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July 12, 2013

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 12-EBP-1
1516 Ninth Street
Sacramento, CA 95814-5512
E-mail: docket@energy.ca.gov

California Energy Commission

DOCKETED
12-EBP-1

TN 71570

JUL 12 2013

Re: **California Energy Commission's Draft Action Plan for the Comprehensive Energy Efficiency Program for Existing Buildings (June 2013)**

To Whom It May Concern:

The Utility Reform Network (TURN) appreciates this opportunity to provide written comments on the California Energy Commission's (CEC's) *Draft Action Plan for the Comprehensive Energy Efficiency Program for Existing Buildings* (Draft Action Plan or Plan), issued in June 2013 by the Efficiency and Renewable Energy Division. TURN offers the following six recommendations.

- 1. The Draft Action Plan should be modified to provide additional information about the relationship between the CEC's actions and those of other state agencies to advance California's Energy Efficiency Goals.**

The Draft Action Plan acknowledges that the CEC's efforts to advance energy efficiency occur in partnership with the California Public Utilities Commission (CPUC), the other relevant agencies, and elected officials. (*See, i.e.,* Message from Commissioner Andrew McAllister.) TURN recommends that the Draft Action Plan be modified to include more information about the actions currently overseen (or planned) by the CPUC and other agencies that align with the "no regrets strategies, voluntary pathways, and mandatory approaches" to increase energy efficiency outlined in the Plan. Similarly, we suggest that the Draft Action Plan explain the CEC's unique collaborative roles and responsibilities with the CPUC, the utilities across the state, and the California Independent System Operator related to energy efficiency and the avoidance of supply-side infrastructure investments. These additions will provide useful context for the CEC's recommendations, as well as valuable information for stakeholders and policymakers looking to the Draft Action Plan as a resource for learning about energy efficiency opportunities in California.

2. The Draft Action Plan should acknowledge that Integrated Demand Side Management should be employed as part of the comprehensive strategy for reducing energy consumption in existing buildings.

The Draft Action Plan strives to “achieve maximum energy savings” in California’s existing building stock by outlining “a series of no regrets strategies, voluntary pathways, and mandatory approaches” to increase energy efficiency. (Draft Action Plan, Abstract.) While TURN appreciates that the Draft Action Plan is focused on energy efficiency, TURN recommends that the Draft Action Plan be modified to acknowledge the importance of Integrated Demand Side Management to reducing energy consumption in existing buildings. California’s goals are ambitious – and rightly so. Meeting our goals for existing building stock will require a multi-pronged approach to reducing energy consumption, including the deployment of energy efficiency in conjunction with demand response and renewable distributed generation, as appropriate.

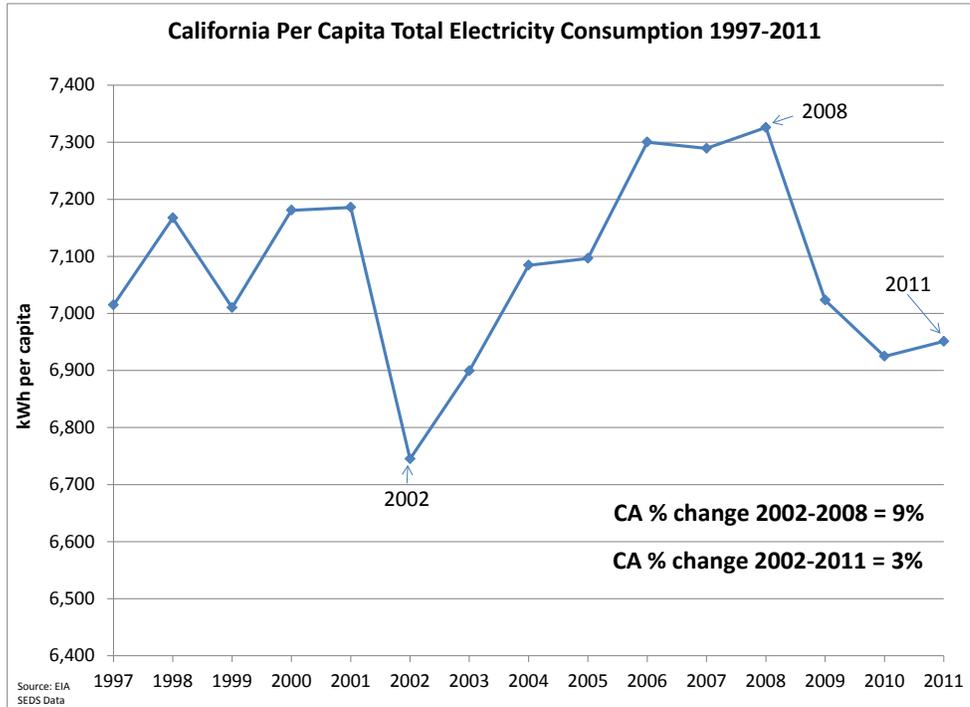
3. The Draft Action Plan should clarify that energy efficiency is one strategy to achieve the goal of energy consumption reduction in existing buildings but must be coupled with intentional efforts to reduce overall consumption to achieve California’s energy consumption reduction goals.

