

July 17, 2013

California Energy Commission  
**DOCKETED**  
**12-EBP-1**

TN 71671  
JUL 17 2013

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 12-EBP-1  
1516 Ninth Street  
Sacramento, CA 95814-5512

Re: Comprehensive Energy Efficiency Program for Existing Buildings: Staff Workshop on the Comprehensive Energy Efficiency Program for Existing Buildings Draft Action Plan—Comments of Southern California Edison Company (Docket No. 12-EBP-1)

Southern California Edison Company (SCE) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) Draft Action Plan (Action Plan) for the Comprehensive Energy Efficiency Program for Existing Buildings (EEPEB),<sup>1</sup> pursuant to Assembly Bill (AB) 758, Skinner, Chapter 470, Statutes of 2009.

SCE also thanks the CEC for allowing the Investor Owned Utilities (IOUs) and stakeholders to provide input at the AB758 staff workshops held on June 24, 25, and 28, 2013. SCE representatives participated at these workshops in person and via teleconference.

## **I. INTRODUCTION**

SCE has long been a national leader in energy efficiency and has worked with Federal and State governments and the private sector to develop and implement energy efficiency programs and policies that have provided California consumers with financial and energy-savings benefits. SCE is ready to work with its customers to meet their energy efficiency goals in existing buildings and is currently collaborating with the California Public Utilities Commission (CPUC), building owners and residents to improve the energy efficiency of Southern California's buildings.

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<sup>1</sup> Unless otherwise delineated, all references to the "Plan" refer to the California Draft Action Plan for the Comprehensive Energy Efficiency Program for Existing Buildings (CEC-400-2013-006-D). Sacramento, CA: California Energy Commission. Retrieved from <http://www.energy.ca.gov/2013/publications/CEC-400-2013-006/CEC-400-2013-006-D.pdf>.

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In 2009, the California Legislature approved *The Comprehensive Energy Efficiency Program for Existing Buildings of 2009* (EEPEB). The CEC's Draft Action Plan proposes a roadmap pursuant to AB758 that encompasses existing energy efficiency programs and supports future efforts by providing strategies for understanding and overcoming market barriers.

SCE has reviewed the Draft Action Plan and is pleased that it will employ a wide array of tools and multiple pathways to achieve meaningful energy savings in California's existing buildings. Many strategies detailed in the Draft Action Plan have potential for deep energy savings and could bring about meaningful improvement in California's buildings.

SCE supports the CEC's overall direction in the Draft Action Plan and is working towards similar goals of improved customer compliance with building codes, a more comprehensive marketing, education and outreach strategy, and a knowledgeable industry workforce that is trained in energy efficiency best practices. SCE looks forward to the ongoing collaboration with the CEC and CPUC as well as the many public and private stakeholders involved in this proceeding.

## **II. IDENTIFIED GAPS**

### **A. THE CEC SHOULD CONSIDER INCLUSION OF INTERVENTION STRATEGIES FOR IDENTIFIED GAPS IN THE FINAL ACTION PLAN**

During the workshops held in June 2013, CEC staff acknowledged gaps within the Draft Action Plan. Additionally, a number of participants at the workshop in Los Angeles identified behavior strategies as another potential gap in the Draft Action Plan. The identified gaps below encompass areas of ongoing IOU program activity, and SCE recommends that the CEC consider inclusion of these identified gaps in the Action Plan to ensure a comprehensive energy efficiency approach that leverages existing IOU programs and services.

