Golden State Registry, I respectfully urge that the operating restrictions addressing the conflict of interest among former owners of a HERS Rating company and new ownership to GSR, if any, be made available for public review. Transparency in this process is critical to ensuring that the industry remains competitive, credible, and committed to the highest standards of quality.

The CEC should also mandate transparent pricing and ban highly discounted registry pricing for volume Rater agencies. These discounts are dangerous to the industry, competition, and ethical testing. The industry would benefit from this kind of extended oversight from the Commission. As we have seen in the past, it doesn't serve the industry well and it doesn't help our community get to the goals set by governing bodies, when unfair advantages are permitted.

The close relationships between industry entities and the Golden State Registry are known throughout the building industry. I welcome healthy competition in the HERS Provider and RATER Agencies market, however am concerned about relationships of this past and potential current nature effectively undermining fair competition, major price reduction (volume discounting), effectively crowding out independent HERS rating firms, and reducing the incentive to maintain rigorous quality assurance standards across the board.

We have seen similar challenges before. When Consol acquired old CHEERS, the California Energy Commission required Consol to relinquish all of its energy consultant and HERS rating work - Consol was once one of California's largest HERS raters. For those interested in understanding the context of that decision, the CECâ€™s restrictions on Consol/CHEERS are available for public review on their website: <https://www.energy.ca.gov/filebrowser/download/4574?fid=4574>

I urge the Commission and staff to carefully review all relationships and shine the light of disinfectant upon the proceedings. I trust the CEC will provide the oversight necessary to provide clarity to any issue the participants in the registry may or may not have.

Sincerely,

Dave Hegarty