California Energy Efficiency Industry Council

Moving Efficiency Forward

November 25, 2015

Paula Gruendling, Regulatory Analyst
Energy Efficiency Commercial Programs and Evaluation Section
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102
VIA EMAIL: Paula.Gruendling@cpuc.ca.gov

RE: EFFICIENCY COUNCIL'S COMMENTS IN RESPONSE TO WORKSHOP ON EXISTING CONDITIONS BASELINE SAVINGS POTENTIAL TECHNICAL ANALYSIS

Dear Ms. Gruendling:

I. Introduction

The California Energy Efficiency Industry Council (Efficiency Council) appreciates this opportunity to provide comments to the California Public Utilities Commission (CPUC) regarding the request for comments following the November 6, 2015 workshop on *Existing Conditions Baseline Savings Potential Technical Analysis*. We commend the CPUC staff, as well as Navigant Consulting, for their work to date on energy efficiency baseline policies and analyses in response to D.14-10-046.

The Efficiency Council is a statewide trade association of non-utility companies that provide energy efficiency services and products in California. Our member businesses employ many thousands of Californians throughout the state. Member companies include implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of energy efficiency products and equipment. The Efficiency Council's mission is to support appropriate energy efficiency policies, programs, and technologies that create sustainable jobs and foster long-term economic

growth, stable and reasonably priced energy infrastructures, and contribute to the reduction of greenhouse gases and other emissions.

II. Discussion

Since to-code baseline policies were discussed last spring, the need for a sound quantification of the technical potential of energy savings that exists between existing consumption and codes and standards and/or industry standard practices in existing buildings and facilities has become more critical. The passage of AB 802 calling for the use of existing conditions baseline for determining savings from energy efficiency programs, and SB 350 which doubled the goals for energy efficiency to be achieved by 2030, have necessitated that a full analysis of savings potential from existing conditions be accomplished.

We appreciate the workshop staff and Navigant conducted and offer the following comments. We find that the study:

1) May not result in a complete technical analysis. Although Navigant reviewed operational efficiency in their November 6th presentation of the study scope, it's not clear that whole building analysis and "operational, behavioral, and retrocommissioning activities reasonably expected to produce multiyear savings" as called for by the Legislature in AB 802 and SB 350 are included. We ask that this scope be clarified and stakeholders be offered an opportunity to review the proposed methodology for these critical concepts and provide further input;

2) Appears to focus on a simple measure-by-measure analysis. We recommend that when addressing the economic potential of energy efficiency measures that measure-bundles be considered in some cases instead of measure analysis for economic viability. Measure-by-measure analysis of economic potential underestimates potential because it does not consider the real-world economics of project implementation where bundles of measures can be used to meet an owner's economic criteria. An example would be window replacement which may have a payback of 30 years in California and which most building owners would not consider viable. However if it was bundled with a lighting retrofit with a two-year payback, the combined payback may come down to a viable project. The potential study should examine the potential for improved economic viability of deep retrofit projects vis-à-vis a measure-by-measure approach. The Efficiency Council would be happy to offer the advice and experience of its members if Navigant would like to discuss this option further;

3) Artificially limits the technical potential by applying existing IOU program constraints. Programs and incentives are likely to change under the new baseline

policy and to apply current program and incentive parameters to new data is premature and could skew the analysis; and

4) Should not limit existing conditions analysis because of concerns of freeriders or building or measure conditions that may arguably fall under necessary maintenance not eligible under current program or incentive designs. Those concerns appropriately belong in a later discussion of program designs, incentives, and EM&V.

We understand that there is a lack of existing building and facility data on existing conditions which leaves data gaps that require assumptions. This dearth of recent surveys of building stock or maintenance practices makes the task for Navigant all the more complex and calls for more intensive investigation and measurements to secure an accurate and complete to-code analysis. We respectfully request that the study also include a gap analysis to identify and prioritize future research priorities in order to fill those gaps which limit the robustness of the existing baseline analysis.

In addition, because we understand there is a dearth of data on existing conditions in existing buildings, particularly in terms of how they are operated and maintained, we will be asking our member companies to provide information on their observations of these conditions when they enter existing buildings. We are in the process of fielding the survey and hope that this simple data could assist Navigant in its analysis of existing conditions baselines. However, we will not be able to send you the survey results until December 10th and we ask that you consider the data at that time.

Thank you for this opportunity to comment and your consideration of our issues. We look forward to the next step in the process.

Respectfully submitted,

/s/

Kellie Smith, Policy Director
California Energy Efficiency Industry Council
1535 Farmers Lane, Suite 312
Santa Rosa, CA 95405
policy@efficiencycouncil.org