



WHPA Compliance Committee Teleconference Summary Notes

Thursday, July 13, 2017

Scheduled for 8:30am – 9:30am PDT

Call to Order

WHPA Compliance Committee Chair Bob Barks (CALBO) called the meeting to order at 8:35 a.m. PDT. The meeting was recorded for note purposes.

Roll Call

WHPA Staff (Wendy Worrell) conducted roll call of the voting panel during the meeting. There was no quorum (9 or more voting members or proxies) with 8 voting members or proxies in attendance and the following 24 participants (or proxies) overall based on attendance reporting documentation.

Organization	First Name	Last Name	WHPA Category	Attendance
Voting Members				
ACCA (Air Conditioning Contractors of America)	Todd	Washam	Contractor Association	P
Brody Pennell Heating, Air Conditioning and Electrical Contractors	Michael "Mike"	Carson	Contractor (Residential)	P
CALBO (California Building Officials)	Bob	Barks (Chair)	Codes & Standards Official (Association or Jurisdiction)	P (Chair)
CEC (California Energy Commission)	Lea	Haro	Government (Other than CPUC)	P
Goodman Manufacturing	Aniruddh	Roy	HVAC Manufacturer	P
HARDI (Heating, Airconditioning & Refrigeration Distributors International)	Jon	Melchi	Distributor Association	P
IHACI (Institute of Heating and Air Conditioning Industries)	Bob	Wiseman	Contractor Association	P
JCEEP (Joint Committee on Energy and Environmental Policy)	David	Dias	Organized Labor	P
Non-Voting Members				
Air Conditioning Guys (Becerril Air/dba A/C Systems)	Louis	Fuentes	Contractor (Residential)	P
Benningfield Group	Roy	Eads	Energy Efficiency Program Consultant	P
CALBO (California Building Officials)	Mark	Meyers	Codes & Standard Official (Association or Jurisdiction)	P
Charles F. Segerstrom, Energy Efficiency Consultant	Charles	Segerstrom	Energy Efficiency Program Consultant	P
CSLB (Contractor State Licensing Board)	Cynthia	Moore	Government (Other than CPUC)	P
DNV GL-Energy	Amber	Watkins	Energy Efficiency Program Consultant	P
EnerGtech Experts	Brent	Locke	Energy Efficiency Program Consultant	P
Honeywell Smart Energy (HSE)	Steve	Varnum	Energy Efficiency Program Consultant	P
HVAC Excellence	Eugene	Silberstein	Certifying Body	P
JCI (Johnson Controls Inc.)	Bryan	Rocky	HVAC Manufacturer	P
SCE (Southern California Edison)	Gary	Shushnar	California IOU	P
SDG&E (San Diego Gas & Electric)	Jeremy	Reefe	California IOU	P
SoCalGas (Southern California Gas Company)	Hackett	Barney	California IOU	P
Guests				
CalCERTS	Russ	King	Certifying Body	P
WHPA Staff				
CLEAResult	Paul+	Kyllo	Other Stakeholder	P (WP Dev)
InfoPlast	Wendy	Worrell	Other Stakeholder	P (Host/Scribe)

*** Organization is Not a Member of the WHPA; + Individual is NOT Registered with the WHPA; (P) = Member Organization is Pending Approval from the WHPA Executive Committee.*

AGENDA

The following agenda was distributed to the WHPA Compliance Committee roster by WHPA Staff prior to the meeting:

GENERAL REMINDERS

- Adherence to the WHPA **Code of Conduct** is required.
- Disclose any potential conflicts of interest as it relates to meeting content, particularly prior to any votes that may occur.
- Identify yourself prior to speaking, clarifying the organization on whose behalf you are speaking, or if you are making a personal comment.
- Mute yourself when not speaking. (*6 will take you on and off mute.)

