

**DOCKETED**

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**Comments from Sierra Club and The Greenlining Institute on Docket# 19-IEPR-06, 2019 California Energy Efficiency Action Plan -**

Please see attached.

*Additional submitted attachment is included below.*

September 27, 2019

**Comments from Sierra Club and The Greenlining Institute on Docket # 19-IEPR-06, 2019  
California Energy Efficiency Action Plan - Draft Staff Report, California Energy  
Commission**

**I. Introduction**

The Greenlining Institute and Sierra Club are writing to comment on the California Energy Commission's (CEC) 2019 California Energy Efficiency Action Plan, Draft Staff Report ("Draft EEAP").

Sierra Club is the nation's oldest and largest grassroots environmental organization which has nearly 800,000 members nationwide and 170,000 in California. Sierra Club is dedicated to the protection of public health and the environment and has long been a leading voice for reducing our greenhouse gas emissions by enhancing energy efficiency and reducing the use of fossil fuels.

The Greenlining Institute (Greenlining) advances economic opportunity and empowerment for people of color through advocacy, community and coalition building, research, and leadership development. It advocates for just and equitable impacts, energy programs and policies, seeking to ensure that race, language, or income are never barriers to the benefits of clean energy and the environment.

California is on the front lines of the climate crisis. The weather is increasingly warming, with more frequent heat waves, rising sea levels, and variable precipitation. These changes have already resulted in droughts, floods, and wildfires across the state, which impact local economies

and livelihoods, especially of those populations that are already most vulnerable.<sup>1</sup> According to the latest Intergovernmental Panel on Climate Change report, to keep global warming to only 1.5 degrees Celsius will require slashing carbon emissions by 45 percent from 2010 levels by 2030, and reaching net zero emissions around 2050.<sup>2</sup> At the same time, the climate gap continues to widen as low-income and environmental justice communities continue to suffer the environmental and economic costs of the state's appetite for energy and are disproportionately burdened by the impacts of climate change. Business as usual is not a scenario that can even be considered to meet these goals.

Against this backdrop, Sierra Club and Greenlining offer the following comments on Docket # 19-IEPR-06, the 2019 California Energy Efficiency Action Plan, Draft Staff Report.

## **II. Comments and Discussion**

Greenlining and Sierra Club appreciate the CEC's effort in putting together the Draft EEAP. There are a few comments we would like to highlight, including prioritizing the AB 3232 study, recommendations on the EEAP, prioritizing and narrowing the list of recommendations in the report, and providing specific CEC-led recommendations on community engagement and addressing barriers on energy efficiency equity issues.

### **A. Assembly Bill (AB) 3232 Study Should be Prioritized and Expedited (Goal 3: Reducing GHG emissions from Buildings)**

AB 3232 (Friedman, Chapter 373, Statutes of 2018) requires the CEC to undertake a feasibility assessment of a 40 percent decrease in greenhouse gas emissions, relative to 1990 levels, from residential and commercial buildings by 2030. According to the legislation, the CEC must start

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<sup>1</sup> Fourth Climate Change Assessment, California, at 17.

<sup>2</sup> Global Warming of 1.5 Degrees C, IPCC, 2019, accessed <https://www.ipcc.ch/sr15/>.

including a section in the IEPR report in 2021 “describing the GHG emissions associated with the supply of energy to buildings”.<sup>3</sup> The findings of this assessment are due to the Legislature in January 2021. The Integrated Energy Policy Report (IEPR) notes that “the CEC is reviewing data on GHG emissions to inform an effective baseline that will clarify which emissions to include or exclude, from site to source.”<sup>4</sup>

Sierra Club and Greenlining urge greater speed on completing the AB 3232 study because of the limited time to enact policies to achieve 2030 emissions reduction goals. There is a wealth of data available already on how to decarbonize the building sector by the Building Decarbonization Coalition, Sacramento Municipal Utility District, Natural Resources Defense Council (NRDC), Sierra Club, UC Berkeley/Lawrence Berkeley National Laboratory, Energy and Environmental Economics and others. Moreover, the 2018 IEPR already identified the need to accelerate electrification and called for specific policy actions across the state agencies, local government, and utilities.<sup>5</sup> The data and studies are readily available. What we lack is *policy action, investment, and leadership*.

Waiting until 2021 for the AB 3232 study leaves even less time to propose, adopt, and implement new policies. California is not on track to meet its climate goals in an equitable manner, and Sierra Club and Greenlining urge greater speed from the CEC in completing this AB 3232 assessment. At minimum, the 2019 IEPR should contain evidence of significant progress, including a baseline and initial recommendations. Greenlining and Sierra Club also agree with many of the recommendations proffered by NRDC in its comments, including the

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<sup>3</sup> Draft EEAP at 47, accessed <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-IEPR-06>.

<sup>4</sup> Draft EEAP at 123.

<sup>5</sup> 2018 Integrated Energy Policy Report, accessed: [https://ww2.energy.ca.gov/2018\\_energypolicy/](https://ww2.energy.ca.gov/2018_energypolicy/).

solicitation of early public input on the scope of the AB 3232 report, and providing quantitative analysis of potential strategies.