- Program Funding
- Multifamily Programs
- Low-Income Programs
- Plug Loads
- Cost-Effectiveness

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- Behavior Intervention Strategies

Moreover, SCE is encouraged that the Draft Action Plan considers cost-effective solutions as a core objective. Although CEC program staff has identified that cost effectiveness will play a critical role in the Action Plan, recognition is given to the fact that the Action Plan lacks details on how cost-effectiveness will be determined or measured. There are key distinctions between CPUC's cost-effectiveness methodology and the CEC's cost-effective methodology, and these differences may cause different interpretations of cost-effectiveness. Due to the differences in cost-effective methodologies of the CPUC and CEC, activities identified as cost-effective by the CEC may not be viewed as "cost effective" by the CPUC. Cost-effectiveness is necessary to evaluate the Action Plan's short- and long-term strategies, and SCE recommends the CEC actively engage the CPUC to fully understand these issues. SCE respectfully points out that the IOUs are bound by the CPUC's cost-effectiveness rules and stresses the importance of close collaboration with the CPUC in developing cost-effectiveness thresholds since the IOUs are legally bound by the CPUC's cost-effectiveness requirements.

### **III. NO REGRETS STRATEGIES**

#### **A. THE CEC SHOULD LEVERAGE EXISTING TOOLS**

##### **"No Regrets Strategy 1: Data Reporting and Management"**

SCE agrees that building performance data is an important element of any comprehensive effort to improve building performance. However, the need for enhanced data reporting and management via a centralized database, as implied in No Regrets Strategy 1 (NR 1) is a costly and unnecessary undertaking that would create new and significant risks and uncertainties around the confidentiality and privacy of customer information. A centralized database may also be duplicative of existing efforts by utilities, governmental agencies, and other stakeholders. For example, the IOUs developed Universal Audit Tools (UAT) to provide an online, customer-driven resource to enable customers to better understand their energy usage, identify saving opportunities, and engage with available utility programs and services. In addition, the Environmental Protection Agency's (EPA) Energy Star Portfolio Manager serves as a national industry standard for commercial building benchmarking. SCE encourages the CEC to consider leveraging existing tools in lieu of embarking upon a

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potentially costly endeavor for a separate centralized database which may lead to privacy concerns, duplication of existing efforts, and confusion among stakeholders.

SCE is concerned about the objectives of NR 1 that states energy performance data must be “accurate,” “collected, organized, analyzed and integrated.”<sup>2</sup> This concern is primarily because any review or work with the data involves privacy issues and the confidentiality of the customers’ data and information. SCE recommends further discussion and clarification regarding who, other than the IOUs, would be authorized under the law to access this information and be responsible for reviewing, analyzing, and vetting the data to ensure that the correct information is being used, which taxonomies or definitions are employed, and that the data supports program measurement & evaluation and engineering (work paper development) protocols, and that it is being used and maintained consistent with privacy and confidentiality obligations under California law. SCE recommends that the CEC outline its proposal for how this data is intended to be collected, used, maintained, and aggregated before being shared with market participants.

SCE is committed to ensuring the confidentiality and protection of customer privacy and data access. The Draft Action Plan appropriately conveys that data privacy merits serious attention and controls; however, the Plan does not specify the pathway for the sharing of energy performance data with market participants while legally complying with the customer data confidentiality and privacy mandates. As there is currently a proceeding underway at the CPUC to determine how data should be aggregated to protect privacy and confidentiality of customer specific data (*i.e.*, Energy Data Working Group as part of the Smart Grid OIR, R.08-12-009), SCE recommends that the CEC leverage this effort to ensure that its data strategies align with existing CPUC requirements and rely on common protocols between utilities and third parties rather than attempting to initiate a secondary and potentially conflicting pathway for customer privacy and data access.

NR1 presumes the readily available access to “accurate” data which “must be collected, organized, analyzed, integrated, and made appropriately available to market actors and decision makers”.<sup>3</sup> The CPUC has longstanding requirements in place governing the IOUs’ collection, use and maintenance of customer data. The CEC needs to leverage these rules and requirements to the extent it seeks to facilitate third party access to IOU customer data.

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<sup>2</sup>Draft Action Plan, p. 17.

<sup>3</sup> Ibid, p. 17.

