California Energy Commission
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October 23, 2012

Commissioner Andrew McAllister
The California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Dear Commissioner McAllister,

We, the undersigned, represent various environmental groups throughout California. We have been following the progress of the Commission's efforts to implement AB 758, and are pleased with the Scoping Report's solicitation of stakeholder feedback on proposed targets for the AB 758 program. We respectfully submit the below comments regarding goals for the AB 758 Program (The Comprehensive Energy Efficiency Program for Existing Buildings).

The Commission Must Set Quantifiable Goals for the AB 758 Program

While there are many benefits to be gained from this program, the overarching goal must be to improve energy efficiency and to reduce greenhouse gas emissions *in a quantifiable way* from the existing building sector. It is imperative that the Commission set specific, numeric goals for these improvements and emission reductions, and that the Commission continually measures the progress towards these goals. Quantifiable goals will also provide guidance on how to effectively structure and design the program.

The Commission Must Align the AB 758 Goals with the AB 32 Goals

We urge the Commission to align the AB 758 program goals with the targets under AB 32, California's landmark Global Warming Law. Under AB 32, the existing building sector is responsible for greenhouse gas reductions in the amount of 20 million metric tons of C02e, specifically through 32,000 Gwh of reduced electrical demand and 800 million therms of reduced natural gas consumption[i]. Reaching AB 32's goals is not a suggestion, but a state

mandate, and the AB 758 program goals should be aligned with the AB 32 goals and designed to achieve the AB 32 goals.

The AB 32 targets are bold, and it will take an ambitious policy to meet them. The Scoping Report includes a chart of sample policies, most of which have been listed as state goals in previous reports. We are aware that these policies are merely examples, however it's important to note that most of these sample policies would still fall short of the state's AB 32 targets by 2020. For example, if the Commission chose to adopt a residential goal to have 75% of all homes decrease electricity usage by 30% by 2020, and a nonresidential goal of having 75% of existing nonresidential buildings decrease electricity usage by 30% by 2030, the combined projects would only achieve a reduction of 18,083 GWh, which is short of the stated goal of 32,000 GWh[ii]. It may be necessary to combine several goals within the building sector in order to reach our AB 32 goals, and we urge the Commission to consider that possibility.

Consider Mandatory Regulations Before 2015

In addition, many of the mechanisms listed in the Scoping Report that would produce the aggressive level of energy efficiency reductions we need under AB 32 are regulatory or mandatory in nature. The Report states that mandatory regulations will not be considered until 2015. Five years of mandatory regulations will simply be too short of a time frame to meet the AB 32 goals. The Commission should not rule out mandatory regulations before 2015. The environmental community is fully committed to the successful implementation of AB 32, and sees AB 758 as a critical component to achieving the AB 32 targets for the existing building sector.

The AB 758 program requires the Commission to institute a comprehensive program to improve the energy efficiency of existing buildings. It is one of the most ambitious laws in California, and it will be crucial that we do it right. We urge the Commission to consider our suggestions in this endeavor. Thank you.

Sincerely,

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[i] The California Air Resources Board. *Climate Change Scoping Plan, Pursuant to AB 32 The California Global Warming Solutions Act of 2006.* California. Dec 2008 pg 44

[ii] In 2008, nonresidential buildings used 104,845.44 GWh of electricity. According to the CEC's forecast data, reducing electricity in 75% of nonresidential buildings by 30% by 2030 would result in nonresidential buildings using 102,464 GWh of electricity in 2020. This is a reduction of 2381.44 GWh of electricity. In 2008, residential buildings used 89,459 GWh of electricity. Reducing electricity in 75% of residential buildings by 30% by 2020 would result in residential buildings using 73,757 GWh of electricity in 2020. This is a reduction of 15,702 GWh of electricity. The combined reduction for both residential and nonresidential buildings is 18,083.44 GWh of electricity. These calculations assume that the forecast data presented in the Scoping Report is correct; the data has not been verified independently by any of the organizations on this letter.