

Fiese, Hilary@Energy

From: Yasny, Ron@Energy
Sent: Monday, December 09, 2013 1:13 PM
To: Fiese, Hilary@Energy
Subject: FW: Title 24 - Vote To Delay Until Dec 11th

From: Neil Miller [mailto:neil@americanlighting.net]
Sent: Thursday, December 05, 2013 7:48 AM
To: Yasny, Ron@Energy
Subject: Title 24 - Vote To Delay Until Dec 11th

Ron,

I emailed you earlier regarding the impact that the new Title 24 standards will have on the lighting industry in California. I stated that our company would be issuing lay-off notices in January if these standards are imposed, and that is our plan at this point. It will be a very sad day for me as the owner of the company to shut-down operations after being in business since 1986.

I have heard this week that there is a vote scheduled for December 11th to revise and delay the implementation date for these new standards. **I encourage and beg you to vote for this delay.** A 6 month delay would allow the industry to prepare for the monumental changes that are being imposed with the new standards. This industry is simply not yet ready for these changes. A delayed start will allow contractors (like me and many others) in this industry to begin understanding how to deal and operate with the new rules.

Thank you for reading my email. My prayers are with your decision on the 11th.

Sincerely,

Neil Miller
CEO
American Lighting
858-549-2324, ext 307

From: Neil Miller
Sent: Tuesday, October 15, 2013 1:06 PM
To: 'Ron.Yasny@energy.ca.gov'
Subject: Title 24 - The Impact To Lighting Retrofit & Contractors in California

Ron,

I wanted to take just a few minutes to give you my perspective on what is about to happen when the new 2013 Title 24 Requirements go into effect on January 1st, 2014.

My company has been in business since 1986. We have installed lighting upgrades for over 22,000 different customers across the entire state of California. Over the years we have saved millions and millions of kWh's for businesses throughout the state. We have installed every type of energy efficient lighting product that has been produced over the past 28 years. Our customers have ranged from small pizza shops in the inner city to the retrofit of large skyscrapers

and the retrofit of the entire Qualcomm football Stadium in San Diego. Chances are very high that you can see one of our projects if you stand on almost any corner of any commercial business area in the entire state. We have won awards from SCE, PGE, and SDGE. We are extremely proud of what we have accomplished over the years and our customer testimonials vouch for the professional approach we take with every single project.

In January I will begin laying off my employees in preparation for the shut-down of our company. It will be very sad and extremely difficult for me to do. Employees that have worked for us for 20 years will suddenly be faced with unemployment. Employees that have helped us lead the way in creating new selling strategies and helped us create new products for the California market will be pushed into the really difficult situation of looking for new employment. It will kill me to make these changes, as I love these people and their commitment to this industry.

Why will we be making this decision in January? Our company will no longer be able to operate when the new Title 24 Requirements become effective in January.

- The new rules are simply too much change too soon. Aside from one or two special consultants, there is no one in the state of California that understands the rules and there is no way for a company like ours to sell or install projects that would comply with the new rules. We have hired three different consultants to help us understand the new rules, but even these industry consultants cannot answer the questions that a contractor needs to understand. I have spoken with 10 of my industry peers and here's what I have heard from them regarding their plans if Title 24 goes into effect on January 1st:
 - 3 of the 10 will shut their doors after they finish the jobs they have on their books. Their business was down significantly already in 2013 and Title 24 would simply be the final straw that causes them to close their doors.
 - 2 of the 10 will close operations in California and move operations to another state without the Title 24 requirements.
 - 3 of the 10 will attempt to stay in business in California doing business without the use of any rebates and without attempting to comply with Title 24. Projects will be sold with no rebates and customers will get the most economical solution possible. They will not file permits and they will not attempt to design or comply with the extremely expensive requirements that are dictated in Title 24.
 - 2 of the 10 are transitioning to Lighting Maintenance work. They will no longer perform energy efficient lighting projects.
 - 0 of the 10 will be designing, proposing or installing projects that comply with Title 24. None will file for rebates or incentives in 2014.
- Our company has done everything we could possibly do to prepare for this upcoming change:
 - We have attended free seminars on Title 24 at SDGE, SCE, and PGE.
 - I have retained special counsel and additional training from experts in the industry.
 - Our company has invested heavily in CALTCP Certifications and training. (We are CALTCP Certified.)
 - I and my employees are clearly in the top tier of lighting contractors in terms of understanding the new requirements.
 - In spite of all of the above – we are nowhere near ready to know how to survey, audit, or sell a project would comply with the new requirements.
- The new requirements that are mandated by Title 24 will produce dramatic price increases for all lighting projects. Our company has made a business out of marketing and selling lighting upgrades that feature a payback of 18-36 months. I have an entire sales force that knocks on doors every single day hoping to find business owners that are willing to make an investment in new lighting because they understand that they will get a financial return on their investment. These business owners don't do their projects because they like the environment or they want to utilize rebates – they make a decision to do them because of the ROI for the project. The new requirements will now triple the cost of a project, absolutely destroying our ability to find enough customers to make a legitimate business out of this selling model. It is simple mathematics.

What am I asking for?

- At this point I am asking and begging that someone please just listen to the perspective of a contractor that works in the field every day.
- I am asking that someone stand up and insist that the cut-in date be delayed.

Why should we delay the effective date? Delaying the cut-in date would allow the industry to prepare for the new changes. The new construction industry may possibly be capable of hitting the January 1st date, but the retrofit industry is simply not ready. No one understands the rules, and the products are too expensive for the mainstream commercial market. These factors add up to forces that will totally wipe out our industry. The one year delay would also allow California to continue capturing savings. (Once Title 24 kicks in, there will be no reported savings for the world of lighting retrofit, because the value of an incentive will be a tiny percentage of the extra cost required to comply with the new rules.)

What could be gained with a one year delay? I would hope that twelve months might allow the industry to prepare for the monumental changes that are imposed in the new standards. A year would also allow experts to first learn the new requirements and then these experts could then begin educating the real world on how to operate within the new rules (this is simply not possible at this point). I am also hopeful that a year will produce significant price drops in the new products that are being required by Title 24. Fortunately most of the new products (LED's and controls) all feature solid state designs that are subject to Moore's Law. Performance is improving rapidly and price drops are happening at a rapid pace. Together these two phenomena are making affordability improvements that may lead to them being financially viable a year from now (at this point they are NOT).

I am hopeful that you will take the time to read my entire plea, and that you will truly understand and grasp what I am saying. I would not email you or waste your time if people's livelihoods were not at stake. I will literally cry when I have to shut the doors because of these changes. My employees will face worse future prospects than I do. I understand that California needs these new standards, but I just don't think we are ready for them in 75 days.

I am the luckiest man on earth - I love my job and I have a tremendous amount of pride in what our company does and has done over the past 28 years. I am very proud of the number of good jobs that I am able to provide for the employees of my company. I pray that we can keep it going.

Please do not hesitate to contact me directly. Thank you for listening.

Sincerely,

Neil Miller
CEO & Owner
American Lighting
858-549-2324, ext 307