

Docket No. 15-BSTD-01
May 19, 2015



California Energy Commission

DOCKETED

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Sent via email to docket@energy.ca.gov

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Commissioner Andrew McAllister
California Energy Commission
Attention: Docket No. 15-BSTD-01
Dockets Office 1516 Ninth Street, MS-4
Sacramento CA 95814

Subject: Comments from the North American Insulation Manufacturers Association on
Docket Number 15-BSTD-01 2016 Building Standards Consideration of a
Photovoltaic Compliance Credit

Dear Commissioner McAllister:

The California Energy Commission ("Commission") is widely recognized for the thoroughness and transparency of its regulatory process. For forty years, interested parties have been given the opportunity to fully analyze significant proposals under consideration by the Commission, and then present their own analyses and views regarding those proposals.

The Commission is currently promulgating its 2016 revision to Title 24 energy efficiency standards for residential and non-residential buildings. During the standards proceedings in 2014, Commission staff alluded to a "PV compliance credit" ("PVCC") that would allow homebuilders to trade off proposed building energy efficiency requirements for the installation of photovoltaic solar panels. It was represented that this trade-off would be a "pilot" and available in a limited number of California's climate zones.

Last February, Commission staff released proposed 45-day language associated with the 2016 standards package. Commission hearings were held on March 2-3 to receive comment on that 45-day language. The proposed 45-day language contained no mention of the PVCC, although the hearing agenda included a placeholder for Staff to present additional detail on what was characterized as an "idea" in 2014. The Staff presentation was not provided to parties in advance of the hearing, so parties were unable to provide meaningful comment on the Staff proposal at the hearing. Parties were permitted to provide written comment to the proposal but no additional detail was made available that would help inform the development of those comments. No additional information on the proposal is currently available to the public.

According to the published schedule for the Commission's adoption of the final 2016 standards package, the next proceeding step is the release of 15-day language, quickly followed by full Commission adoption of the standards. We are told that the PVCC will not be an explicit component of the adopted standards, but instead will receive additional public discussion in a subsequent proceeding modifying the California Residential Compliance Manual ("RCM"). Presumably, the purpose of this subsequent discussion will be to allow the PVCC to become a permanent feature of the 2016 standards.

The North American Insulation Manufacturers Association ("NAIMA") is concerned that the PVCC exchanges cost-effective building envelope efficiency measures that deliver demonstrable energy savings for the life of a home, for measures that deliver benefits unrelated to building energy efficiency. We believe that this potential feature of the proposed 2016 standards is as important as any other measure being proposed by the Commission's staff. Its public consideration only in the context of the RCM, where measures are not subject to the cost-benefit analysis required for updates to the mandatory features in Title 24, is inappropriate and inconsistent with the Commission's history of regulatory transparency.

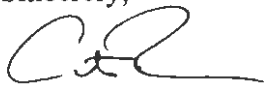
The Commission should build a complete public record identifying the credit's potential cost impacts and demonstrating its benefit to homeowners, and that record should justify the inclusion of the credit in the 2016 standards before adoption by the full Commission. Additional justification should be provided to support the Commission's potential promotion of a measure that is inconsistent with California's energy resource loading order - the fundamental energy policy directive that treats the procurement of energy efficiency resources as a higher priority than renewable energy development. This directive was adopted by the Commission and the California Public Utilities Commission in the state's 2003 Energy Action Plan, and reaffirmed by both agencies in the 2008 update of that plan.

As the Commissioner leading development of the 2016 revised energy efficiency standards for residential and non-residential buildings, we request by this letter that the PVCC, if ripe for consideration this year, be addressed through an additional 45-day language hearing specifically on the topic. We further request that at least two weeks prior to that hearing the Commission's Staff provide analysis which justifies for each climate zone the cost-effectiveness of the PVCC to homeowners. With multiple 45-day language hearings having occurred in prior energy efficiency standards proceedings at the Commission, we are not setting a precedent by making this request.

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In the absence of a second 45-day language hearing on the PVCC, NAIMA and possibly others will have no alternative but to offer detailed comment regarding our concerns at the Commission's business meeting to adopt the 2016 revised standards. This is not the outcome NAIMA is seeking. However, as long as there is a potential for the Commission to implement the PVCC in conjunction with 2016 revised standards package, we believe our concerns must be part of the proceeding's record, and that each Commissioner should be aware of those concerns before casting his or her vote.

Sincerely,

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

Curt Rich
President and CEO
North American Insulation Manufacturers Association