

**DOCKETED**

<b>Docket Number:</b>	19-IEPR-06
<b>Project Title:</b>	Energy Efficiency and Building Decarbonization
<b>TN #:</b>	229842
<b>Document Title:</b>	Ygrene Energy Fund Comments - On the Draft 2019 California Energy Efficiency Action Plan
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Ygrene Energy Fund
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	9/24/2019 4:29:35 PM
<b>Docketed Date:</b>	9/24/2019

*Comment Received From: Ygrene  
Submitted On: 9/24/2019  
Docket Number: 19-IEPR-06*

**On the Draft 2019 California Energy Efficiency Action Plan**

*Additional submitted attachment is included below.*

24 September 2019

**Via Electronic Delivery**

California Energy Commission  
Docket Unit, MS-4  
Re: Docket No. 19-IEPR-06 – 2019 Draft California Energy Efficiency Action Plan  
1516 Ninth Street  
Sacramento, CA 95814-5512

**RE: Ygrene Energy Fund Comments on the Draft 2019 California Energy Efficiency Action Plan – Docket No. 19-IEPR-06**

Dear Commissioners Scott and McAllister and Energy Commission Staff:

Ygrene applauds the efforts of the Energy Commission in drafting the 2019 California Energy Efficiency Action Plan. The work the Energy Commission is doing to help create a pathway for achieving California’s bold carbon emission reduction goals is essential. As a California company dedicated to bringing energy efficiency, renewable energy, and resiliency market solutions to bear on the challenges related to climate change, Ygrene welcomes the opportunity to provide comments to the Draft 2019 California Energy Efficiency Action Plan and to help California shepherd in a carbon neutral and clean energy economy.

California’s goal to double the state’s energy efficiency by 2030<sup>1</sup> is fast approaching. With ten years left to achieve that goal, the need to mobilize resources and capital to invest in energy efficient and carbon emission reduction technologies and infrastructure is essential. “Component 2: Beyond-ratepayer Programs and Policies” lays out the many energy efficiency efforts around the state that do not leverage ratepayer funds. Additionally, there are a number of programs the Energy Commission notes that do not leverage either ratepayer funds or public tax dollars. One of those programs, as the Energy Commission details in “Private Market Energy Efficiency Program” section, is Property Assessed Clean Energy (PACE).

California’s PACE programs have proven to be a tremendous success in mobilizing billions of private capital to conserve energy, produce renewable energy, and reduce carbon emissions without the need for public funds. In fact, as noted in Ygrene’s previous comment letter, the University of California’s Schwarzenegger Institute for State and Global Policy and the Sol Price School of Public Policy released new research that performed the most comprehensive analysis on the impacts of PACE on California’s economy and environment to date.<sup>2</sup> The results of that research document the significant impacts that PACE has had on increasing investment in energy efficiency, renewable energy, and water conservation and reducing over 1.15 million metric tons of lifetime CO<sub>2</sub>-e emissions while

---

<sup>1</sup> California Senate Bill 350 (de Leon, Chapter 547, Statutes of 2015).

<sup>2</sup> Rose, A. and Wei, D. 2019. *Impacts of the Property Assessed Clean Energy (PACE) Program on the Economies of California and Florida*. Schwarzenegger Institute, USC, Los Angeles, CA. <http://schwarzenegger.usc.edu/institute-in-action/article/impacts-of-the-property-assessed-clean-energy-program-on-the-economies-of-c>

simultaneously having a positive impact on the economy by creating thousands of new jobs and economic opportunities across the state.

However, as noted in Figure 21 in the Draft Energy Efficiency Action Plan, PACE investment declined significantly after the legislation passed in 2017<sup>3</sup> constricted the PACE market to a fraction of what it was prior to the legislation. The Energy Commission recognizes that PACE “is the largest beyond utility program in the state.” Thus, absent a strong PACE market California’s ability to meet its aggressive energy efficiency reduction targets will be greatly hindered.

Therefore, to ensure the continued viability and success of California’s PACE programs, Ygrene strongly recommends that the Energy Commission include the following two “recommendations” in Chapter 4: Recommendations and Next Steps in the Draft Energy Efficiency Action Plan under “Goal 1: Double Energy Efficiency Savings by 2030”:

Recommendation	Lead	Partners
Assess the impact of Assembly Bill 1284 (2017) on the decline in the California PACE market and consider modifications to existing PACE statutes and future regulations to better ensure access to affordable financing while continuing to ensure strong consumer protections. Does not risk public funds/no mandates – completely voluntary.	Legislature, Department of Business Oversight	PACE Administrators, Industry Stakeholders, Local Governments, Treasurer’s Office, CEC
Encourage local governments to authorize PACE programs as part of city and county Climate Action Plans and disaster resiliency planning to leverage private capital for public good by increasing investment in energy efficiency and carbon emission reduction technologies in local communities across the state as well as support overall community health and safety.	Local Governments, PACE Administrators	Industry Stakeholders, Contractors, CEC

By including these two recommendations in the 2019 Energy Efficiency Action Plan, the Energy Commission would better support market solutions to address climate change – what PACE was originally designed to achieve, which has demonstrated the ability to increase investment in energy efficiency, reduce carbon emissions, and create healthier and more resilient communities – all while improving California’s economy and creating thousands of new local jobs. The goal of meeting California’s clean energy and carbon emission reduction targets should not be the sole burden of ratepayers and taxpayers. The State must position itself to take advantage of and leverage private capital to meet the urgency of creating a carbon neutral built environment.

Ultimately, achieving a carbon neutral built environment is going to require investment on a scale never seen in U.S. history, investment which will be impossible without massive investment from

<sup>3</sup> California Assembly Bill 1284 (Dababneh, Chapter 475, Statutes of 2017).



the private sector. PACE is one of the programs that can make such private sector investment for the public good possible.

In addition to the comments above, Ygrene has included suggested edits to the PACE subsection in the "Private Market Energy Efficiency Program" section of the Draft Energy Efficiency Action Plan. The suggested edits would clarify language used to describe PACE. These suggested edits are included on pages 83, 91, and 92 of the Draft Energy Efficiency Action Plan.

Thank you for your consideration of the above comments, and we look forward to further participation in the 2019 California Energy Efficiency Action Plan process.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Lemyre", with a horizontal line extending to the right.

Mike Lemyre  
Senior Vice President  
Government Affairs & Public Relations  
Ygrene Energy Fund  
2100 S. McDowell Blvd  
Petaluma, CA 94954  
(707) 236-6608  
[Mike.lemyre@ygrene.com](mailto:Mike.lemyre@ygrene.com)