

November 1, 2013

Mary Nichols, Chair California Air Resources

California Air Resources Board

1001 I Street

Sacramento, CA 95812

**RE: COMMENTS ON 2013 UPDATE TO AB 32 SCOPING PLAN**

The California Energy Efficiency Industry Council supports the updating of the AB32 Scoping Plan to further the implementation of cost-effective and measureable progress towards 2020, 2030 and 2050 goals. 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 proposed regulation as another positive step in California’s leadership, by demonstrating how to develop an energy infrastructure in a carbon-constrained world. We believe the regulation will also support a stable energy and business environment that will among other benefits result in employing more Californians.

The Efficiency Council is an association representing businesses that provide energy efficiency services and products in California ([www.efficiencycouncil.org](http://www.efficiencycouncil.org)). The energy efficiency industry continues to expand in California, creating jobs and saving energy and dollars for residents and businesses who are feeling the economic pinch throughout the state. The Efficiency Council membership includes implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, and manufacturers of energy efficiency products and equipment. The member companies of the Efficiency Council have over 110 different offices in cities from Eureka to San Diego to help California residents and businesses save energy in every corner of the state. Our member companies will be hiring more individuals in California in the years to come, assuming a continued policy of clean energy and environmental stewardship.

Some specific comments and suggestions we have for the update:

* We support the 2050, 80% reduction goal.
* We support the concept of a 2030 interim goal and in particular suggest that the Scoping Plan Update should include: more numerical data regarding progress toward meeting the 2008 Scoping Plan goals; recommendations to adjust the 2020 Scoping Plan goals as needed; and details on what analysis is needed to set a 2030 GHG target.
* We support the concept of decarbonizing the energy sector.
* We strongly support a true statewide energy plan based on integrated resource planning and a least cost approach to meeting energy goals, with value placed on decarbonizing the energy sector via a carbon adder or other mechanisms.
* Efficiency is the least cost resource and should be truly and more strongly supported to overcome market barriers, particularly since current cost-effectiveness tests and potential analyses do not fully account for long-term impacts associated with climate change. Some particular actions that the update should support, if not require, are upgrading of building codes and standards, energy use disclosure, and building labeling (as can be implemented through AB758 at the Energy Commission). As indicated by the California Energy Action Plan’s “loading order” and in the graphic attached to this document, efficiency is the least cost resource and is also the least cost climate change mitigation strategy.

Thank you for your time and consideration. For further information please contact the undersigned at sschiller@efficiencycouncil.org or our Executive Director, Margie Gardner, at mgardner@efficiencycouncil.org or 503-810-1155.

Sincerely,



Steven R. Schiller, P.E.

Board Chair Emeritus

Attachment: levelized cost of new electricity resources

**Notes:**

1. Indicated values are averages based on assumptions and data described in the indicated source documents; individual resources may have costs significant different than presented average values.
2. End Use Energy Efficiency value is weighted average national Program Administrator Cost of Saved Energy during 2009-2011, 2012$, levelized at 6% discount rate. Source: “*4,000+ (Program) Years of Efficiency: Preliminary Results of a Program-Level Analysis of the Administrator Cost of Saved Energy*”, Steven R. Schiller, Lawrence Berkeley National Laboratory, Presented at the 2013 ACEEE National Conference on Energy Efficiency as a Resource, Nashville, Tennessee, September 24, 2013
3. Other (supply) resources costs are average values from US Energy Information Agency *Levelized Cost of New Generation Resources in the Annual Energy Outlook 2013*, U.S. average levelized costs (2011 $/megawatthour) for plants entering service in 2018, <http://www.eia.gov/forecasts/aeo/electricity_generation.cfm>
4. Efficiency values based on savings at end-use consumer site, supply side values based on net AC power available to the grid

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