The Draft Action Plan cites to the call of the CPUC’s 2008 *Long Term Energy Efficiency Strategic Plan* call for “reducing energy consumption in existing residential buildings by 40 percent by 2020 and for 50 percent of California’s existing commercial buildings to be zero net energy by 2030.” (Plan, p. 6.) Achieving these ambitious consumption reduction goals will require increasing the efficiency of buildings, but increased energy efficiency in itself will not be enough. The Draft Action Plan should clarify that energy efficiency is not synonymous with consumption reduction, and that meeting California’s goals require both. Consumption reduction is an absolute reduction in demand and energy usage, resulting from any number of consumer behaviors, market events, and regulatory policies and programs. Energy efficiency is the relative improvement in energy utilization, which can contribute to, but does not define consumption reduction.

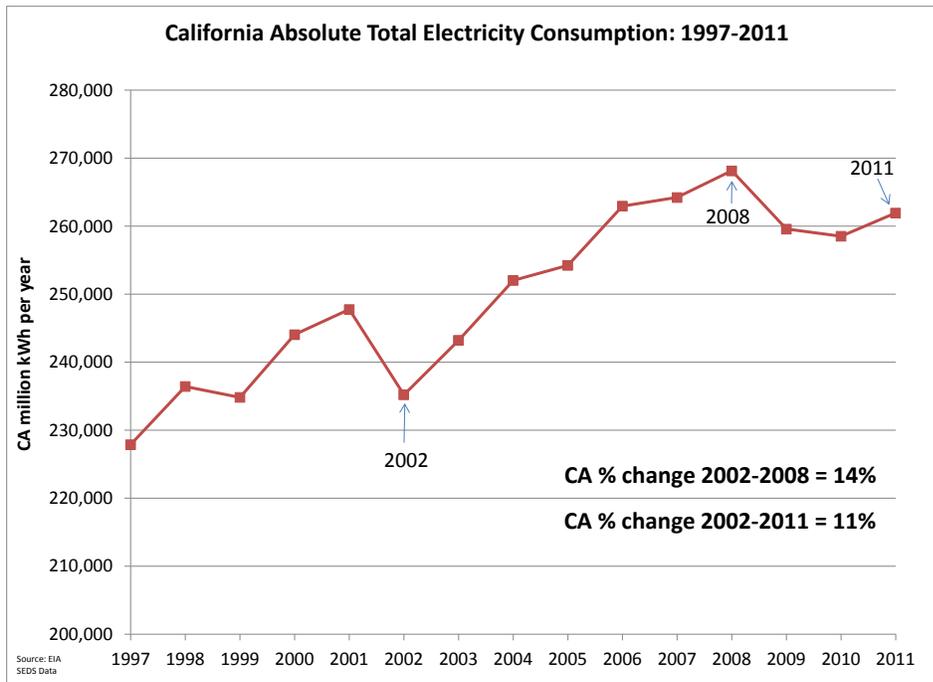
4. The Draft Action Plan should acknowledge that energy consumption is going up in California, not down, which underscores the urgency of the recommendations set forth in the Plan.

The Draft Action Plan applauds California for maintaining stable per capita energy consumption since 1974, in sharp contrast to the rest of the country. (*See* Message from Commissioner Andrew McAllister.) However, California per capita and absolute energy consumption has actually increased since 2002, despite the state’s return to large ratepayer-funded energy efficiency programs at that time. The figure below shows California’s per capita increase in total electricity consumption from 1997-2011. From 2002-2008 per capita electricity consumption increased 9%. With the effects of the recession, the 2002-2011 percentage change was 3%.

Note that for the same time period, the U.S. net of California experienced a slight decline in per capita consumption, in numeric terms.



California's absolute consumption is also increasing. The next figure shows California's absolute increase in total electricity consumption from 1997-2011. From 2002-2008 absolute electricity consumption increased 14%. With the effects of the recession, the 2002-2011 percentage change was 11%.



TURN recommends that the CEC use this data to highlight the immediate need for “large-scale improvements to the existing building stock,” as Commissioner McAllister urges in his preface to the Draft Action Plan.

5. The Draft Action Plan’s summary of ARRA pilot programs should include references to the best publically available EM&V.

Table 1 on page 11 of the Draft Action Plan provides a very useful summary of the ARRA AB 758 Pilot Programs. The Draft Action Plan explains that the “lessons learned from the pilot programs are reflected in both the scoping report and the draft action plan.” (Plan, p. 11.) TURN recommends that this table be expanded to include a column presenting the best publically available EM&V for each pilot program (if any), as well as any statewide EM&V on point. Adding this information will facilitate further research by policymakers and stakeholders interested in the lessons learned from the pilots.

6. The No Regrets Strategy of workforce training should be expanded to encompass linkages between training programs and high road jobs in the energy efficiency industry.

One of the No Regrets Strategies offered by the Draft Action Plan is “workforce training and development to ensure measured scale-up of an appropriately skilled clean energy workforce.” (Plan, p. 13.) However, according to the California Workforce Education & Training Needs Assessment (2011), workforce training alone is insufficient to solve the problems of poor quality installation and maintenance of EE materials and equipment, which result in lost energy savings.

Rather, energy efficiency programs must be designed to promote a skilled workforce and high quality work through contractor selection, certification, worker qualifications, linking workforce training programs with energy efficiency career opportunities, and other strategies. TURN thus recommends that the Draft Action Plan be modified to acknowledge that training must be coupled with other strategies such as these to achieve greater energy savings and improved worker outcomes.

Thank you for your attention to these matters.

Sincerely,

Cynthia K. Mitchell
Energy Economics, Inc.

On Behalf of TURN