



WHPA Work Product Summary

DATE: April 17, 2017

INITIATING BODY: WHPA Compliance Committee

WORK PRODUCT NAME: Legislative and Regulatory Policy Issues Affecting Online Permitting Memo (dated 03-29-17)

TYPE OF ACTION REQUESTED: **VOTE** **GUIDANCE** **OTHER:**

The initiating body requests that the WHPA Executive Committee adopt the referenced Legislative and Regulatory Policy Issues Affecting Online Permitting Memo as a WHPA Work Product to be posted and marketed in accordance with previously established policy.

This memo summarizes several recent pieces of legislation that have some influence over permitting and compliance. The specific legislation reviewed includes AB 802, SB 350 and SB 1414. In general, permitting and compliance are typically treated as secondary issues in existing legislation with the possible exception of SB 1414, which treats several aspects of compliance more directly. However, in order to achieve the significant improvement to compliance rates envisioned by the California Energy Efficiency Strategic Plan, a more concerted legislative effort will likely be required.

APPROVAL HISTORY

WORKING GROUP: WHPA Compliance Online Permitting Working Group

BY CONSENSUS **BY VOTE**

TALLY: CalCERTS (Susan Davison) motioned to approve the content and escalate the Legislative and Regulatory Policy Issues Affecting Online Permitting Memo to the Compliance Committee for subject matter expert input. EnerGuy (Eric Beriault) seconded the motion. Based on consensus voting of a quorum (8+) of eligible voting members, the motion carried without further discussion with votes cast as follows:

- **AYE (x10):** ACCA (Todd Washam), CalCERTS (Susan Davison), CHEERS (Bob Johnson), CHF-CIRB (Allison Paul), Duct Testers (Dave Hegarty), Enalasis (Eric Taylor), EnerGtech Experts (Brent Locke), The Energy CA, LLC (Eric Beriault), IHACI (Bob Wiseman), Indio Cooing & Heating Supply (Tim Mann)
- **ABSTAIN (x2):** SCE (Gary Shushnar), CALBO (Bob Barks)

DATE: April 10, 2017

COMMITTEE: WHPA Compliance Committee

BY CONSENSUS **BY VOTE**



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TALLY: Enalays (Eric Taylor) motioned that the Legislative and Regulatory Policy Issues Affecting Online Permitting Memo be passed for escalation to the WHPA Executive Committee. IHACI (Bob Wiseman) seconded the motion. Based on consensus voting of a quorum (9+) of eligible voting members and with no further discussion, the motion carried with votes cast as follows:

- AYE (x8): ACCA (Don Prather), Brody Pennell (Michael Carson), CALBO (Bob Barks), Enalays (Eric Taylor), The Energy Guy CA, LLC (Eric Beriault), Goodman Manufacturing (Aniruddh Roy), IHACI (Bob Wiseman), SynergyNexGen (Barbara Hernesman)
- NAY (x0)
- ABSTAIN (x1): CEC (Lea Haro)

DATE: April 13, 2017

WORK PRODUCT OBJECTIVES: The Compliance Committee prepared an Online Permitting Road Map that was approved by the Executive Committee in January 2016. The Road Map identified a number of planning steps that would be required prior to developing a comprehensive set of requirements for an online permitting system. For 2016, the Compliance Committee set a goal to establish a Working Group focused on Online Permitting. The Online Permitting Working Group (OPWG) was formed by mid-year and began meeting monthly to address several of the planning steps outlined in the Road Map. Under the leadership of OPWG Co-Chair, Alison Paul, the Legislative and Regulatory Policy Working Group was established to review important legislative and regulatory actions that could influence compliance efforts. The purpose of this memo is to summarize these actions and provide stakeholders with a background on the positive and negative impacts that current legislation has on the larger online permitting effort.

The OPWG reviewed the memo during their April 10, 2017. There were no dissenting opinions voiced. The OPWG voted to submit the memo to the full Compliance Committee for review.

The Compliance Committee reviewed the memo during their April 13, 2017 meeting and voted to submit the memo to the Executive Committee to be considered for approval as a WHPA work product.

CA ENERGY EFFICIENCY PLAN STRATEGIC GOAL ALIGNMENT:

GOAL 1 GOAL 2 GOAL 3 GOAL 4

CEESP HVAC GOAL STRATEGIES:

The Executive Committee approved the Online Permitting Road Map on January 13, 2016. That Road Map established several planning activities to better understand the overall scope of such a statewide online permitting system. One such activity was to better understand existing legislative and regulatory policy that could impact online permitting. This activity is in support of Goal 1-1: Develop streamlined



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local government HVAC permitting systems, including on-line HVAC replacement permitting.

