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National Association of State Energy Officials (NASEO) Comments on California Energy Commission Docket 21-IEPR-06 Grid-Interactive Efficient Buildings

National Association of State Energy Officials (NASEO)

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The National Association of State Energy Officials (NASEO) represents the 56 governor-designated state and territory energy directors and their offices across the nation. As California's State Energy Office, the California Energy Commission (CEC) is a NASEO member. We appreciate the opportunity to provide informational resources to the CEC on the 2021 Integrated Energy Policy Report (2021 IEPR) under Docket 21-IEPR-06 Grid-Interactive Efficient Buildings.

NASEO's mission is to support the states' efforts to promote energy-related economic development, deliver affordable energy, including from cost-effective energy efficiency and demand management, meet state environmental objectives, and ensure energy system security, reliability, and resilience.

We recognize that improving technologies offer opportunities to advance demand flexibility and grid-interactive efficient buildings¹ (GEBs) that can enhance performance of buildings and the electricity and broader energy system. Such GEBs offer:

- Enhanced energy efficiency and productivity,
- Reduced electricity system costs and greater savings to businesses and households,
- Better operation and utilization of building and grid resources, including
 - Moderated "ramp rates" and peak power demand,
 - Allowing buildings to serve as demand-side resources and virtual energy storage assets,
 - Improved integration of variable energy resources (both distributed and grid-side), vehicle electrification, and distributed energy resources (DERs) (including storage), and
 - Allowing transactive energy business opportunities,
- Improved environmental performance and natural resource stewardship, and
- Strengthened resilience of buildings and facilities and the electricity and broader energy system.

With the support of the U.S. Department of Energy (DOE) Building Technologies Office (BTO), NASEO has partnered with the National Association of Regulatory Utility Commissioners (NARUC) to operate the [NASEO-NARUC Grid-interactive Efficient Buildings Working Group](#). The Working Group currently includes 22 states, represented by State Energy Offices and Public Utility Commissions. The CEC is a much-valued participating member of the Working Group. The Working Group is facilitating state engagement and exchange and includes resources and technical assistance aimed at accelerating the development and implementation of demand flexibility and GEBs to advance the many state energy system benefits and goals previously noted.

¹ We use the term buildings also to refer to other facilities and infrastructure that can provide grid-interactive functionality and services (e.g., water systems, wastewater systems, street lighting, outdoor facilities).

NASEO offers multiple resources to the CEC in its development of the 2021 IEPR. We point you to the NASEO-NARUC GEB Working Group [resources page](#) and specifically request that three NASEO publications on demand flexibility/GEB be entered into this docket. The publications are:

- NASEO, "[Grid-interactive Efficient Buildings: State Briefing Paper](#)" (October 2019)
(<https://naseo.org/data/sites/1/documents/publications/v3-Final-Updated-GEB-Doc-10-30.pdf>)

This report provides an overview of the core aspects of a GEB and related flexible load management topics to help states and other stakeholders discern benefits of and challenges to load flexibility to meet such state objectives as affordability, cost containment and economic growth; energy reliability and resilience; and environmental stewardship. The report discusses both technical and policy/regulatory/administrative matters; challenges and opportunities and drivers and impediments. It notes actions states can take and recommends that states consider developing a roadmap to identify ways to advance the use of load flexibility and GEBs to help meet state goals.

- NASEO, "[State and Local Building Policies and Programs for Energy Efficiency and Demand Flexibility](#)" (February 2021)
(<https://www.naseo.org/data/sites/1/documents/publications/NASEO%20BldgPolicies%20EE%20and%20DF%20Feb%202021.pdf>)

This report examines ways to include demand flexibility in state and local building policies and programs, such as benchmarking and transparency, ratings and labeling, and building performance standards. It also discusses potential avenues via building codes, appliance standards, and zoning and land-use regulation.

- NASEO, "[Wringing More Value from Building Energy Operations and Upgrades: Monetizing Demand Flexibility in Public and Institutional Buildings](#)" (February 2021) (<https://naseo.org/data/sites/1/documents/publications/Wringing%20More%20Value%20Monetizing%20DF%20Feb%202021.pdf>)

This report outlines opportunities to include and encourage use of time differentiation and demand flexibility in public and institutional building operations, procurement, Energy Savings Performance Contracting (ESPC), and emerging Energy-as-a-Service arrangements to save money and help meet public policy goals.

NASEO appreciates this opportunity to contribute to this important docket for the 2021 IEPR and hopes this is useful to you. We are grateful for California's participation in the NASEO-NARUC GEB Working Group and welcome opportunities for ongoing exchange to advance demand flexibility and GEB to achieve multiple benefits and achieve state needs and policy goals.