AGENDA ITEMS

- 1) **Roll Call of Voting Members** – WHPA Staff (Wendy Worrell) – 5 min



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- 2) **Approval of Prior Meeting Minutes** – Chair (Bob Barks, CALBO) – 2 min
 - a. June 22, 2017
- 3) **Notification of CEC Staff Workshop on Residential HVAC Requirements for 2019 Standards** – Chair (Bob Barks, CALBO) – 5 min
- 4) **“Understanding the Residential HVAC Compliance Shortfall” DRAFT White Paper Vetting** – Chair (Bob Barks, CALBO) – 45 min
- 5) **Meeting Next Steps Overview** – Chair (Bob Barks, CALBO) - 3 min
 - a. Next Meeting: Thursday, August 10, 2017 from 8:30am – 9:30am PDT
 - b. Next Meeting Agenda (TBD):
- 6) **Adjournment** by 9:30am PDT – Chair (Bob Barks, CALBO)

Approval of Prior Meeting Minutes

WHPA Staff email distributed the draft June 22, 2017 minutes to the roster prior to the meeting.

WHPA Staff reported that edits received from Lea Haro (CEC) were made for comment clarification but that no other comments had been received. Instead of an email vote, the Chair agreed to post the notes as final reflective of received comments.

ACTION: WHPA Staff to post the June 22, 2017 meeting minutes in final version on the WHPA Compliance Committee webpage.

Notification of CEC Staff Workshop on Residential HVAC Requirements for 2019 Standards

The Chair brought attention to the recent [WHPA eblast about the CEC Staff Workshop on Residential HVAC Requirements for 2019 Standards](#).

Additional information about the 9am PDT, July 18th Workshop at CEC and the written comments’ deadline of 5pm on July 28th is available in [CEC Docket # 17-BSTD-01](#).

Committee members were encouraged to visit the WHPA’s [Regulatory Policy Activity and Resources page](#) for more information on California regulations and policies, and the [HVAC Research page](#) to review research on important HVAC topics.

Lea Haro (CEC) emphasized the critical need for stakeholders to be part of the process “at the State” as stakeholder voices will “really be considered”. A lot of weight is being given to the comments received now for future development and to help facilitate the conversation.

“Understanding the Residential HVAC Compliance Shortfall” DRAFT White Paper Vetting

The REFERENCE DOCUMENT: [Understanding the Residential HVAC Compliance Shortfall “White Paper Draft 7-12-17”](#) was emailed to the roster prior to the meeting.

The Chair facilitated reference document vetting discussion after noting that red text reflects the most recent edits. (Blue edits were previously made but have not yet been vetted.)

GAP#1: INSUFFICIENT DATA (White Paper Draft pages 2-3)

The Chair noted the most significant edits made under the Gap#1 section.

- Content from Steve Mohasci’s 2006 Study on [Residential Alterations T24 Compliance Enforcement](#) that Bob Wiseman (IHACI) provided for history on where some compliance numbers were derived was added for clarity on page 2.
- The Chair clarified that edits were made on page 3 noting that first two sentences on the last paragraph are appropriate for this section, noting that using mega data or other sources would be a method for determining how to better understand the level of compliance is on changes. He suggested that the latter portions of the paragraph relating to “initial performance baselines” would be more relevant to other paragraphs, such as in Gap #5 discussion or in discussion of how mega data may be used to estimate changes in equipment or some other enforcement measure. He asked for comments related to this area of the document.

ACTION: WHPA Compliance Members to provide more research/comments/suggestions for how mega data can be used to increase understanding of the compliance gap and clarify what data could be gathered for additional development of Gap #1: Insufficient Data on pages 2-3 of the referenced White Paper Draft.



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- Dave Dias (JCEEP) commented that the content at the top of page 3 that reads, “While baseline compliance rates are important to know, they only serve to measure progress” is not an accurate statement because baselines do not really measure progress.
 - The Chair agreed that follow-up study would be needed to measure progress to see if “the needle has moved”. He directed that clarification is needed for the referenced content.