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## **B. PERMITTING TOOLS, EDUCATION AND CODE ENFORCEMENT ACTIVITIES**

### **“No Regrets Strategy 2: Support for Standards Compliance and Enforcement”**

SCE appreciates the Draft Action Plan’s focus on additions and alterations to existing buildings. The Statewide Codes and Standards (C&S) Program serves many industries and professions. However, retrofits and additions make up a majority of construction work and therefore warrant additional attention through C&S activities.

SCE agrees with the Draft Action Plan regarding simplifying code implementation through many different channels. SCE values and relies upon the collaborative working relationship the IOUs have with the CEC’s Building Standards Office and respectfully requests that the CEC continue its work with the IOUs to develop programs that expand upon existing, effective compliance improvement and enhancement efforts.

SCE agrees that local governments must have the necessary tools to take a more active role in prioritizing compliance and enforcement. SCE also agrees that consumer awareness about the value and cost-savings associated with properly permitted efficiency upgrades would increase the demand for contractors who comply with the standards. SCE recommends continued collaboration between the CEC and the IOUs’ statewide C&S programs. This continued collaboration will lead to increased awareness about when codes are triggered, and the benefits of compliance for both consumers and contractors.

The Statewide Codes and Standards (C&S) Program’s consumer and contractor compliance improvement is an ongoing collaborative effort between the IOUs, and below are some of the existing efforts as identified and described by PG&E:

- C&S is in the process of rolling out new tools designed to help people better navigate the codes, identify and access the appropriate compliance forms, and recognize quality installation in the field. The tools included in the C&S Program’s new Ace Toolkit are a result of the program’s Building Department Best Practices Study and can be found at [www.T24Ace.com](http://www.T24Ace.com).

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- C&S is expanding its outreach and training efforts: reaching-out to the building trades, in addition to continuing to work with building departments and energy consultants; launching a series of on-line, self-paced courses; and preparing to facilitate live training in virtual classrooms. These efforts allow C&S to deliver accurate, consistent, repetitive, and cost effective messages to all market actors in California. The new curriculum will launch after the new compliance software becomes available this fall.
  - Additionally, C&S is preparing to conduct outreach campaigns designed to raise both consumers' and contractors' awareness about code requirements, when codes are triggered, and the benefits of compliance. C&S will begin by targeting the HVAC alteration industry early this fall in collaboration with the CEC.
  - C&S is also continuing the Compliance Improvement Advisory Group (CIAG) to identify barriers and potential solutions to code compliance. The CIAG has drafted seven white papers to date on various compliance challenges, available at: <http://www.caciag.com/Issues>.

### **C. SCE SUPPORTS USE OF TARGETED ME&O TO ENCOURAGE ENERGY EFFICIENCY**

“No Regrets Strategy 3: Foundational Marketing, Education, and Outreach Resources”

In general, SCE supports the strategy to use targeted marketing, education and outreach to motivate building owners and managers to make energy efficient improvements to existing buildings in conjunction with the IOUs' DSM programs and their local marketing efforts. SCE is in agreement with the Draft Action Plan that targeted marketing may include social context, lifestyle, regional differences, cultural norms, and habits. An example of this approach can be seen in SCE's "Lifestyle Plans" which offer bundled solutions through programs and services offered to specific customer segments. The Lifestyle Plan approach embraces the full range of DSM options to help customers meet their energy, budget, and environmental needs and goals. SCE's DSM vision encourages customers to move beyond one-time "single energy actions" and drives customers toward ongoing, permanent behavior changes that are paramount to living an "energy-management lifestyle".

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Initiative 1 under NRS 3.1 highlights the need for "ongoing market research to better understand customer attitudes towards energy efficiency and incorporate the results into outreach and marketing messages, tactics, and tools to increase public awareness."<sup>4</sup> If it's determined that additional research is indeed needed, SCE recommends that the Final Action Plan outline specific strategies for the residential and nonresidential markets. Furthermore, SCE recommends the CEC and CPUC coordinate and collaborate with the IOUs' existing statewide and local marketing activities and research efforts as deeper market and customer research would likely require additional funding above and beyond existing IOU budgets. Likewise, funding for other incremental strategies that are not based on existing IOU programs and activities should be identified to facilitate IOU and stakeholder input.

