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Comment #	Sector	Page #	Comment	Rationale for Comment (include references to evaluations, studies, etc., if applicable)	Integrated (Y/N)	Rating	
CEC-1	BayREN-Residential	28, 29, 30	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li><i>This draft Business Plan intends to use Green Labeling as a key strategy to address several market barriers.</i></li> <li><i>The Business Plan discussion on Green Labeling should describe the residential real estate market more completely, acknowledging that it consists of both newly constructed and existing homes.</i></li> <li><i>This is very important when determining the appropriate energy performance rating scheme to include in Green Labeling strategies, since there is great potential for market confusion if new homes are rated with one scheme and existing homes are rated with a different scheme.</i></li> <li><i>Especially for the market segment targeted for the single family strategies (middle income), it is critical that the Green Labeling strategies provide information that can be used to compare the energy performance of new homes to existing homes.</i></li> <li><i>State law directs the Energy Commission to establish the Home Energy Rating System, and directs that conflicting rating schemes not be promulgated in the state. The Energy Commission is currently interpreting this mandate to mean that there should be a uniform approach to residential asset ratings, as stated in the Existing Building Action Plan strategies 1.4.1 and 4.1.1.</i></li> <li><i>The Energy Commission is aware of the work that BayREN is doing to use Home Energy Score as a preliminary assessment tool in the Home Upgrade program. Used in this way, the Energy Commission does not think that there is a conflict with the state's HERS directive. However, the Green Labeling strategies seem to</i></li> </ul>	<ul style="list-style-type: none"> <li>Once a newly constructed home is complete, it enters the existing home real estate market. The same real estate agents, listing services, home inspectors, etc. participate in this singular market.</li> <li>The 2015 International Energy Conservation Code allows an Energy Rating Index (ERI) to be used as a performance-based code compliance approach for newly constructed homes. California's 2016 Title 24, Part 11 ("CalGreen") includes a reach standard that uses an Energy Design Rating as a performance-based code compliance approach for newly constructed homes. Currently and going forward, more and more new homes in California and the nation will be rated under an energy performance asset rating scheme. It is anticipated that starting in 2020, ALL new homes in California will have an EDR rating. Both the ERI and the EDR use the same rating scale, but the Home Energy Score rating scheme is completely different.</li> <li>The CEC is currently completing the technical work needed to revamp the existing Home Energy Rating System (HERS) regulations. One key component of this work is to ensure that HERS ratings for existing homes are COMPLETELY CONSISTENT with the EDR ratings for new homes. Well within the mid-term (3-6 years) of this BP, the state will have an asset rating scheme that is consistent between new and existing homes.</li> <li>A key component of the CEC's current technical work on HERS is to establish an asset rating scheme for existing homes that can be delivered at much lower cost than ANY current residential scoring scheme (e.g. RESNET HERS, CA HERS, HE Score), while keeping the consistency to the more detailed EDR that will be produced via residential Title 24 code compliance. The CEC thinks that a vast reduction in the current capital and transaction costs of</li> </ul>			

		<p><i>be proposing to promulgate Home Energy Score as a residential asset rating for use in real estate listings. This is problematic for several reasons – see 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> bullets above for a select few.</i></p> <ul style="list-style-type: none"><li>• <i>The BP draft claims that HE Score is delivered at “low cost”, but no details are provided to justify this claim.</i></li><li>• <i>Other strategies to include energy efficiency information in real estate listings and other information pathways is not included.</i></li></ul> <p><b>Recommended Action</b></p> <ul style="list-style-type: none"><li>• <i>Please consider modifying the Green Labeling section of the BayREN Residential Sector Business Plan to accomplish the following:</i><ul style="list-style-type: none"><li>○ Do not promote Home Energy Score as an asset rating within the California residential real estate market;</li><li>○ Clarify that Home Energy Score is planned to be used as a preliminary assessment of opportunities for energy efficiency improvements, along with the customized checklist developed by BayREN partners;</li><li>○ Partner with the CEC to pilot the HERS Whole House asset rating approach in the mid-term (3-6 years);</li><li>○ Promote the work done via the Home Upgrade Program in the Green Labeling domain by listing the principal upgrades accomplished rather than promoting a score.</li></ul></li></ul>	<p><i>residential asset ratings is needed to allow the demand for these performance ratings to scale significantly.</i></p>		
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