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## SCE's Comments on the CEC's Docket No. 15-IEPR-05: Staff Workshop on Zero Net Energy for Newly Constructed Buildings

Additional submitted attachment is included below.



June 1, 2015

California Energy Commission Docket Office, MS-4 Re: Docket No. 15-IEPR-05 1516 Ninth Street Sacramento, CA 95814-5512 docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy

Commission Docket No. 15-IEPR-05: Staff Workshop on Zero Net Energy

for Newly Constructed Buildings

## Dear Commissioner McAllister:

On May 18, 2015, the California Energy Commission (Energy Commission) held a Lead Commissioner Workshop on Zero Net Energy (ZNE) for Newly Constructed Buildings ("the Workshop") as part of the 2015 Integrated Energy Policy Report ("IEPR") Proceeding. Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments.

As discussed during the Workshop, SCE supports energy codes and standards that advance ZNE efforts, including Title 20, Title 24, and the Department of Energy's (DOE) energy standards. To better understand ZNE opportunities and challenges, SCE is engaged in a number of ZNE research and programmatic initiatives, including the DOE's Solar Decathlon, SCE's Grid Integration of Residential Communities project, and SCE's ZNE Office Project. SCE hopes that these initiatives, several recently completed ZNE projects, and other ZNE endeavors will inform (1) the development and refinement of ZNE codes and standards, and (2) the planning and implementation of ZNE goals in a manner that maintains safety, reliability, and cost-effectiveness. SCE looks forward to continuing its ZNE research efforts, and to coordinating with the Energy Commission and ZNE stakeholders to share lessons learned in support of informing and advancing the state's progressive goals.

During the Workshop, the Energy Commission shared its policy on and definition of ZNE that it adopted in the 2013 IEPR. The 2013 IEPR states that: "A ZNE Code Building is one where the net amount of energy produced by on-site renewable energy resources is equal to the value of the energy consumed annually by the building, at the level of a single 'project' seeking development entitlements and building code permits, measured using the California Energy Commission's Time Dependent Valuation (TDV) metric. A Zero Net Energy Code Building meets an Energy Use Intensity value designated in the Building Energy Efficiency Standards by building type and climate zone that reflect best practices for highly efficient buildings." The

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Energy Commission also emphasized the importance of "meaningful flexibility" because a significant number of buildings may not be to meet the on-site renewable energy sources component of the ZNE Code Building definition. The Energy Commission therefore stated that "it will be necessary to establish ZNE Code Building requirements with reasonable exceptions to account for building and building site limitations."

SCE agrees that flexibility and a pathway for compliance will be essential for realizing the progressive 2020 and 2030 goals for new ZNE residential and commercial buildings. As the Energy Commission and stakeholders continue to learn from ZNE research, development and demonstration efforts, SCE believes that modifications to ZNE codes and policies may be warranted. In particular, understanding and resolving compliance issues will be essential, and may require a modified definition for "ZNE" that allows for both on-site and community-based renewables.

Recognizing that modifications may be required in the future to achieve ZNE goals, SCE encourages that any legislative or regulatory changes to the ZNE code or definition involve robust stakeholder participation in which parties can contribute to achieving ZNE in the most cost-effective, safest and reliable manner. Transparency and stakeholder participation will be increasingly important as the California Public Utilities Commission (CPUC) adopts new rulemakings that may influence ZNE efforts, such as the Distribution Resources Plan (R.14-08-013) and the Net Energy Metering Successor Tariff (R.14-07-002). As the regulatory landscape and the electricity grid continue to evolve, the Energy Commission should reassess ZNE to accommodate key developments in consideration of energy ratepayers.

In conclusion, SCE appreciates the Energy Commission's consideration of these comments and looks forward to its continuing collaboration with the Energy Commission. Please do not hesitate to contact me at (916) 441-2369 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/ Manuel Alvarez

Manuel Alvarez