

CaliforniaGeo Comments on the Draft 2013 Integrated Energy Policy Report

Docket No. 13-IEP-1A

Commissioner McAllister,

Industry appreciates the extent to which geothermal heat pump systems (GHPs) are included in the Draft 2013 IEPR but questions whether the Commission has fully complied with the full intent of AB 2339 which directs the Commission to “evaluate and recommend policies and implementation strategies to overcome barriers to the deployment and use of geothermal heat pump and geothermal ground loop technologies.”

The Commission response to AB 2339 was to hold a GHP-focused workshop as a first step to explore barriers to this technology's expansion in the state. The next step was formation of a working group to continue the Commission's evaluation and discovery process. The workshop and working group generated considerable work product, unfortunately there is a significant disparity between the 3 pages of GHPs content in the IEPR and the 19 pages of the working group summary of content. Some of the omitted issues or suggested policy and implementation strategies are:

- The role of GHPs in the ZNE efforts underway
- The % of existing ZNE projects that utilize GHPs
- The benefits of recognizing GHPs as a renewable technology which is consistent with CPUC statements
- The extent to which GHPs help achieve stated GHG reduction and energy efficiency goals
- The ability of GHPs to create permanent peak and base load reductions
- The negative impact of tiered rates on GHPs
- The need for public GHP info and bore log web portals
- The lack of recognition or role in the RPS and RECs
- The potential role of GHPs in the Governor's 12GW of DG by 2020
- The need for OBR and OBF improvements for GHPs
- The potential of utility owned ground loops

CaliforniaGeo requests the creation and publication of a full Staff Report that includes all of the work product from the GHP workshop and the working group.

The Commission makes specific recommendations in response to correctly identified issues. But, given the benefits of increasing deployment of GHPs, CaliforniaGeo poses, "Is it in the best interests of the rate payers or the Commission to place all of the burden of increasing GHP deployment on industry?" We assert the recommendations, particularly the Commission's first recommendation *"Submit an Alternative Calculation Methodology application to the Energy Commission consistent with the 2013 Building Energy Efficiency Standards, Section 10-109(c)(2)."* place too onerous of a burden on an emerging technology. The non-res ACM Option Application will require a tremendous multi-step, expensive and time consuming effort. A few highlights/challenges are:

- Cost estimates for the process approach \$200K
- Time estimate to have a working ACM is 2 years
- The Commission has not provided industry with a clear and workable instruction for the process
- There is no guarantee the process would provide a useful and permanent result
- The public domain software does not have the required capabilities needed to model GHP

Industry's position has been the T24 Compliance problem should be fixed by the Commission but Staff has countered with Statutes 25402 and 25402.1 which provide protocols for new technologies. GHPs are not a new product and Staff's position is not consistent with the Draft 2013 IEPR: "Geothermal heat pumps have existed in the United States for more than 50 years."

CaliforniaGeo requests the Commission undertake an immediate effort to work with industry to co-fund and co-develop the necessary changes to the Building Energy Efficiency Standards that will ensure GHPs are treated fairly as a well-performing energy efficiency measure.

Given the negative impact of non-inclusion of GHPs in the Building Energy Efficiency Standards, CaliforniaGeo requests a suspension of the T-24 compliance requirement on residential and non-residential projects utilizing geothermal heat pump systems.

Thank you for the opportunity to comment on the Draft 2013 Integrated Energy Policy Report as well as continuing the post AB 2339 collaborative relationship between industry and the Commission.

Respectfully submitted on behalf of California's geothermal heat pump industry,

Phil Henry
President, CaliforniaGeo - California Geothermal Heat Pump Association

A handwritten signature in black ink, appearing to read "Phil Henry", with a long, sweeping horizontal line extending to the right.