#### **D. SCE SUPPORTS CREATION OF STRONG PARTNERSHIPS**

##### **"No Regrets Strategy 4: Foundational Workforce Resources"**

SCE agrees that a highly-skilled and well-trained workforce is essential to strengthening and growing California's green economy. "As the energy efficiency market evolves, it will require new skills and knowledge to continue to meet market demand."<sup>5</sup> SCE supports the Draft Action Plan's NRS 4.2 to "create strong partnerships with energy, labor and education entities to coordinate and augment existing workforce efforts."<sup>6</sup>

SCE and other IOUs are already working towards this goal through the energy centers. For example, California's IOUs operate a statewide network of energy centers that have many years of experience in creating and disseminating high-quality programs, and providing workforce, education, and training curriculum and related deliverables – training courses, seminars, workshops, clean energy technology demonstration, equipment efficiency testing, interactive training exhibits, and lectures which are integral to building a skilled workforce.

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<sup>4</sup> Draft Action Plan, p. 30.

<sup>5</sup> Ibid, p. 33.

<sup>6</sup> Ibid, p. 36.

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## **IV. VOLUNTARY PATHWAYS**

### **A. LEVERAGE IOU EE PROGRAMS**

“Voluntary Pathway 1: Create Multiple Pathways for Residential Property Owners”

SCE recommends leveraging existing IOU energy efficiency programs to prevent duplicative pathways and market confusion. SCE currently has energy efficiency, demand response and distributive generation offerings that assist its customers with determining the right mix of measures for potential upgrades that range from no cost items to higher cost retrofits.

### **B. SCE AGREES THAT GREATER CUSTOMER UNDERSTANDING IS WORTHWHILE**

“Voluntary Pathway 2: Standardize Tools for Benchmarking, Auditing, and Retrocommissioning of Nonresidential Buildings”

SCE concurs that improving consumer understanding of potential energy efficiency savings are important in increased customer adoption. As previously discussed, SCE and the other IOUs have developed Universal Audit Tools (UAT) that provide an online, customer-driven resource to increase customer comprehension about their energy usage and identify saving opportunities available via utility programs and services.

### **C. FUNDING SOURCES AND REPLICATED ACTIVITIES**

“Voluntary Pathway 6: Encourage Development of Innovative Financing Mechanisms for Energy Efficiency Upgrades”

While SCE supports the overall direction, SCE requests that the CEC work with the CPUC in order that the Draft Action Plan clarifies sources of funding for the identified strategies that may be administered by the IOUs.

As the CEC incorporates additional content or makes revisions to the Action Plan, SCE recommends a greater focus on implementation strategies. The CEC has indicated that

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implementation will begin after adoption of the Final Action Plan and that the CEC will review and update the Action Plan during the 2014 Integrated Energy Policy Report proceeding. SCE believes additional detail will be needed in the Final Action Plan to inform stakeholder understanding and constructive feedback.

During finalization of the Draft Action Plan it is imperative that the Draft Action Plan's goals are in line with the objectives, directives, and resources allocated to the IOUs. Conversely, SCE recommends that the CEC take into consideration the Action Plan's compatibility with CPUC directives to determine the IOUs' viability to effectively support identified incremental opportunities.

SCE believes the Action Plan should not only provide direction, but should also highlight areas of uncertainty and issues that require more detailed investigation. Where implementation details cannot be incorporated, SCE recommends the CEC consider explicit acknowledgment of gaps and a proposal for closing those gaps. SCE further recommends that the CEC engage the IOUs and other stakeholders in the plans for mitigating the identified gaps.

## **V. CONCLUSION**

SCE thanks the CEC for the opportunity to review and provide comments on the Draft Action Plan and looks forward to future opportunities for ongoing stakeholder collaboration.

Sincerely,



Manuel Alvarez

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