

**DOCKET****09-OII-1**

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September 9, 2009

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-OII-1
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Comments on Committee Draft California Block Grant Guidelines; Docket number 09-OII-1; Order Instituting Informational Proceeding – American Recovery and Reinvestment Act

Dear California Energy Commission:

Ennovationz appreciates the opportunity for California's small jurisdictions to implement much-needed energy efficiency measures through the Energy Efficiency and Conservation Block Grant (EECBG) program. However, we are concerned that the Committee Draft California Block Grant Guidelines ¹ do not clearly state whether residential energy efficiency projects are an eligible use of the EECBG funds for small jurisdictions. We believe it is important that this be a clearly defined use for these funds, for the reasons stated below.

1. Why should large jurisdictions get a chance to implement residential energy efficiency, but small ones don't? Federal and state programs should be in alignment.

DOE has clearly allowed residential energy efficiency projects for EECBG funds, so why is the CEC adopting a different policy for small city jurisdictions, by focusing only on municipal energy efficiency upgrades? It seems to us that these programs should be parallel. Subsidizing energy audits is an important paid outreach and marketing tool, with substantial energy savings benefits. Getting the homeowner to open their door to change is the first step to California's achievement of energy and greenhouse gas goals for this sector.

¹ Energy Efficiency Conservation Block Grants Under the American Recovery and Reinvestment Act of 2009 - **Committee Draft California Block Grant Guidelines (Formula-Based Grants)** publication # CEC-150-2009-002-CTD. August 17, 2009

2. Small cities are often largely residential -- restrictions are effectively excluding them.

Small cities are often largely residential, and may have very little, if any need for energy efficiency improvements for municipal operations. By not clearly allowing them to use the EECBG funds for the residential sector, they would be effectively excluded from participating in the program.

3. Small cities are ready to go now to meet state goals.

Ennovationz believes that allowing and encouraging local jurisdictions to use these funds for improving energy efficiency in the residential sector is an essential opportunity for achievement of California's ambitious energy savings and greenhouse gas emission reduction goals. It will take an enormous effort and expense to achieve the goal of an average of 40% savings in existing California residences by 2020, as well as the goals established in the Energy Action Plan, and AB 32's Scoping Plan. Some local governments are ready to begin implementation immediately, using EECBG funds. We urge you to allow them to use the EECBG funding administered by the California Energy Commission towards this goal.

4. Energy efficiency measures in the residential sector can have tremendous cost-effectiveness.

The Ennovationz residential energy audit and upgrade program achieves 40 - 142 MBtu source annual energy saved per \$1,000 program spend. This greatly exceeds the cost effectiveness standard of 10 MBtu source annual energy saved per \$1,000 set by your guidelines. These savings are achieved with low-cost upgrades and technologies we implement during a two-hour visit to the home.² Further savings from home improvements and appliance upgrades identified in our report to the resident are likely, but not even included in these cost-effectiveness outcomes. Given this, residential energy efficiency programs can meet the goals of Assembly Bill 2176, which prioritizes grants based on cost-effective energy efficiency. It also clearly meets the EECBG program goals of reducing fossil fuel use, reducing total energy use, and improving energy efficiency in the building sector.

5. Without a menu of choices, State programs can run risk of disenfranchising many homeowners.

Local governments need ways to build scalable residential energy efficiency programs. It is not clear that financing, or the Comprehensive Residential Building Retrofit Program outlined in the State Energy Plan, will change the game from inertia to mass adoption. Not everyone wants to sign up for a property tax hike or for a whole-home retrofit. Furthermore, many small cities

² Our audit plus upgrade matches the "Easy Energy Audit with Direct Install" outlined by DOE in the planning documents for EECBG funding for large jurisdictions (as outlined in the EPA/DOE Rapid Deployment Energy Efficiency Planning Guide, May 19, 2009, http://www.epa.gov/cleanenergy/documents/rdee_planning_guide.pdf), as well as Tier 1 of California's proposed Comprehensive Residential Building Retrofit Program under the State Energy Program.

will not have the opportunity to participate in the Comprehensive Residential Building Retrofit Program due to lack of local leadership for a collaborative program. The nature of energy savings is that there can be large savings at very low cost. So having a menu that includes a variety of home improvement options has a better chance of delivering scale. The easy audit and direct install, such as the one Ennovationz offers, will be an attractive option for many homeowners. Without this choice, many simply won't engage.

Ennovationz urges you to specifically add residential energy efficiency to the list of eligible projects for the EECBG funds administered by the California Energy Commission. We also urge you to facilitate local governments in choosing this option by providing a detailed example of a feasibility study for a residential energy efficiency program in your final guidelines.

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elisa Peters', with a stylized flourish at the end.

Elisa Peters
Director, Government and Community Programs