ACTION: WHPA Staff to clarify the first line on the referenced White Paper Draft, page 3 for understanding that baselines only serve to measure progress with some sort of follow-up study for comparison to determine if “the needle has moved”.

- The Chair asked for other comments, but none were made.

GAP#2: INSUFFICIENT TOOLS (White Paper Draft pages 3-6)

The Chair reported that there were minimal changes to this area since last time noting that the most significant change was the addition of the second to last paragraph under the “Change Management” section on page 6 that starts, “Conversely, on the benefit side, ...”.

- The Chair asked for any comments on the referenced paragraph. As none were made, the Chair noted that the paragraph was considered accepted.

ACTION: WHPA Staff to accept the added paragraph under the Gap#2 – Change Management section in the referenced White Paper Draft.

Roy Eads (Benningfield) commented on the Process Simplification section of Gap#2. He noted that the permit applicant for the CF1R form for HVAC Change Out is currently allowed to do a hand filled paper form. He suggested that it would be best to have it registered rather than hand filled acknowledging that CEC code change would be required for that to occur. He noted his perception that technology driven submission would reduce submission errors, would enable smoother processing by the business department because of reduction in inexperienced users and/or inaccurate forms, and would alleviate contractors from having to print as many forms. He suggested that the HERS registry forms should be used for tracking, noting that “it is slowly changing that way” with more forms available online. He suggested that all paperwork should be online, thus enabling building departments to go paperless. He reported that the County of San Bernardino has a tools’ system in place in which the building department does not have to go to the job site and the general contractor does not have to wait for the inspector to arrive, as the needed steps can be completed via live video on a tablet.

- The Chair indicated that Roy Ead’s comments are closely related to other Gap areas in the referenced White Paper Draft as well as to the comments in Gap#2 focused on the estimate of the cost of permitting in California per year.

GAP#3: LACK of EFFECTIVE ENFORCEMENT (White Paper Draft pages 6–9)

The Chair noted that there were a few modifications to Gap#3.

- One suggestion he made was to the third bullet on page 7. For clarity, he noted that building departments do their job, but that if they are asked to do more, they need the proper tools to “help increase compliance to the standard set by the State”.
- The last bullet on page 7 needed rephrasing for conciseness and clarity.

Aniruddh Roy (Goodman Manufacturing) asked if content about the permitting process being linked to homeowner financing and insurance during the real estate sales transaction as mentioned in the prior meeting were incorporated into the referenced White Paper Draft. He noted that when there is a home inspection prior to closing, there are many items that come up “as a contingency plan” between the buyer and the seller, as well as a final walk-thru inspection. A good realtor would ask for receipts of the work done to satisfy the contingencies. He suggested that if something like this is added to the process, responsibility is put on the existing owner to make sure work was done correctly.

- Mark Meyers (CALBO) commented that it was trying to shift responsibility to someone else and “makes an already arduous task” to get financing, closing, and completion someone else’s issue. He noted that the Federal Government does not abide by California’s regulators or requirement and that California already has “a full litany of things” that need to be done (termite inspection, water efficient fixtures, etc.) before a house can be sold that are not being done. In his opinion, it would make another burdensome process hard to complete.
- WHPA Staff (Paul Kylo) clarified that information on real estate transactions was included in the updates to Gap 3, bullet #7 on page 8 of the referenced White Paper Draft.
- Aniruddh Roy (Goodman Manufacturing) agreed that the bullet covers the point he was trying to make, noting that he is neither for nor against the approach, but was simply presenting an additional idea for consideration.



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The Chair commented on Page 8, Bullet 5 regarding incentives. In thinking about the earlier estimate in the White Paper Draft, he questioned if \$100 million is being spent to get permits, how that is turned into an incentive for homeowners, contractors, inspectors, HERS raters, etcetera to aggressively try to increase compliance. “Is there a way to develop a \$100 million a year incentive program for a few years to get a jumpstart on an aggressive compliance improvement program” to reach the levels expected by the State. Who will do it? Who bears the cost?

