

**Statewide Energy Efficiency Best Practices Forum**  
**Morning Plenary Report Out Notes**  
**June 19, 2014**

**1) How can the state better encourage innovation at the local level to help us meet our energy and climate goals?**

- Funding/Financing
  - Provide more funding directly to local governments.
  - The state should incentivize research & development and technology companies.
  - Consider pushing more upstream rebates to provide higher efficiency.
  - Grants/funding for local efforts.
  - Loosen total resource cost, use return on investment requirements instead.
  - More funding for pilots on the local level.
  - Additional resources (staff, money).
  - The PACE interest rate is too high.
  - Continued rebates/incentives/outreach for no-brainers - exterior lighting
  - We need more money to support outreach efforts
  - Provide more funding for technical assistance so organizations can meet energy goals.
  - Put more money and decision making ability at the local level.
  - The CPUC should directly fund low income housing energy efficiency retrofits.
  - Invest in business and entrepreneurs.
  - Encourage further use and exploration of financing options for companies. Larger companies should be encouraged to create new ideas. Find a profit base to encourage it.
- Program Criteria/Metrics and Flexibility in Funding/Program Criteria
  - Have programs pre-blessed by the Attorney General and advisors like the Department of Finance. Many local governments determined that on Bill Finance violated Attorney General and auditors requirements so it took years to get off the ground.
  - Streamline and make utility programs consistent and easier to use.
  - Help local governments allow for thinking outside the box.
  - Make sure that programs will actually work in the market before rolling them out.
  - Make the energy efficiency programs less restrictive; allow residents more freedom in decision-making.
  - Encourage more stakeholder input in program design efforts. Work with real world implementers to develop programs.
  - Flexibility in energy efficiency program implementation.
  - Encourage collaboration and adaptability. Local governments know what works best in their community. Not everything is cost effective.
  - Reduce the number of hoops to jump through, there is too much reporting to multiple different agencies. This needs to be simplified.
  - Open RFP for local governments to undertake for innovative projects not funded by utilities, and/or grants.
  - Broaden criteria for programs, such as cap and trade, to make incentives more available.
  - Allow more risk taking at the policy and funding level; it is too focused on proven technologies.
  - Loosen program restrictions because it is limiting innovation.
  - Re-evaluate metrics that measure success and evaluate funding limitations. We need flexibility to develop incentives and programs that meet the needs of individual local governments and communities. We also need more representation and advocacy in southern California (access to decision makers)
  - Fewer restrictions on money that comes from IOUs. Money is often cut from public outreach because it is difficult to quantify.
  - Streamline the review process so it doesn't hold up project success.
  - We need to be more comfortable with failure; we shouldn't be punished for innovation that is not successful.
  - Remove gaps in program implementation so the ball can keep rolling without explanation.
  - Allow for regional innovation for targeted energy efficiency efforts in specific climate zones.
- Comprehensive Programs
  - Fund projects that cross over/address multiple state goals. For example, we've proposed DC fast chargers combined with energy storage and solar, but AB118 can only cover the DCFC, then we need electric program investment charge or other sources to cover other portions. It becomes a piecemeal process that many local governments give up on.
  - Integrate state programs so local agencies don't have to access multiple funding sources and resources.
  - Cover all market sectors to make communities more livable.
  - Create other partnerships that will support solar energy.
- Outreach and Education
  - Provide free training for re-tooling for trade professionals, help shift their business model for development (total cost, or ownership) by helping leverage capital costs.
  - More program outreach to provide clarification on available programs (2x).
  - Put a priority on educating community leaders.
  - Framing toolbox - different characteristics of each city requires different approach to sell the project.

