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**CEA Letter to CEC - Requesting an Update on Evaluation of
Statewide Energy Code Noncompliance Impacts**

Additional submitted attachment is included below.



December 15, 2023

California Energy Commission
715 P Street
Sacramento, CA 95814

Re: Update on Evaluation of Statewide Energy Code Noncompliance Impacts

Dear Chair Hochschild and Commissioner McAllister,

The California Energy Alliance (CEA) is excited to hear about a number of efforts underway at the California Energy Commission (CEC) to help make Title 24, Part 6 (Title 24) enforcement more effective. California energy consumers, AHJs, and the broader construction industry all have much to gain from the CEC's compliance improvement efforts.

While this letter wishes to focus on the need to expedite analytics as the basis for CEC compliance improvement planning, our acceptance test technicians (ATTs) are in a state of crisis due to inaction by the State in improving Title 24 implementation processes. As eyewitnesses to the Title 24 compliance process, ATTs have seen an alarming number of non-compliant projects along with a growing indifference to Title 24 that has been evident for a decade or more. Consequently, CEA wishes to convey a sense of urgency in addressing this long-standing issue.

Regarding the need for analytics, CEA and its organizations began a conversation with the CEC early in 2022 regarding Title 24 compliance challenges and the impact of compliance shortfalls on California's Energy goals. Since that point, we have continued to hear assertions in various contexts that compliance is actually better than many people perceive, but CEA members have seen no evidence or citations to substantiate those assertions. We have seen evidence suggesting there is an enormous problem.

We understand that the CEC is scoping out the parameters of a compliance assessment, fulfilling the commitment from early 2022. CEA makes the following recommendations having some information on the CEC's intentions for the assessment but aware that we also may be missing important details.

We continue to urge the CEC to use the best available existing compliance data and expert opinion to provide a public "working estimate", with suitable error bars. Charting a research path that requires substantial additional funding and years of field studies before the state can make any public estimate of wasted energy due to noncompliance will only delay the State decision-making that is urgently needed.

CEA believes that much can be done to understand the broad scope of compliance issues with the existing data. Further, we believe seeking federal funds as a precursor to a CEC evaluation will only put existing compliance programs in jeopardy due to inevitable delay. Supplemental funding for field studies should be pursued where possible, but such funding should be seen as additive to the public assessment of existing data rather than set forth as a precursor to public discussions.



If noncompliance is resulting in losses to Californians greater than a \$1 billion per year, it seems that the CEC needs an estimate with no more than +/- 50% accuracy to understand the need for greater action and urgency.

As indicated, such an assessment should not only look at the energy implications of noncompliance but should also evaluate the potential economic impact to renters, homeowners, and businesses. We think that the benefits to Californians from improved enforcement strategies could exceed \$1 billion per year, while unlocking new opportunities for electrification, demand response, and data collection.

Understanding the size of the problem is critical for the State to properly plan its response and to commit the correct State and ratepayer resources.

CEA's Request to the California Energy Commission:

- If the CEC has committed to moving forward with an evaluation of statewide noncompliance impacts, would it be possible for the CEC to issue an **Order instituting Informational Proceeding** in the first quarter of 2024?
- If the CEC has begun the assessment, can you release what you know and do not know regarding compliance rates across the State?
- Can you release what is known about statewide permitted construction volume and statewide mechanical changeouts, whether permitted or unpermitted (possibly based on equipment sales volume)?

CEA and its Members thank the CEC for considering these comments and requests. We are eager to collaborate with the CEC and our industry partners to help solve California's compliance and enforcement obstacles. In the interim, CEA will continue to engage stakeholder groups to see where we can collect and share additional data with the CEC to assist the State's efforts to quantify the scale of noncompliance in California.

Sincerely,

A handwritten signature in black ink that reads "Josh Dean".

Josh Dean
Executive Director

CC: Drew Bohan
Nancy Ander
Michael Sokol
Lorraine White
Will Vicent