- Mark Meyers (CALBO) suggested that the referenced bullet be expunged from the report since “any way you look at it the cost is shifted from those that are not willing to comply to those that probably already have.” He clarified that it would be funded from the rate base so those who buy a kilowatt of electricity would have to pay for someone else’s air conditioning which is an unfair shifting of the expense and cost. Bureaucracy would also be added to determine who gets what and how it would be distributed which would further increase cost. From a compliance standpoint, if California is adamant about compliance, then enforcement is needed rather than shifting of wealth to someone else who is unwilling to pay their fair share.
- The Chair understood Mark Meyer’s point, but believes the referenced bullet should remain in the paper as it is the first time he has seen costs associated with it. “Money is the reason there is no compliance.” It is important to raise the topic and discuss how to pay for it.
- Roy Eads (Benningfield) commented that he sees the bullet’s inclusion as an “eye opener” and felt it should remain in the document. He added that it would be better to put money toward solving the problem rather than paying someone to do something they should be doing anyway.
- The Chair asked how you would sustain something like this as sustainability is needed to accomplish it. He noted that when incentives are considered, they need to address these areas.
- Lea Haro (CEC) agrees that sustainability is needed. She reported that she has heard of a suggested incentive program that almost encourages amnesty where people are encouraged to get permits and to bring previously unpermitted work into compliance by having those projects incentivized and then followed up with an enforcement program with a cutoff date where future unpermitted work would be fined.
- The Chair clarified that the critical point for incentives is for how to sustain them. How are gains made from the incentives, particularly to offset the costs associated with managing those incentives? How do we maintain it and keep it going if large amounts of money will not be funded into the effort each year?

GENERAL/OTHER DISCUSSION

The Chair asked if there is content in the referenced White Paper Draft about the interest of insurance companies and their policies noting that there is a party there with a vested interest in ensuring compliance since they are insuring properties based on the fact that it is supposed to be in compliance with code as a factor in their policies. If nothing else, it is a public education point that if unpermitted work is being done, insurance policies are being put at risk.

- WHPA Staff (Paul Kylo) confirmed the referenced points about the vested interest of insurance companies for compliance is not currently in the White Paper Draft, but could be added.
- Mark Meyers (CALBO) reported that based on his experience working with a number of insurance companies, the concern is typically with life safety since insurance companies do not typically have interest in energy efficiency unless it poses risk or hazard.
- The Chair agreed that the primary concern would be permitting for life and safety.
- Roy Eads (Benningfield) reported that based on his experience as an insurance restoration contractor for over 20 years, insurance companies can deny claims if there is not a permit “taken out”. He also noted that the biggest risk for HVAC is fire that can be caused by improperly installed equipment.
- Mark Meyers (CALBO) noted that “we” write few life safety corrections for energy efficiency versus life safety as most of the time installations are safe, but are not energy efficient. They are not willing to “sift through a haystack looking for a needle” for the one time it is not safe.

ACTION: WHPA Staff to add content about how insurance companies and their policies might relate to the compliance process in the referenced White Paper Draft.

Roy Eads (Benningfield) commented that he did not see anything addressing Strategy 1.5.8 regarding serial number tracking (SNT).

- The Chair clarified that it was a purposeful omission because of conflict that could not be resolved within WHPA and that there are others throughout the State who are tackling that issue.



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- WHPA Staff provided historical information about WHPA Compliance Committee SNT discussion and development of both a Draft White Paper and Draft Pro and Con Argument documents that resulted in the WHPA Executive Committee voting for the Compliance Committee not to further pursue SNT as there were differing views that could not be resolved within WHPA.

Mark Meyers (CALBO) asked about the recommendation that the State require the CF1R earlier in the process to transfer from manufacturer to dealer to distributor to owner, which would allow tracking and permitting.

