

**DOCKETED**

<b>Docket Number:</b>	19-IEPR-06
<b>Project Title:</b>	Energy Efficiency and Building Decarbonization
<b>TN #:</b>	228291
<b>Document Title:</b>	Natural Resoures Defense Council, Inc Comments - on the development of the Existing Buildings Energy Efficiency Update
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Natural Resoures Defense Council, Inc
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	5/15/2019 4:28:37 PM
<b>Docketed Date:</b>	5/15/2019

*Comment Received From: Natural Resources Defense Council, Inc*  
*Submitted On: 5/15/2019*  
*Docket Number: 19-IEPR-06*

**Comments of the Natural Resources Defense Council (NRDC) on the development of the Existing Buildings Energy Efficiency Draft Act**

*Additional submitted attachment is included below.*

**Comments of the Natural Resources Defense Council (NRDC) on the development of the  
*Existing Buildings Energy Efficiency Draft Action Plan Update***

Docket Number 19-IEPR-01

May 15, 2019

Submitted by: Lara Ettenson

[lettenson@nrdc.org](mailto:lettenson@nrdc.org)

---

**I. Introduction and Summary**

The Natural Resources Defense Council (NRDC) appreciates the opportunity to offer these comments to inform the forthcoming Existing Buildings Energy Efficiency Action Plan update. NRDC is a non-profit membership organization with more than 90,000 California members who have an interest in receiving affordable energy services while reducing the environmental impact of California's energy consumption. NRDC offers the following comments. The action plan update should:

1. Launch the statewide advisory council to ensure the state is using one consistent set of policy rules and evaluation techniques, based on national best practices.
2. Lay out a path toward setting mandatory standards for buildings, which are needed to reach the state's climate and equity goals.

**II. Discussion**

**1. The CEC should launch the statewide advisory council presented in the 2016 Action Plan to ensure the state is using one consistent set of policy rules and evaluation techniques, based on national best practices.**

NRDC strongly supports establishing a California collaborative as was included in the last update. This would ensure statewide consistency, engage stakeholders in cooperatively resolving challenges, and leverage the expertise of those on the ground to ensure programs capture substantial savings and serve customer needs. From the CEC's 2016 Energy Efficiency Action Plan Update:

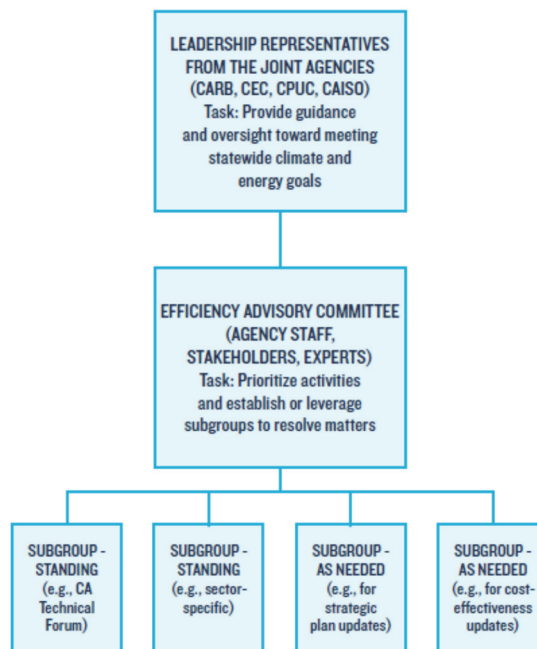
“The Energy Commission plans to develop a collaboration structure that incorporates the active engagement of key agencies, coordinates across relevant rulemakings, and maintains consistency with agency roles and authorities. This Energy Efficiency Collaborative will implement appropriate forums and methods to coordinate analysis, identify promising strategy options, monitor and report on strategy effectiveness, provide public briefings on action plan progress, and invite regular stakeholder feedback to identify and resolve issues. The Energy Commission plans to consider adding an advisory committee, consisting of agency staff, stakeholders, and experts to advise and take direction from the Energy Efficiency Collaborative.” (p.34)

We strongly urge the Commission to implement this idea. In developing such a forum, it is important that the state learn from and specifically address the shortcomings of previous California and other similar forums. Any structure should rely on identified best practices that are employed by well-functioning forums.<sup>1</sup>

NRDC proposed a similar structure in our report “California’s Golden Energy Efficiency Opportunity: Ramping Up Success to Save Billions and Meet Climate Goals,” August 2015. We proposed a structure that would build on the existing Energy Principles forum to prioritize and resolve key issues that inhibit widespread scale up of energy efficiency efforts (Figure 1 below).

