



July 11, 2013

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

RE: Comprehensive Energy Efficiency Program for Existing Buildings Draft Action Plan Staff Workshop Docket No. 12-EBP-1 Comments

Dear Commissioners,

Thank you for the opportunity to submit comments on the Comprehensive Energy Efficiency Program for Existing Buildings Draft Action Plan. This Action Plan provides an important roadmap to building a clean energy future for Californians and the rest of the U.S., and we want to offer suggestions that we feel would strengthen the proposal.

Emerald Cities Collaborative (ECC; www.emeraldcities.org) is a national non-profit organization comprised of business, labor, and community organizations dedicated to finding “full-value solutions” to greening our cities. We develop clean energy options for building owners in the MUSH, multi-family, and commercial markets that deliver the greatest impact on reducing carbon and operating costs while increasing local job and business opportunities. We operate in 10 city-regions across the United States and have California operations in Oakland, San Francisco, and Los Angeles.

Page 61 of the Plan lays out the important role of public sector leadership in realizing the energy goals of the state as part of the voluntary pathway option. In doing so, the Plan lifts up Job Order Contracting (JOC) as “a successful method to propel energy efficiency in public buildings that was piloted under an ARRA contract by the San Francisco Public Utilities Commission, has had success in reducing costs, improving materials quality, reducing construction time, and replicating costs for other projects.”

ECC is concerned about recommending JOC for several reasons.

- 1) JOC favors large contractors that are more experienced and have greater assets to deliver a lower multiplier. Accordingly,
- 2) JOC discourages the participation of local and small contractors, due to:
 - a. Lack of knowledge about JOC solicitations and bidding;
 - b. Inability to compete with large companies that have knowledge and ability to craft a low price multiplier;
 - c. Inability to get bonding
 - i. Bonding companies do not like to underwrite JOC due to uncertainty of risks imbedded in indefinite quantity contracts;
 - ii. Higher cost bonds due to risk uncertainty;
 - iii. Contractors bonding capacity is tied up over the life of JOC (2+ years) with no assurance of getting any work, limiting the ability of smaller contractors to do other work.



- 3) JOC discourages the utilization of skilled local workforce, as no specification is given to encourage the use of apprentices or hire new workers – as specified in AB758 – in the contractor’s workforce.
- 4) Local governments must increasingly find “full value solutions” to investment strategies, as opposed to just low-cost solutions. Full-value solutions require maximizing economic multipliers such as local hire and local contracting opportunities to strengthen local “buy-in” and the local economy. We find that this is increasingly an important energy services marketing tool for anchor institutions – government, hospitals, universities, schools and affordable housing communities – that have triple bottom line mission. The use of out-of-state or other non-local contractors is also increasingly viewed unfavorably among the constituents that they represent and serve.
- 5) JOC undercuts the Plan’s own commitment to strengthening workforce and contractor standards and participation rates.

The recommendation for JOC should either be eliminated or included with full disclosure of challenges and interests that are not currently addressed.

We also think it is important that the section on the voluntary path related to workforce should emphasize that the workforce should support not just training, but also prevailing wages and benefits. We believe that this is the single most important thing that you could propose – well paid, secure careers -- to stabilize the workforce that can support a growing industry.

Thank you for this opportunity to provide brief comments.

Sincerely,

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President/CEO
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