- The Chair confirmed that the concept is being discussed in the WHPA Online Permitting Working Group.
- WHPA Staff (Paul Kylo) reported that work being done in the Online Permitting Working Group is referenced in generality in the White Paper Draft.
- Mark Meyers (CALBO) expressed his opinion that the specific suggestion that “CF1R implementation be earlier in the process would positively impact compliance” should be included in the White Paper Draft, in Gap#3 or perhaps in Gap#2 as an enforcement tool.
- Bob Wiseman (IHACI) clarified that contractor equipment stocking is an issue for the suggestion in that not all equipment stored is geared toward a specific address and that the CF1R requires an address.
- Mark Meyers (CALBO) clarified that the warehouse address could be used as “all on the Registry side said that the system could be easily adjusted to allow for that.” The CF1R would allow tracking of all the equipment along the process.
- Roy Eads (Benningfield) offered a document for review that he submitted to the CEC in 2013 (Docket 12-EBP-1) entitled, “*Equipment Number Registration (ENR) – A Plan for Standards Compliance and Enforcement of HVAC Alterations*” that explains how to do tracking in a simple method, including the one raised by Mark Meyers. (The document was listed as a primary reference on the CEC’s recent RFP-16-403.) Roy authorized WHPA Staff to distribute the document to the roster for reference upon request.

ACTION: Those who commented on using the CF1R form to provide written comments on their suggestions for White Paper Draft updates to WHPA Staff (wendy@performancealliance.org).

ACTION: The Compliance Committee to provide additional comments on the White Paper Draft in writing to WHPA Staff (wendy@performancealliance.org).

Meeting Next Steps

The Chair confirmed that per the recurring schedule (the second Thursday of each month), the next Compliance Committee meeting is planned for August 10, 2017 from 8:30am – 9:30am PDT. The agenda will be distributed prior to the meeting, but is expected to include continued vetting of the draft “Understanding the Residential HVAC Compliance Shortfall” White Paper.

Closing Comments/Adjournment

The Chair adjourned the meeting at 9:36 a.m. PDT based on unanimous approval with no discussion.

* * * * *

Summary of Action Items and Key Decisions (from above)

ACTION ITEMS

1. **ACTION:** WHPA Staff to post the June 22, 2017 meeting minutes in final version on the WHPA Compliance Committee webpage. (DONE)
2. **ACTION:** WHPA Staff to clarify the first line on the referenced White Paper Draft, page 3 for understanding that baselines only serve to measure progress with some sort of follow-up study for comparison to determine if “the needle has moved”. (DONE)
3. **ACTION:** WHPA Staff to accept the added paragraph under the Gap#2 – Change Management section in the referenced White Paper Draft. (DONE)
4. **ACTION:** WHPA Staff to add content about how insurance companies and their policies might relate to the compliance process in the referenced White Paper Draft. (DONE)
5. **ACTION:** The Compliance Committee to provide additional comments on all sections of the White Paper Draft in writing to WHPA Staff (wendy@performancealliance.org). (IN PROCESS)
 - a. **ACTION:** WHPA Compliance Members to provide more research/comments/suggestions for how mega data can be used to increase understanding of the compliance gap and clarify what data could be gathered for additional development of Gap #1: Insufficient Data on pages 2-3 of the referenced White Paper Draft.



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- b. **ACTION:** Those who commented on using the CF1R form to provide written comments on their suggestions for White Paper Draft updates to WHPA Staff (wendy@performancealliance.org).

FROM PRIOR MEETINGS

1. **ACTION:** The Compliance Committee Chair and WHPA Staff to further discuss when/if representatives from the: (1) WHPA Residential Quality Installation Committee should provide clarification on possibly aligning discussion focused on energy savings impacts, and (2) if CPUC could provide updates on their research on the effects of compliant and noncompliant installations. (IN PROCESS)