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Date: November 22, 2016 at 7:26 AM

Subject: 3C REN business plan comments from CEC

Hello Alejandra and Angela,

I read your draft business plan and have concerns regarding how you propose to use HE Score with the real estate industry. I voiced similar concerns with BayREN on this topic. The attached attempts to communicate the CEC concerns with this strategy - although written to address BayREN, the comments and explanations are equally applicable to 3C REN. Please read these and let me know if you have any questions.

Basically, the CEC is OK with you and others using HE Score as a preliminary assessment tool, but NOT as an asset rating where you promote the score specifically for a property valuation metric within a real estate listing. The attached explains why this is important for CA and therefore to the CEC.

Instead, we hope that you will consider including the CA HERS asset rating approach for your planned real estate engagements in the mid-term (see attached regarding the CEC's current efforts to produce a HERS rating at low cost that is consistent with new home asset ratings). Also see our comments to BayREN that are applicable to your proposed approach, regarding using lists of installed efficiency measures rather than a score or rating until there is a statewide asset rating approach via CA HERS.

Here are examples of language in your draft business plan that the CEC finds problematic:

*3C-REN will coordinate with DOE HEScore to populate real estate listings with efficiency ratings.*

*Home project scores (pre and post EE retrofit) will be utilized by homeowners and real estate agents, reinforcing the value of energy efficient homes and driving change in the market. 3C-REN will partner with real estate groups to populate a directory with enough scores to help launch a functional directory of housing stock efficiency scores.*

*DOE HEScore assessments will be completed and distributed to the real estate industry, furthering efforts toward providing an actionable platform and consistent vocabulary for market actors.*

I would be glad to arrange a call with the CEC's HERS staff to discuss this topic further.

Thanks for considering these comments in your next business plan iteration.

Best regards, Martha