



Subcommittee Summary

Subcommittee	<i>Savings Below Code</i>
Champion	Armen Saiyan, Los Angeles Department of Water and Power, Armen.Saiyan@ladwp.com
Subcommittee Members: Cal TF Members	Martin Vu, RMS Energy Consulting, mvu@rmsenergyconsulting.com Mary Matteson Bryan, Energy Engineering, marymattesonbryan@pacbell.net Pierre van der Merwe, Vermont Energy Investment Corporation, pvandermerwe@veic.org Tom Eckhart, UCONS, tom@UCONS.com Doug Mahone, TRC Energy Services, DMahone@trcsolutions.com Spencer Lipp, Lockheed Martin, spencer.lipp@lmco.com Andrew Brooks, Association for Energy Affordability, abrooks@aea.us.org Christopher Rogers, PECl, crogers@peci.org Sherry Hu, Pacific Gas & Electric, S1HU@pge.com
Subcommittee Members: non-TF Members	Nicholas Dirr, Association for Energy Affordability, ndirr@aea.us.org Kevin Messner, Association of Home Appliance Manufacturers, KMessner@politicallogic.net
Final Deliverable(s)	Proposal detailing the recommendations and supporting reasoning resulting from subcommittee discussion and consensus including: <ul style="list-style-type: none"> • A description of the most frequent below code instances where savings are available to be captured without ratepayer subsidizing of free rider activities. • An accounting approach for savings below code that appropriately safeguards against inappropriate expenditures of ratepayer dollars, double counting of savings claim from Codes & Standards portfolios, and any misalignment of Program Administrator claims and CEC demand forecasts.
Commencement Date	January 2015
Conclusion Date	June 2015

I. Subcommittee Objective

The objectives of the subcommittee will be to

- To characterize circumstances where savings below code are not currently being captured.
- To create an approach that quantifies potential savings from 'below code' activities, and:
 - Allows PAs to capture otherwise stranded savings opportunities
 - Prevents expenditure of ratepayer dollars on 'free rider' activities
 - Prevents 'double counting' of savings claims
 - Sheds light on aligning EE planning assumptions with CEC forecast assumptions



The final deliverable will be a proposal document detailing the recommendations and supporting reasoning resulting from subcommittee discussion and consensus to meet the above objectives.

II. **Description of Issues**

There is a need to characterize activities where baseline should be lower than code such that savings from upgrading to code can legitimately be claimed.¹ Determining the ‘rule set’ for each distinct activity, and what data should be collected during program implementation and/or EM&V to confirm that the rules have been met is an essential component of this work. Examples of below-code activities for consideration include:

- Early replacement
- “Repair indefinitely” equipment
- Actions that are not required by code, but that trigger code (such as installing a skylight)
- Code non-compliance
- Existing buildings where owners are not required to upgrade, but program incentives or other program activity cause them to upgrade.

The ‘rule sets’ for each of these circumstances must be structured to avoid subsidizing free-ridership and prevent double counting of savings in both the utility portfolios and the CEC long-term forecast.

III. **Background information**

- The Local Government Sustainable Energy Coalition (LGSEC) has already begun work cataloging energy efficiency code noncompliance across the state. The LGSEC has expressed strong interest in working together with the Cal TF subcommittee on this issue. The subcommittee will consider leveraging the LGSEC’s data for it’s own analysis.
- TF member Doug Mahone has presented to the Forum an ACEEE paper that offers a new measure category—Repair Indefinitely—as a solution for capturing savings below code.
- Armen Saiyan, TF member from LADWP, has presented to the TF a possible solution for targeting and accounting for savings otherwise stranded by code updates..
- The CEC is working with other parties to better understand the effects of increasing below code claims on statewide forecasts. Both the CEC and POU’s are willing to draft hypothetical below code measures for the subcommittee to use in testing its proposed approach.
- Cadmus Group and others have recently published impact evaluations characterizing levels of non-compliance in new construction and retrofit circumstances.

IV. **Schedule**

Date	Agenda	Next Steps
------	--------	------------

¹ “We understand party claims that there is a high level of non-compliance with codes and standards... however these claims are unsubstantiated by any empirical evidence.” *Proposed Decision of ALJ Edmister in R13-11-005*, Mailed 9/16/2014, p.72.



	<ul style="list-style-type: none"> • Overview of abstract • Agreement on Issues • Agreement on Objectives • Agreement on number of meeting to hold • Discussion 	Subcommittee members to consider issues discussed, prepare comments for next meeting
	<ul style="list-style-type: none"> • Discuss LGSEC noncompliance data and how to leverage it for Cal TF analysis • Determine if existing noncompliance data is sufficient or additional data is required. • Characterize three key below code savings opportunities 	Cal TF staff to incorporate results of discussion into subcommittee proposal
	<ul style="list-style-type: none"> • Discuss LADWP proposal in light of previous meeting's conclusions 	Subcommittee members to consider alternate approaches applicable to other PAs. Cal TF staff to incorporate results of discussion into subcommittee proposal.
	<ul style="list-style-type: none"> • Discuss alternate approaches applicable to other PAs • Consider CEC information 	Cal TF staff to compile final Cal TF position.
	<ul style="list-style-type: none"> • Discuss any possible implications of Cal TF proposal on CEC forecast • Finalize subcommittee position 	

V. Attachments

- Cal TF Cross-Cutting Position on Savings Below Code_v3
- LADWP Savings Below Code Presentation