

DOCKETED	
Docket Number:	22-HERS-01
Project Title:	2022 HERS Provider Applications for the 2022 Building Energy Efficiency Standards
TN #:	262937
Document Title:	CHEERS Comments on GSR Approval Comments - CHEERS Comments on GSR Approval
Description:	N/A
Filer:	Shelby Gatlin
Organization:	CHEERS
Submitter Role:	Other Interested Person
Submission Date:	5/6/2025 4:23:15 PM
Docketed Date:	5/6/2025

May 6, 2025

Docket: 22-HERS-01

Docket: 25-BUSMTG-01 Agenda Item 4

CHEERS Comments Re: Golden State Registry Provider Approval

On May 8, 2025, the Golden State Registry (GSR) will be before the California Energy Commission for approval as a HERS Provider.

The following issues need to be documented to the Commissioners for future reference.

Conflicts of Interest

CHEERS met with CEC Staff to raise concerns about conflicts of interest surrounding GSR's application. These concerns stem from longstanding business and personal ties between GSR's leadership and iPermit, a prominent Rater Company operating exclusively in the existing homes market.

Specifically, Eric Jacoby (GSR), Ian Jacoby (iPermit), and Jonathan Johnson have worked together for over a decade, launching multiple businesses within the HVAC and HERS sectors. Despite this well-documented history, CEC Staff concluded there were no issues with independence, including the familial relationship (father/son) between the owner of GSR, and the operator of iPermit.

When asked whether the Energy Code Compliance (ECC) Program's prohibition on "close family relationships" should apply more broadly—beyond just Raters, Builders, Installers, and Designers—CEC Staff responded that their discretion was limited and that protections could only be expanded through future rulemaking. Staff acknowledged they could not impose conditions to mitigate risk or protect consumers under the current framework; but, encouraged CHEERS to bring this issue to the 2028 code rulemaking.

Fairness

GSR's approval as a HERS Provider is limited to the existing homes market, and more narrowly, for *only* the prescriptive compliance pathway. This is an unusual approval. GSR is seeking approval as a HERS Provider exclusively for businesses like iPermit.

GSR is being allowed to ignore the substantially harder part of the market and the code. New construction and performance projects take considerably more resources. The existing homes market helps offset those program hurdles. Essentially GSR is allowed to focus on the easiest 20 forms (out of hundreds) and ignore many other program requirements.

Additionally, approval documents do not address how GSR will ensure projects are correctly classified. Simply put, Raters under GSR can label projects as alterations, circumventing all established protocols for performance alterations, or new construction, and no one would know. Since GSR is not programmed for performance projects there is no inherent mechanism to catch misclassified projects. Within the approval documents, there is no proposed plan by either GSR or the CEC on how they will maintain program integrity given this limited approval.

Furthermore, CEC Staff acknowledged that GSR was not asked whether it intends to expand to meet full HERS Provider responsibilities. No conditions were proposed to ensure future compliance with the HERS Regulations, Joint Appendices, or the Data Registry Requirements Manual—requirements routinely expected of other Providers.

This discretionary approval raises significant fairness concerns. It signals to stakeholders that regulatory requirements can be inconsistently enforced or selectively waived. Stakeholders, such as CABEC and CBIA, raised these concerns on the docket.

CHEERS agrees the CEC has discretion when necessary to support the program's goals; however, discretion must be fair, transparent, and without prejudice. In the past, when the CEC treated Providers unfairly, exempting requirements arbitrarily, the program was seriously harmed.

2025 Energy Code Compliance Program

The CEC undertook a significant rulemaking to reform the HERS Program. The new ECC Program, which begins in 2026, now resides in Title 24. The program moved to Title 24 so that it can be amended by CEC Staff when changes are needed to support the Energy Code.

Importantly, the upcoming ECC program does **not** allow for partial Raters, Registries, or Providers. (See Sections 10-103(d)(1); 10-103(d)(13); 10-103(c))

- ECC-Raters must be fully trained in **all** aspects of the residential code, including some nonresidential verifications.
- Residential Data Registries must facilitate the registration of **all** residential compliance documents.
- Provider applicants must satisfy **each** of the regulatory requirements for approval.

The Commission must **not** create exceptions to the ECC Program requirements that were not adopted through the regulatory process. Doing so would undermine the integrity of the rulemaking, unfairly disadvantaging stakeholders who participated in good faith. Granting such exceptions immediately after adoption would constitute an abuse of discretion, a violation of fair procedure, and an act of unfair competition against businesses that have invested in compliance.

Just as CEC legal counsel advised CHEERS relative to conflicts of interest, changes to the code language should be considered as part of the next code cycle.

Conclusion

CHEERS understands that GSR may move forward with approval as a partial Provider under the HERS Program, for the 2022 Code. However, the CEC must not extend this exception to Providers under the ECC Program within the 2025 Code since it would violate its authority -- it would directly conflict with the express requirements adopted through its rulemaking for ECC-Providers.



Shelby M. Gatlin, Esq.
Chief Compliance Officer
CHEERS