



September 1, 2015

Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Subject: Comments on Cap-and-Trade Auction Proceeds Second Investment Plan – Draft
Concepts for Public Discussion

The California Energy Efficiency Industry Council (Efficiency Council) supports the updating of the California Air Resources Board (CARB) Cap-and-Trade Auction Proceeds through the Second Investment Plan. For decades, California has been at the forefront of creating effective environmental and clean energy policies. As a result, these policies are stimulating innovation and efficiency, positioning the state as a leader in this thriving global marketplace, and creating new businesses and jobs. We see the Cap-and-Trade Auction Proceeds Second Investment Plan (Second Investment Plan) as another positive step in California's leadership, by making determinations about how to spend funds in a way that best meets California's clean energy goals.

The Efficiency Council is statewide trade association of non-utility companies that provide energy efficiency and demand response services and products in California. Our member businesses employ many thousands of Californians throughout the state. They include implementation and evaluation experts, energy data analytics providers, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of energy efficiency and demand response products and equipment. The Efficiency Council's mission is to support appropriate energy efficiency and demand response policies, programs, and technologies that create sustainable jobs and foster long-term economic growth, stable and reasonably priced infrastructure, and environmental improvement.

Some specific comments and suggestions we have for the Second Investment Plan – Draft Concepts for Public Discussion (Concept Paper):

- Energy efficiency should be given top priority for investments in the three-year cycle beginning in 2016-2017 particularly since funds coming out of the cap-and-trade auction are not being directed back to energy efficiency initiatives that are causing much of the carbon emissions.
- Energy efficiency meets the overarching themes of the Concept Paper. For example, energy efficiency benefits all Californians, it is made of innovative technologies, and it

provides opportunities for small businesses and rural communities to help advance California's climate mitigation efforts.

- Energy efficiency is the least cost resource and should be strongly supported and funded to overcome market barriers.
- Some particular actions that the Second Investment Plan should fund are: (1) general investments in making buildings more efficient and (2) research and development funds for industrial applications, such as boilers.

Thank you for your time and consideration. For further information please contact the undersigned at mgardner@efficiencycouncil.org or (503) 810-1155.

Sincerely,

/s/ Margie Gardner
Margie Gardner
Executive Director