## **B. Energy Efficiency Action Plan (Goal 1: Double Energy Efficiency Savings by 2030)**

The Draft EEAP demonstrates that California can achieve the doubling of energy efficiency required by SB 350. However, even meeting this goal to double energy efficiency still achieves less than half of the greenhouse gas emissions reductions needed by 2030.<sup>6</sup> This means that California must also explicitly focus not just on energy efficiency but also on greenhouse gas reductions. Moreover, doubling energy efficiency should not be seen as a ceiling, but rather a floor for what is needed to achieve 2030 and 2045 emissions reductions goals.

Greenlining and the Sierra Club recommend that the IEPR report be very clear about the level of electrification needed to achieve the doubling (or more than doubling) of energy efficiency and the policies needed to make sure this occurs in a manner that is in line with the principles of equity, a few suggestions of which are described below in Section D.

In conjunction with the doubling of energy efficiency, the CEC should revisit the assumption of the fuel-substitution wedge in the report.<sup>7</sup> Currently, the potential for fuel substitution looks very small because it is only focused on new construction. The report should also start to examine the potential for fuel switching in building retrofits and appliance end-of-life replacement to explore the full potential for fuel substitution in saving energy and reducing greenhouse gases, and identify the policy changes needed to ensure this level of electrification happens, and happens equitably. For example, the California Public Utilities Commission (CPUC) took the positive step of unlocking energy efficiency funding for fuel substitution by reforming the Three Prong Fuel Substitution Test. Although there are still limits, due to the

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<sup>6</sup> Draft EEAP at 4.

<sup>7</sup> Draft EEAP at 93.

CPUC's cost effectiveness tests for fuel-substitution, this is a step in the right direction. To go further, we believe the CPUC should *direct* utilities to create fuel-substitution measures (especially for low-income and renters), and not just leave it as an option within the energy efficiency program.

Sierra Club and Greenlining also strongly agree with Commissioner McAllister's comment, made at the August 27, 2019 workshop, that a high-energy efficiency/decarbonization sensitivity should be added to the analysis, in addition to exploring the policies needed to achieve that more ambitious pathway. As discussed *supra*, climate science demands ambitious action by 2030 to hold off the worst impacts of climate change. Thus, California's modeling and planning efforts must be robust to ensure the state is making the changes needed to quickly meet these goals.

### **C. Prioritize and narrow the universe of Energy Efficiency recommendations**

The Draft EEAP contains 44 recommendations that the CEC, CPUC and other state agencies, legislature, and other government entities should take on energy efficiency.<sup>8</sup> However, Sierra Club and Greenlining recommend that the report have a more precise focus on action that the CEC and other agencies can and will actually take, and a timeline under which they will occur. Because of the vast number of recommendations in the report, it would be easy for these recommendations to become unwieldy, untrackable and thus less likely to be used by policy makers. We need a report that will lead to action, and not simply summarize existing or potential policies.

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<sup>8</sup> Draft EEAP at 6-13.

Our recommendation is that Draft EEAP include specific actions that the CEC has authority on its own to pursue, especially on new building construction like the Title 24 Building Energy Efficiency Standards.

**D. Providing specific CEC-led recommendations on Community Engagement and Addressing Barriers on Energy Efficiency Equity Issues (Goal 2: Low Income and Disadvantaged Community Energy Equity)**

The Draft EEAP does discuss the low-income energy efficiency barrier study under SB350, written in 2016, and outlines the recommendations made in that study.<sup>9</sup> In noting progress made since that report was written, the Draft EEAP highlights the creation and subsequent meeting of the Disadvantaged Communities Advisory Group, identifying energy equity indicators and adopting an equity framework.<sup>10</sup> However, the Draft EEAP does not specify which barriers to energy efficiency are still left unaddressed and what specific steps the CEC will take in the coming years to eliminate those barriers.

Similarly, the EEAP talks about various plans and programs like the Energy Savings Assistance Program (ESAP), but the plan is unclear about how to leverage these programs to maximize their benefits.<sup>11</sup> Lack of program coordination has been identified as a major barrier to energy efficiency in low-income and disadvantaged communities, yet the Draft does not offer any strategy or plan to address this issue.

The Draft EEAP also says nothing about how it will encourage community engagement and participation, especially from impacted communities in formulating plans on energy efficiency. Greenlining and Sierra Club would like to see more attention paid to this issue in the final report. By way of one example, in summarizing key stakeholders for various market

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<sup>9</sup> Draft EEAP at 106-08.

<sup>10</sup> Draft EEAP at 108-09.

<sup>11</sup> Draft EEAP at 110.



segments, renters were omitted as a key stakeholder in the multifamily unit segment.<sup>12</sup> Similarly, renters or owners of single family homes were also omitted as stakeholders in this process.<sup>13</sup>

Both renters and owners of single and multifamily homes should be included as stakeholders and engaged in formulating plans for energy efficiency.

### **III. Conclusion**

Greenlining and Sierra Club appreciate the opportunity to provide comments on the Draft EEAP, and look forward to reviewing the final report with these suggestions in mind.

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<sup>12</sup> Draft EEAP at 31.

<sup>13</sup> Draft EEAP at 27.