“This committee would be responsible for implementing the leadership's guidance, including prioritization of programmatic and technical matters. The committee would also assess which existing groups could be leveraged, whether new subcommittees are needed, and if these forums should be used on an ongoing basis (e.g., sector-specific subgroups to help ensure program effectiveness and vet program changes) or for a limited time to resolve a particular issue (e.g., to propose cost-effectiveness methodology updates for consideration by the energy agencies).”<sup>2</sup>

**Figure 1: Concept for a Statewide Efficiency Collaborative Forum**



<sup>1</sup>California Technical Forum, Memorandum re: Energy Efficiency Stakeholder Research, May 1, 2014. <https://static1.squarespace.com/static/53c96e16e4b003bdba4f4fee/t/54a32e0fe4b034981b42d8c9/1419980303421/Stakeholder+Group+Research+Memorandum.pdf>

<sup>2</sup>NRDC. “California’s Golden Energy Efficiency Opportunity: Ramping Up Success to Save Billions and Meet Climate Goals,” August 2015, p.31. <https://www.nrdc.org/sites/default/files/ca-energy-efficiency-opportunity-report.pdf>

With an ambitious statewide set of climate and equity goals on a quick timeline, it is even more imperative the state ensure the policy rules align with the state’s objectives, are consistent across all entities in the state, and are transparency set and reviewed to ensure they are working as intended.

**2. The Action Plan update should lay out a path toward setting mandatory standards for buildings, which are needed to reach the state’s climate and equity goals.**

The Action Plan should consider the role of mandatory standards in existing buildings to support the pace and scale of SB 350’s doubling energy efficiency savings, and AB 3232’s GHG reduction objectives. Most market transformation efforts in existing buildings to date have relied on voluntary measures to improve energy efficiency and reduce emissions. While these measures are critical to help develop the market, they may not be sufficient alone to achieve the state’s energy efficiency and decarbonization objectives. The Action Plan should pursue a lifecycle market transformation approach, where voluntary measures are focused not just on energy efficiency as an energy resource acquisition strategy, but also as a market transformation strategy that prepares the market for mandatory standards.

This lifecycle market transformation approach is already successfully applied in new construction where building codes, that set mandatory energy efficiency requirements for new buildings, are the last step in a market transformation cycle. This cycle starts with research and development through the EPIC program, support for early commercialization (Emerging Technologies program), and incentive programs such as California Advanced Home (CAHP) and California Multifamily New Homes (CMFNH) programs. The Title 24 building energy code is just the last step in that cycle. We recommend the CEC work with the California Public Utilities Commission as they develop a market transformation framework to ensure consistency.

Mandatory standards in existing buildings can take many forms. A number of leading U.S. cities and districts have already started to implement this type of approach:

- Los Angeles requires retro-commissioning of buildings larger than 20,000 ft<sup>2</sup> that don’t meet minimum efficiency requirements starting 2020 as part of its Existing Buildings Energy and Water Efficiency ordinance adopted in 2016.
- New York City also has an energy benchmarking and retro-commissioning standard in effect for buildings larger than 25,000 ft<sup>2</sup>, and just passed a new law that sets GHG emissions performance standards for large existing buildings.
- Washington DC requires existing buildings to perform an energy assessment every five years and to demonstrate a minimum level of energy efficiency.

- The City of Boulder requires owners of rental housing to achieve certain energy efficiency standards to be able to renew their rental license.
- The City of Berkeley's Building Energy Saving Ordinance (BESO) requires building owners to perform an energy assessment at time of sale.
- Internationally, leading countries are also pursuing similar approaches, such as the United Kingdom's Minimum Energy Efficiency Standards that went into effect in April 2018 and require rented and leased properties to meet minimum energy efficiency standards.

These examples show there are many approaches to implement such standards, including date certain and time of sale or lease, various metrics including ENERGY STAR, GHG emissions, and prescriptive checklists. The Action Plan should investigate the role of mandatory standards as part of a full market transformation strategy in existing buildings to help achieve California's climate and clear air goals.