

From: Chick Bornheim [<mailto:cbornheim@pdlsys.com>]

Sent: Friday, October 23, 2015 11:20 AM

To: martha.guzman-aceves@gov.ca.gov

Cc: Cross, Catherine@Energy; Awolowo, Ollie@Energy; McDonnell, Kathleen@Energy; Parrow, Donna@Energy; Brousseau, Amie@Energy; Chandler, Tanya@Energy

Subject: Docket 15-BSTD-01 In support of adjustments to Title 24, Section 6

Please see and forward the attached letter to Governor Brown.

To the commissioners, please review the attached letter.

Thank you all for your kind attention.

Sincerely,

Chick Bornheim, CEO
PowerDown Lighting Systems, Inc
CA Title 24 Certification Specialists
Member of LightPro Software Design Team
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And CEO, LightPro Software, LLC (a California Corporation)
The Future of Lighting – Today!

California Energy Commission

DOCKETED

15-BSTD-01

TN # 76282

OCT 23 2015

Martha Guzman-Aceves, Deputy Legislative Affairs Secretary
Office of the Governor
State Capitol, First Floor
Sacramento CA 95814
October 22, 2015

Re: Title 24 Section 6 adjustments for energy upgrades to existing buildings (I.e. energy retrofits, and specifically, *Lighting retrofits*.)

Dear Governor Brown,

I know you're being bombarded with myriads of letters urging you to take one position or another concerning the above referenced matter. I'm writing my own letter in support of "for", and I'm hoping it can frame the issue in the simplest terms to help you decide which way to go. Here are the facts, as I have seen and heard them first hand.

Background and History:

- Title 24 2013 Section 6 went into effect July 1, 2015, It was intended by CEC to impose the most dramatic reduction in energy use in California to date, but It was postponed 6 months because its restrictions were so different from the previous version, that no one was ready or able to comply let alone enforce it. There were not even people qualified to make the 3rd party inspections and certifications it requires.
- The new code applies to both new construction *and upgrades to existing building (i.e. energy retrofits)*.
- New construction represents perhaps 20% of projects undertaken in California, while retrofits comprise the vast majority - 80% or more.

The points:

Reducing energy consumption is far less expensive than producing new energy.

Retrofits have ***far more potential to reduce energy consumption*** (i.e. "more bang for the buck") because of their sheer volume and cost effectiveness – if and only if they are undertaken, and **the biggest bang for a buck can be achieved with a lighting retrofit.**

New construction increases consumption, but that increase can be mitigated with a combination of efficiency and new energy production (solar, fuel cells, microturbines, etc.)

The Problem:

- The stringent requirements of T24, S6 have raised the cost of retrofits significantly, while cash incentives (rebates) have shrunk, and the tax benefits (accelerated depreciation) have disappeared altogether. (The federal tax benefits for energy conservation (accelerated depreciation) expired last year. Strangely, California never them in the first place).

- The cost increases and incentive reduction/elimination have resulted in bring most retrofits to a halt. Ironically, this means the projects whose sheer volume and cost effectiveness could result in the largest environmental benefits at the least taxpayer cost and government involvement have been suspended for sheer economics. Most stakeholders now won't invest in these projects. Only the projects are small enough to slip under the trigger thresholds that bring the code effect or are funded by government money such as school projects like prop 39.

The Stakeholders have interesting histories and agendas themselves.

- Lighting retrofiters (license contractor's themselves but mostly non-union) have worked with CEC staff to come up with adjustments that could revive the retrofit industry. These staff have placed language in the bundle proposed changes, but that language has been pulled twice without explanation.
- At the same time, the IBEW and the National Electrical Contractors Association (NECA) are actively seeking to make the code more stringent and costly.
 - They are encouraging their members to lobby CEC to make the code even more stringent and expensive.
 - The IBEW recently eliminated the Lighting Maintenance Technician's classification and training (all lighting techs must be certified by state law.) Now light bulbs and other maintenance must be performed by an indoor lineman – resulting a pay rate increase from appx \$35 for the tech per hour to \$85 per hour for the lineman
 - a rep from a T24 educational team (who will remain unnamed) provided by Southern California Edison told me at a lighting trade-show in Los Angeles yesterday, “the issue comes down to the union contractors vs. non-union contractors. We are silent on the subject”)

Who Benefits or Loses From This Situation?

From my POV, there are 6 economic stakeholders here:

Union Contractors benefit – they are increasing benefits to their members at the expense of non contractors and their workers who are being forced out of business

Non Union Contractors lose – they are being forced out of business, and their workers are losing their jobs.

For-profit utilities benefit – they are realizing a slowing of the rapidly decreasing energy consumption. They honestly want to reduce consumption, because they then can charge more per unit. A temporary slowdown gives them time to retool.

Not-For-profit utilities lose – they don't get the needed reduction in energy demand they could, and have to pay more for what they do get.

The government loses – they are being forced to work to correct the unintended outcomes, only to have their efforts thwarted by special interests. Also, they are being spend more for

cash payments to union-labor (e.g. prop-39) and additional administrative and management to disperse and monitor the funds and results

The public (business owners and taxpayers) lose – they are being deprived of the largest potential environmental impact with the least amount of expense. least personal out of pocket cost. Instead, they are being asked to subsidize government enrichment of a relatively small group of beneficiaries.

The Cure:

Given your track record and performance – in particular your consistently strong interest in the environment, I believe you know the cure.

The question is, are you willing to act to put the CEC corrections language to the vote between now and the end of the year, giving it a chance to be implemented before 2020?

Governor Brown, I have lived in California 44 years, and have watched your personal and professional growth between your two periods as governor and your vision and follow-thru as mayor of Oakland and Attorney General. I consistently have been impressed with your vision of “better” and your integrity in manifesting it. You are one of the few political leaders I’ve seen with the courage to walk his talk without wavering (this is sincerity, not idle flattery). I would vote for you for president or any other office you chose to pursue in the future.

And I am certain know you already understand the issues and their impact. I urge you to give this critical correction process a chance.

Thank you for your objective consideration.

Sincerely,

Charles (Chick) Bornheim, President
LightPro Software, LLC and
PowerDown Lighting Systems, Inc. a licensed California contractor specializing in energy efficient lighting