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California Energy Commission
DOCKETED
12-EBP-1
TN # 68199
OCT 26 2012

October 23, 2012

California Energy Commission
Dockets Office, MS-4
1516 9th Street
Sacramento, CA 95814-5512

RE: **Docket No. 12-EBP-1**
Comprehensive Energy Efficiency Program for Existing Buildings (AB 758)
Scoping Report Staff Workshop

Dear Commissioner McAllister

The California Building Industry Association (CBIA) is a statewide trade association representing over 5,000 member-companies involved in residential and light-commercial construction. CBIA member-companies account for over 90% of the new dwelling units (apartments and single-family homes) built in California each year.

With regards to the Comprehensive Energy Efficiency Program for Existing Buildings (AB 758) Scoping Report, CBIA would like to submit the following comments.

CBIA strongly supports the Energy Commission's efforts to improve efficiency levels and reduce the energy consumption in the existing residential and commercial building stock. In 2001, CBIA-sponsored legislation AB 549 (Longville) directed the Energy Commission to "investigate options and develop a plan to decrease wasteful peak load energy consumption in existing residential and nonresidential buildings and report its findings to the Legislature." Since that time, CBIA strongly supported passage of AB 758 (Skinner) and we continue to actively support the CEC's efforts to implement this important legislation.

In the interest of brevity, CBIA would like to reference and support the comments made by the California Association of Realtors (CAR) in their October 23rd submittal to the Commission with specific regards to:

- Alternatives that will reach the states conservation goals
- Definition of "Cost Effective" must not include unquantifiable benefits
- Viable Financing Options, and
- Utility records providing the most efficient repository of EE info/disclosures

We also agree with CAR's serious concern that the use of "time-of-sale" as a distinct action triggering an audit and/or retrofit could have serious, unintended impacts on the economy while providing very little (if any) measureable energy savings on a statewide basis. Over the past decade, and especially during the past four years, California has seen a significant change in resale market associated with existing single-family dwellings. The use of the old rule of thumb that, on average, a home changes title every seven years has no basis in reality in today's real estate market.

As CAR points out, only 35% of homes built prior to 1978 are expected to change ownership between now and 2050. More importantly, the most common focus of resale in the next five years will be those dwellings of the distressed market. Most of these homes were built over the past 5-7 years and were required to comply with the higher levels of minimum standards mandated by the CEC's 2002, 2005 or 2010 Building Energy Efficiency Standards. Focusing on these newer, more efficient homes would have only marginal impact on greenhouse gas reduction throughout the state.

It makes more sense to develop a plan(s) that focuses on the state's entire stock of 13.7 million homes and apartments with emphasis being place on the older homes and apartments.

What is an "older home"?

Much reference is made to those homes built prior to 1978 as that is when the first set of CEC energy efficiency standards were established. However, an argument can be made that the first set of standards published in our state code for which building officials performed plan check and field inspections effectively took place in 1982/83. An argument can also be made to focus on homes built prior to 1992 as the standards which took effect in that year incorporated significant increases in window system technology. Lastly, the Energy Commission instituted a series of substantial increases in the overall stringency of the minimum efficiency standards in 2002 (+15%), followed by similar increases in 2005 (+15%) and 2010 (+20%). As such, CBIA feels the CEC and the State of California would be well-served by focusing its AB 758 efforts on homes and apartments built prior to 2002.

The definition of "cost effective"

During the recent 2013 Update to the Building Energy Efficiency Standards, much was said about the need to include the state and global environmental benefits of the standards as a key element in calculating "cost effectiveness". While there is no question that there are benefits related to implementation of energy efficiency standards that extend beyond the individual homeowner, it another matter to attempt to quantify this economic benefit on a per-house basis.

Whether buying a new home or seeking to retrofit an existing home, the overwhelming majority of homeowners view "cost effectiveness" in a simple, straightforward manner:
Will the feature pay for itself in a reasonable period of time?

Sincerely,

Bob Raymer

Robert E. Raymer, PE
Senior Engineer/Technical Director