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California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-OII-01
1516 Ninth Street
Sacramento, CA 95814-5512

The California Center for Sustainable Energy (CCSE) supports the efforts of countless CEC staff and volunteers to produce the *Preliminary State Energy Program Guidelines (Guidelines)*. We are pleased to contribute to the process by submitting the following brief comments. It is our goal to strengthen an already-strong set of guidelines from which municipalities can structure programs that achieve the goals of the American Reinvestment and Recovery Act (ARRA).

Chapter II: Municipal Financing District Program (AB 811-type Programs)

CCSE believes that the AB 811-style program application requirements should allow for program customization while supporting the goals of the ARRA. CCSE has developed successful incentive-based energy efficiency and renewable energy programs over our 14-year tenure. Our staff has coordinated with multiple stakeholders including regulators, utilities and program administrators on program design and development of the California Solar Initiative, the Self-Generation Incentive Program, the Solar Water Heating Pilot Program and a number of energy efficiency programs. From this experience and through our administration of these programs, we believe that minimum technology and quality standards are necessary to receive incentives. We also recognize that by allowing program administrators to develop unique program designs for their geographic, socioeconomic and demographic needs, programs have the potential to be even more effective. We believe that regional approaches can result in better-designed than a one-size-fits-all approach. We therefore recommend allowing for as much flexibility in AB 811-style program design as feasible while ensuring standards and the goals of the ARRA are being met.

We also believe the application requirements should allow those municipalities who have yet to fully develop their AB 811-style program (p. 19-20) to apply for SEP funds. Some of the responses required in the Guidelines cannot be answered by municipalities who are still developing an AB 811-style program, which could potentially eliminate some municipalities from applying for SEP funds. To avoid this unintended consequence, the CEC may want to consider requiring that the questions in the Guidelines be answered prior to disbursement of the funds (instead of at the time of application), with the caveat that municipalities provide as much information as possible in their initial SEP funds application.

With regard to quality control for SEP-funded programs and projects, CCSE recommends the addition of a permitting requirement for all municipalities participating in an AB 811-style program. All too often, a

program's best intentions are met with failure because end-users and contractors are not aware of or do not adhere to municipal regulations that protect the consumer. By requiring all participants in an AB 811-style program to adhere to state law requiring permits for major energy efficiency and renewable energy retrofits, the potential for a program's success is likely to increase.

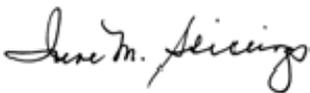
Chapter III: California Comprehensive Residential Building Retrofit Program

CCSE strongly supports measures that will enable whole home retrofit practices. With a staff of energy efficiency engineers, we have always emphasized following the state's preferred loading order which emphasizes energy efficiency as the first measure needed to optimize a building's performance. We have ardently supported efforts to mandate energy efficiency audits prior to installation of renewable energy technologies for our incentive programs.

As a natural extension of our encouragement of energy efficiency policies, we support weatherization programs for moderate- as well as low-income consumers as part of the whole home retrofit program. Moderate income homes comprise a large portion of the potential beneficiaries of home weatherization services in California. By including moderate-income homes in any whole-home retrofit or weatherization-specific programs, the CEC can ensure that as many customer classes can be included in the program as possible.

CCSE agrees that a tiered approach to energy efficiency measures is effective in attracting the broadest range of customers to the home retrofit program. Again, CCSE supports providing flexibility in program development and design. This includes allowing for creative approaches to regional energy efficiency needs but also requires approval of each municipality's selected measures. To provide for flexibility in Tier 1 while maintaining baseline requirements, we recommend development of a training program for capable and willing homeowners. They would have the opportunity to conduct such audits for themselves and their neighbors and be paid based on accurately completed audit reports.

We appreciate the opportunity to submit these comments in response to the CEC's *Preliminary State Energy Program Guidelines*. We look forward to working with the CEC and other stakeholders toward meeting the goals of the ARRA.



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