

June 3, 2015

Commissioner Robert B. Weisenmiller, Ph.D., Chair
Commissioner Karen Douglas, J.D.
Commissioner David Hochschild
Commissioner Andrew McAllister
Commissioner Janea A. Scott

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

Via email: docket@energy.ca.gov

RE: Docket Number 15-BSTD-01, 2016 Building Standards Consideration of a Photovoltaic Compliance Credit Tradeoff

Dear Commissioners,

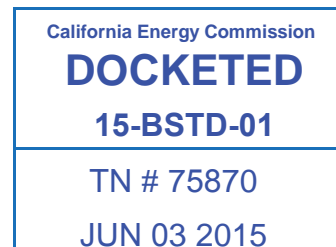
The Extruded Polystyrene Foam Association (XPSA)¹ applauds the California Energy Commission (CEC) on its efforts to lead the nation in energy efficient construction. XPSA members produce high performance, energy efficient building insulation products that have contributed to the per capita energy use reduction of California in both the residential and commercial sectors. We have been involved most recently in discussion regarding proposals for the 2016 Title 24 Energy Efficiency Standards, by attending workgroup sessions, participation at hearings and submission of comments. Our members are generally supportive of proposed improvements in the code.

We wish to express our concerns, however, regarding a recently proposed tradeoff between installation of photovoltaic (PV) system and building envelope energy efficiency that was presented as a concept at the March 2-3 CEC hearing. While the public was invited to provide written comments on the PV Compliance Credit (PVCC), there is no detail concerning staff analysis or technical substantiation available on the CEC website. Without this background it is very difficult for us to provide meaningful feedback. Additionally, there has been speculation that this proposed PVCC may be part of the compliance document. If so, this approach would contradict the long standing principals of stakeholder inclusion and transparency that the CEC has long employed.

This proposed PVCC appears to be a major departure from long standing California policy addressing solar energy deployment and consumer incentives.

The 2003 California Energy Action Plan was unanimously approved by the California Energy Commission and most recently updated in 2008. Per the California Energy Action Plan "it was the first time that

¹ The Extruded Polystyrene Foam Association (XPSA) is a trade association representing manufacturers of Extruded Polystyrene Foam (XPS) insulation products and the industry's raw material suppliers. XPSA members (Dow Chemical Company, Owens Corning, Kingspan Insulation) collectively manufacture more than 95% of all XPS destined for use in the North American market.



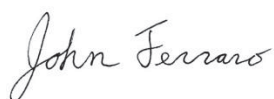
energy policy agencies formally collaborated to define a common vision and set of strategies. It was also the first time a “loading order” to address California’s future energy needs was articulated. The “loading order” established, that the state, in meeting its energy needs, would invest first in energy efficiency, such as the building envelope, HVAC, lighting, etc. and demand-side resources, followed by renewable sources, and only then in clean conventional electric supply. This concept is now widely understood and respected both nationally and internationally.” The “loading order” was further established by Prop 39 that was passed by the taxpayers in 2012. Clearly the proposed PV trade-off violates the state’s established “loading order” and should not be further considered.

There are also technical and implementation issues with the proposed concept of allowing tradeoff between PV installation and building envelope energy efficiency:

- A home with a highly efficient thermal building envelope requires smaller PV systems, which should reduce payback periods for these investments.
- The home, with its energy efficient envelope, has an expected lifetime of 50 years or more, while most PV systems will need to be replaced at least once, and possibly three times over the homes lifetime. Even with continued financial incentives for PV, this cost factor needs to be evaluated and results offered for public comment before this PVCC is approved.
- The growing financing trend in the PV market is a leasing model, where the homeowner leases the PV system for a 10 or 15 year period. At the end of the lease, the homeowner may or may not renew the lease. If it is not renewed, the homeowner is saddled with a home that would not meet CEC envelope requirements to meet code and no solar offset. We think the idea of this trade off occurring between the envelope the consumer owns and the PV system that will be owned by someone else requires further scrutiny to understand the implication of such a tradeoff.
- It is counter-productive to offer utility and tax incentives for efficient PV equipment, then use the equipment as a means of reducing efficiency elsewhere in the home. A tradeoff is, at best, only an energy-neutral exchange in efficiency among components.

We urge the CEC to present a full, transparent technical and cost/benefit analysis so that all interested parties may carefully determine its impact of the PVCC and provide comments to the Commission. Thank you for considering our request. Please contact me by telephone at 202-207-1121 or by email at jferraro@kellencompany.com, if additional information is needed.

Sincerely,



John Ferraro
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