BENEFITS: As identified in the Online Permitting Road Map, it is necessary to fully understand the legislative and regulatory policy that impacts permitting and compliance. This will allow stakeholders interested in pursuing a statewide online permitting system to be better informed about what is currently allowable under existing policy, where gaps in policy need to be addressed as an online permitting system is developed and what new policies may be required in order to achieve widespread adoption.

OUTSTANDING ISSUES / DEBATES / MINORITY VIEWS: None

POTENTIAL AUDIENCE: The Legislative and Regulatory Policy Memo can be used by stakeholders interested in an overview of the positive and negative impacts that several recent legislative actions may have on the implementation of an online permitting system for mechanical HVAC change-outs. This information can be used by the Compliance Committee and others to better understand whether an online permitting system can exist within the current legislative environment or whether additional legislative action will be required in order to fully realize a common statewide online permitting system.

MOTION (by EC):

VOTE TALLY: EC vote expected April 19, 2017

FURTHER ACTIONS REQUIRED: TBD

NEXT STEPS: The Memo will be incorporated into the overall Online Permitting Feasibility Report being developed by the OPWG.



March 29, 2017

To: WHPA Compliance Committee

From: WHPA Online Permitting Working Group

RE: Legislative and Regulatory Policy Issues Affecting Online Permitting

The “Legislative and Regulatory Policy Issues Working Group” was established to identify legislative and regulatory policy issues relevant to online permitting. The specific legislative measures that were reviewed included:

- a. [AB 802](#) – Normalized Metered Energy Consumption and tracking thereof
- b. [SB 350](#) – Doubling energy efficiency by 2030
- c. [SB 1414](#) – HVAC permit closure; certification and proof of permitted installation

Table 1 provides a high-level summary of these three legislative actions including their positive and negative impacts on the implementation of an online permitting system for mechanical HVAC change-outs.

Table 1. Online Permitting Legislative Summary

	PURPOSE	POSITIVE IMPACTS	NEGATIVE IMPACTS
AB 802	<ul style="list-style-type: none"> • Authorizes pilot program for access to multifamily and commercial utilities data • Makes whole building energy usage available to building owners • Facilitates statewide benchmarking of commercial buildings through ENERGY STAR Portfolio Manager • Collects consumer-level data to inform energy forecast models 	<ul style="list-style-type: none"> • Energy usage data will be reported, gathered and streamlined in ENERGY STAR Portfolio Manager by utilities • Energy usage levels can help determine where change-outs have (or have not) occurred 	<ul style="list-style-type: none"> • Energy usage does not directly correlate with HVAC permits issued (e.g., does not specifically address compliance issues) • Does not specify that the public will have access to the ENERGY STAR Portfolio Manager data to export or view
SB 350	<ul style="list-style-type: none"> • Establishes goal to double energy savings by 2030 • Promotes high-quality retrofits and consumer protection guidelines • Focuses on increasing efficiency savings in disadvantaged communities 	<ul style="list-style-type: none"> • Provides programs and techniques, such as building benchmarking, energy rating, cost-effective improvements, green workforce training, etc. to assist contractors with compliance 	<ul style="list-style-type: none"> • No indication of public access to tracking methods and results, unless published by the commission • No designation specifically for HVAC permits – all energy

	<ul style="list-style-type: none"> Increases tracking of energy savings 	<ul style="list-style-type: none"> Documents energy retailers and product quantity through 2030 	and renewables will be tracked
SB 1414	<ul style="list-style-type: none"> Directs CEC to develop a plan for AC and heat pump code compliance Emphasizes improvements to permitting process – applying and reducing paperwork Identifies need for systems to verify proper installations 	<ul style="list-style-type: none"> Specific to central AC and heat pumps. Increases compliance by providing an incentive for energy savings only when the customer or contractor can provide proof of permit closure 	<ul style="list-style-type: none"> Includes “data collection” but does not explain methodology, access, etc. Does not take streamlining into account. Permit issuance accessibility and level of difficulty varies by jurisdiction.

Based on our review of these measures, only SB 1414 pertains specifically to HVAC data tracking through permit closure. AB 802 tracks whole building energy usage and SB 350 documents energy product retailers, but neither provide information based on permits issued by California jurisdictions.

While AB 802 is the only measure to promote the access of energy data through a web-based system, there is no indication that such access would be granted to the public. Neither SB 350 nor SB 1414 focus on the streamlining of building permits across jurisdictions and they are largely silent on who will have access to any data that results or how that data will be used.

Our group has observed that permitting and compliance are typically treated as secondary issues in existing legislation with the possible exception of SB 1414, which treats several aspects of compliance more directly. However, in order to achieve the significant improvement to compliance rates envisioned by the California Energy Efficiency Strategic Plan, a more concerted legislative effort will likely be required. Such an effort will need to focus on the many barriers discussed within the Compliance Committee and WHPA at large.