- Develop statewide on trend tools and give CBSM training and tools. Hire Mark Jewell to develop a series of short videos explaining energy efficiency financial benefits targeted towards small business, landlords, and property managers/real estate agents. They should explain why it makes sense to upgrade (even with split benefits, etc.)
- More marketing and outreach resources at the local level, marketing and outreach is very important.
- Regional Efforts
  - Combine regional partners to pool resources.
  - Continued/more support for regional energy networks (2x).
- T24
  - The costs of meeting all the requirements to meet new T24 standards are every high. When design, install, and retrofit costs are all integrated, ROI plummets.
  - Find ways to use broader strokes to ensure compliance with T24 and other initiatives, to reduce local government staff time to convince their building officials and other local government staff to use energy efficiency and greenhouse gas measures.
- Program Activities/Opportunities
  - Make climate action plans mandatory.
  - Zoning codes and ordinances restrict innovation.
  - Help Publicly Owned Utility come up with a business model that supports both the needs of the utility and residents.
  - Adopt a mandatory planning reduction system similar to AB939 (waste management act). This will be needed to use as a driver at the local level. GHG reduction is a nice, but it is an optional activity at the local level. Local governments have reduced staff over last 7-8 years and the priority is legal/regulatory activities, everything else is viewed as optional.
  - Issue policy briefs on implementation measures we can take to achieve zero net energy – municipal, commercial, residential.
  - There are too many hurdles in the street light retrofit process. Streetlight retrofits should be encouraged. Take steps to stabilize markets for new forms of generation.
  - Recognize specific projects that are innovative.
  - Follow up with program participants and ensure action is being taken, provide resources at every step of the way.
  - Provide Energy efficiency contractors a long-term stable program (energy upgrade CA) that they can build a business model around. Structure programs that reach different consumers, i.e. multiple touch implementation.
  - Some organizations may not have staff with the technical knowledge or time to facilitate energy plans.
  - Implement time of sale requirements for properties.
  - Streamline permitting processes.
  - Reduce the cost of permit fees.
  - Utilize price signals.
- Data
  - Streamline the process to access data/information, it is hard to undertake analysis without the data.
  - Fund data analytics so it is easier to reach hard to reach customers.
  - Make real time data available.
- Relationship Building
  - Facilitate public-public/public-private partnerships.
  - Continue to build trust between local implementers, CPUC, IOUs, etc.

**2) What legal or regulatory barriers could be changed or removed to better support your energy and climate implementation efforts?**

- Streamlining/Regulatory activities
  - State must set midterm greenhouse gas target ASAP. Decision makers need certainty past 2020. Stop just talking about it and do it!
  - We need one answer from the CEC and CPUC about benchmarking.
  - Streamline CPUC and CEC agency processes.
  - Streamline permitting for energy efficiency, in addition to solar.
  - New regulations can often slow program implementation.
  - When the state moves ahead too quickly with different regulations (ex. T24), it can set cities back. Identify the tipping point between encouragement and discouragement.
- Data
  - Data access to allow for more informed decision making. (5x)
- Title 24
  - Focus more on code compliance, rather than encouraging moving beyond T24. Provide funding for carrots. Developers often only do voluntary measures if they are true believers or if you provide discretionary permits.
  - It is difficult to go above and beyond Title 24.
- Program Criteria and Funding
  - Flexibility in funding.
  - Remove some of the restrictions on how funding can be spent, support programs that encourage behavioral changes.

- Break down funding silos to available funding that supports ongoing funding for energy, water, pollution prevention and solid waste to support comprehensive efforts.
- Provide more flexibility in funding for mandates.
- Reporting back on grants should not be difficult, or time consuming. Should be similar and streamlined.
- Partnership regulations need to be less restrictive to allow for additional energy savings opportunities.
- Look at long-term projects and produce enhanced incentives to bring down return on investment.
- Look at total end result, not just the individual measures.
- Allow for performance-based rebates.
- Make applications for incentives and funding sources less complex and complicated.
- Find ways to make non-resource programs accountable without diminishing funding for those programs.
- Please allow multiple loans or overlapping timeframes. Right now we have a lag once our loan is expended which hurts our project pipeline.
- Restructure how the CPUC reviews innovative projects.
- Communication
  - Consistent communication on when rules/measures/policies change at the CPUC.
- Make climate action plans mandatory.
- Interconnection agreements.
- Link energy efficiency incentives with building permits.
- Flattened tiers.
- Help create innovation in energy tariffs to capture and aggregate small scale and mid scale generation.

### **Report Out**

- PEV chargers increase Energy but on a net basis, lowers. LED streetlights have multiple benefits but they are hard to incentivize because multiple agencies are involved.
- It would be helpful to have an outcome/performance based compliance path for T24 for existing buildings.
- We need performance-based programs. We also need to think more about phasing for truly successful programs. We need to encourage innovation.
- Use existing conditions as the baseline for T24. Incentivize consumers to get to code, not just beyond code.
- Look at decarbonizing energy.
- Performance based rebates. Partnerships to support Demand/Response efforts, and TA assistance for solar/distributed Generation. Utility rebates or DI for infrastructure.
- Funding, that local governments can tap into, for sophisticated marketing is important. We need to increase awareness.
- More funding for pilots (compare in two different jurisdictions).
- The interest rate for PACE (Property Assessed Clean Energy) is too high.
- We need more clarity about, and a more defined way to, access data for benchmarking.
- Review tax codes to incentivize deep retrofits by using a tax code incentive.
- Provide systemized and comprehensive analytic tool that is consistent statewide, similar to energy star portfolio manager. Need to be able to compare, year after year.
- Obtain state level guidance on pairing of climate plans/greenhouse gas plans with general plans.
- More resources to fund waste and transportation. Larger funding pots that can be spread within a group of local governments
- Get more private capital involved. Social equity bonding.