

DOCKETED

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CABECs Concerns Regarding Potential Conflict of Interest and Oversight of ECC-HERS Providers

Additional submitted attachment is included below.



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Dear Energy Commission Staff and Commissioner McAllister,

On behalf of the California Association of Building Energy Consultants (CABEC), we appreciate the opportunity to comment on the ongoing discussion regarding Golden State Registry's (GSR) application. As an organization committed to upholding the integrity of the HERS program and soon to be ECC program, we urge the Commission to remain committed in ensuring transparency—not only in its own decision-making process but also in the responsibilities and practices of any applicant seeking approval.

The ECC/HERS program is a critical third-party verification process, essential to ensuring compliance with the Energy Code. Looking ahead, a robust third-party verification will only become more vital as the state works towards meeting its energy goals, particularly in cost-effective electrification and efficiency measures. Commissioner McAllister has repeatedly emphasized this point, and we fully support the continued prioritization of a reliable and well-regulated ECC third-party verification industry.

Fundamentally, our concern centers on the integrity of the ECC/HERS program. The abrupt closure of CalCERTS last year underscored the devastating impact that the collapse of a HERS registry can have on our industry. Energy consultants and HERS Raters took on considerable financial costs to transition their projects to the remaining registry, and many projects were lost in the process. Jurisdictions and market actors who take the Energy Code seriously, experienced confusion and setbacks, compounded by the Commission's lack of clear leadership and a comprehensive response to mitigate the fallout. The credibility of both the Energy Code and the Energy Commission suffered as a result.

It is imperative that we avoid similar market destabilization in the future. A well-known but often unspoken reality in our industry is that HERS providers have not been treated equally in their oversight by the Commission. The collapse of CalCERTS was not merely an unfortunate event but, in many ways, an inevitable outcome of this uneven regulatory approach.

Moving forward, we emphasize two essential principles:

- **Clarity:** Establishment of clear, consistent standards and requirements for all ECC/HERS registries to ensure fairness and reliability.
- **Transparency:** Public accountability regarding registry compliance, conflict-of-interest reconciliations, and interactions between the Commission and the registries.

We acknowledge that the Commission may feel pressured to approve a new registry in response to the pricing adjustments made by CHEERS last September. While we recognize concerns about costs passed down to our clients, we caution against assuming that more competition automatically equates to better outcomes. The letters submitted by smaller firms, many of whom operate on thin margins, reflect a deep-rooted concern that not all competition is healthy competition. The introduction of a new provider must be carefully scrutinized to avoid unintended negative consequences that could further erode confidence in the ECC/HERS marketplace.

We urge the Commission to consider whether it has the necessary resources to oversee multiple registries effectively and fairly. Additionally, if conflicts of interest exist within a new provider's structure, what impact might they have on market integrity? These are critical questions that must be addressed before proceeding with any approval.

CABEC remains committed to working alongside the Commission to uphold the credibility of the ECC/HERS industry. We appreciate your attention to this matter and look forward to ongoing discussions that prioritize the stability and effectiveness of California's energy compliance framework.

Sincerely,

Brian Selby - CABEC Board President

Luke Morton - CABEC Board Member, Policy Committee Lead

Linda Pierce - Executive Director