



Center for the  
Polyurethanes Industry

California Energy Commission

**DOCKETED**

**15-BSTD-01**

TN # 75824

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Sent via Email: [docket@energy.ca.gov](mailto:docket@energy.ca.gov)

May 29, 2015

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

RE: Docket No. 15-BSTD-01  
2016 Building Standards Consideration of Photovoltaic Compliance Credit  
Tradeoff

Dear Commissioners:

The American Chemistry Council's Center for the Polyurethanes Industry<sup>1</sup> (CPI) applauds the California Energy Commission (CEC) for its leadership role in promoting building energy efficiency. CPI members manufacture energy efficient building insulation that is used by the construction industry to meet today's advanced building energy efficiency standards. The polyurethanes industry has been involved in the development process for the 2016 Title 24 Energy Efficiency Standards (hereinafter "standards") and is generally supportive of the proposed standards.

We are writing today to express our concern over a proposed compliance credit tradeoff between installed photovoltaic (PV) systems and building thermal envelope requirements that was presented as a concept at the March 2-3, 2015, CEC hearing. Although the hearing provided an opportunity to comment on the concept, CEC staff had provided no additional details on which to comment. Furthermore, the tradeoff was not included in the 45-day language and is not included in the current 15-day language for the standards development process. The lack of detailed information about the concept has made it difficult for interested stakeholders to fully participate in the standards development process and offer comments on the tradeoff.

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<sup>1</sup> The Center for the Polyurethanes Industry (CPI) of the American Chemistry Council serves as the voice of the polyurethanes industry in North America, promoting its development and coordinating with polyurethane trade associations across the globe. The polyurethane industry supports research and initiatives that serve its communities and customers. The business of polyurethane is a \$26.5 billion enterprise and a key element of the U.S. economy. The industry operates in more than 1,000 locations in the U.S. and directly employs more than 46,500. A major job creator in the U.S., each job in the polyurethanes industry yields five more jobs indirectly for an approximate total of 235,000 jobs supported.



Additionally, we are concerned that the tradeoff may be implemented through the compliance manual that will accompany the 2016 standards. We are aware that CEC staff included a tradeoff between PV systems and appliance standards in the compliance manual for the 2013 standards. It is unclear how the public participated in the development of the 2013 compliance manual and no instructions have been offered on how impacted stakeholders may participate in the development of the 2016 compliance manual. The use of the compliance manual to implement changes to the standards appears to be a departure from the CEC's practice of transparency and stakeholder inclusion.

The tradeoff also runs counter to the CEC's policy of investing in energy efficiency first followed by investments in renewable sources.<sup>2</sup> This "energy efficiency first" policy has become nationally recognized as the most cost-effective approach to constructing high-performance buildings. Allowing builders to lower the building thermal envelope requirements by installing a PV system risks setting a bad precedent for California and the rest of the country.

Furthermore, there are a number of practical considerations that merit that the tradeoff be reconsidered.

- Building insulation systems typically have a life span equal to that of the building. PV systems may need to be replaced at least once during a building's life. It is unclear whether CEC staff has considered the full costs and benefits of the tradeoff.
- Many PV systems are installed on residential homes under leases where a third party, not the homeowner, owns the system. If the lease expires and the PV system is removed from the home, the homeowner will be left with a less energy efficient home that draws its energy from offsite resources.
- The use of building insulation within the envelope reduces the amount of energy required to heat and cool a home. An energy efficient building envelope allows a PV system to provide a greater percentage of a home's overall energy supply. Therefore, the standards should promote high levels of energy efficiency in order to increase the effectiveness renewable energy requirements. This is especially true if California wants to meet its goal of net zero for all new residential construction by 2020.

In summary, we request that the CEC set aside the proposed tradeoff for the 2016 standards development process. The tradeoff should be brought forward during the next standards development cycle with a full CEC staff analysis including a cost-benefit assessment so that its merits may be fully considered during the public comment process.

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<sup>2</sup> The 2003 California Energy Action Plan was approved by the California Energy Commission and most recently updated in 2008. The California Energy Action Plan articulated a "loading order" to address the state's future energy needs. The "loading order" established that the state would invest in energy efficiency, like the building envelope and other demand-side resources, followed by renewable sources.



Thank you for considering our concerns. Please contact me at [Lee\\_Salamone@americanchemistry.com](mailto:Lee_Salamone@americanchemistry.com), (202) 249-6604, or [Justin\\_Koscher@americanchemistry.com](mailto:Justin_Koscher@americanchemistry.com), (202) 249-6617, if additional information is needed.

Regards,

A handwritten signature in dark ink, reading "Lee Salamone". The signature is fluid and cursive, with the first name "Lee" and last name "Salamone" clearly distinguishable.

Lee Salamone  
Senior Director  
Center for the Polyurethanes Industry

