



CEESP Goal 1: WHPA Compliance Committee Teleconference Summary Notes
Thursday, January 12, 2017
8:30am – 9:30am PST

Call to Order

WHPA Compliance Committee Chair Bob Barks (CALBO) called the meeting to order at 8:31 a.m. PST. 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 28 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 |
| ACCA (Air Conditioning Contractors of America) <i>(standing proxy)</i> | Don | Prather | Contractor Association | A |
| Brody Pennell Heating, Air Conditioning and Electrical Contractors | Michael | Carson | Contractor (Residential) | P |
| CALBO (California Building Officials) | Bob | Barks | Codes & Standards Official (Association or Jurisdiction) | P (Chair) |
| CalCERTS, Inc. | Charlie | Bachand | Certifying Body | A |
| CEC (California Energy Commission) | Lea | Haro | Government (Other than CPUC) | P (last 39 min) |
| CHEERS (ConSol) | Mike | Hodgson | Certifying Body | A |
| CHEERS <i>(standing proxy)</i> | Bob | Johnson | Certifying Body | A |
| CSE (Center for Sustainable Energy) | Marissa | Spata | Energy Efficiency Program Consultant | A |
| CSE (Center for Sustainable Energy) <i>(standing proxy)</i> | Lindsey | Hawes | Energy Efficiency Program Consultant | A |
| Enalasy | Eric | Taylor | Third Party Quality Assurance Providers | P |
| Energuy CA LLC, The | Eric | Berault | Third Party Quality Assurance Providers | A |
| Goodman Manufacturing | Aniruddh | Roy | HVAC Manufacturer | P |
| HARDI (Heating, Airconditioning & Refrigeration Distributors International) | Jon | Melchi | Distributor Association | A |
| HVACRedu.net | Scott | Oakley | Educator, Trainer | A |
| IHACI (Institute of Heating and Air Conditioning Industries) | Bob | Wiseman | Contractor Association | A |
| JCEEP (Joint Committee on Energy and Environmental Policy) | David | Dias | Organized Labor | P (last 36 min) |
| SMUD (Sacramento Municipal Utility District) | Ravi | Patel | Public Owned Utility | A |
| SynergyNexGen | Barbara | Hernesman | Energy Efficiency Program Consultant | P |
| Non-Voting Members | | | | |
| BPI (Building Performance Institute, Inc.) | Jeremy | O'Brien | Certifying Body | P |
| CAL SMACNA (California Association of Sheet Metal & Air Conditioning Contractors National Association) | Christopher | Walker | Contractor Association | P |
| CALBO (California Building Officials) | Mark | Meyers | Codes & Standard Official (Association or Jurisdiction) | P |
| Carrier Corporation | Richard "Dick" | Lord | HVAC Manufacturer | |
| CEC (California Energy Commission) | Eddie (Heriberto) | Rosales | Government (Other than CPUC) | P |
| Charles F. Segerstrom, Energy Efficiency Consultant | Charles | Segerstrom | Energy Efficiency Program Consultant | P |
| Duct Testers | Dave | Hegarty | Other Stakeholder | P |
| Honeywell Smart Grid Systems | Steve | Varnum | Energy Efficiency Program Consultant | P |
| JCI (Johnson Controls Inc.) | Bryan | Rocky | HVAC Manufacturer | P |
| PG&E (Pacific Gas and Electric Company) | Swapna | Nigalye | California IOU | P |
| PHCC (Plumbing-Heating-Cooling Contractors National Association) | Charles | White | Contractor Association | P |
| SDG&E (San Diego Gas & Electric) | Jeremy | Reefe | California IOU | P |
| SoCalGas (Southern California Gas Company) | Harvey | Bringas | California IOU | P |
| Guests | | | | |
| CalCERTS, Inc. | Susan | Davison | Certifying Body | P |
| City of Chula Vista** | Lynne | Mitschke+ | Codes & Standards Official (Association or Jurisdiction) | P (last 38 min) |
| CSLB (Contractor State Licensing Board) | Cynthia | Moore | Government (Other than CPUC) | P |
| EnerGtech Experts** | Brent | Locke+ | Other Stakeholder | P (last 33 min) |
| Conserva Alliance ^(P) | Alex | Trochez ^(P) | Third Party Quality Assurance Providers | P |
| WHPA Staff | | | | |
| BJGustavson Consulting | Bonnie | Gustavson | Other Stakeholder | P (Attendance) |
| CLEARResult | Paul | Kyllo | Other Stakeholder | P (Work Product) |



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| 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:

- 1) **Roll Call of Voting Members** – WHPA Staff (Wendy Worrell) – 5 min
- 2) **Approval of Prior Meeting Minutes** – Chair (Bob Barks, CALBO) – 2 min
 - a. December 8, 2016
- 3) **Online Permitting Working Group Update** – WG Chairs (Allison Paul, CHF & Mark Meyers, CALBO) – 5 min
 - a. Call for “Minimum Legal Requirements for Mechanical Permits” Memo Group Lead
- 4) **HVAC Compliance Definition Matrix Update** – Chair (Bob Barks, CALBO) – 5 min
 - a. Pending WHPA Executive Committee Approval – January 18, 2016
- 5) **EBEE-AP Sub-Strategy 1.5.5 Potential Solutions White Paper Development** – Chair (Bob Barks, CALBO) – 40 min
 - a. Continued [Sub-Strategy 1.5.5 Solutions Worksheet Draft](#) Item Review (Gaps 4, 5, 6, 7 not yet discussed)
- 6) **Meeting Next Steps Overview** – Chair (Bob Barks, CALBO) - 3 min
 - a. Next Meeting: Thursday, February 9, 2016 from 8:30am – 9:30am PST
 - b. Next Meeting Agenda (TBD):
- 7) **Adjournment** by 9:30am PST – Chair (Bob Barks, CALBO)

Approval of Prior Meeting Minutes

WHPA Staff email distributed the draft December 8, 2016 minutes to the roster prior to the meeting.

The Chair asked for a motion to approve the December 8, 2016 summary meeting notes. Eric Taylor (Enalays) so moved with a second from Bob Barks (CALBO). There was unanimous approval based on voiced votes and those received through email.

ACTION: WHPA Staff to post the December 8, 2016 meeting minutes in final version on the WHPA Compliance Committee webpage.

Online Permitting Working Group Update

Mark Meyers (CALBO) reported that the Online Permitting Working Group (OPWG) approved the Jurisdictional and Contractor Survey content and is currently discussing surveying methods. They have a good list for email distribution of the Survey Monkey version of the Jurisdictional survey. For the contractor side, because the CSLB C-20 list does not have emails, WHPA Staff is working to obtain a list previously developed that has the needed emails.

The Compliance Committee Chair clarified that the OPWG is expected to continue in 2017 on the tasks presented in the [Online Permitting Roadmap](#).

WHPA Staff reported on the need for a “Minimum Legal Requirements for Mechanical Permits” Memo Group lead as well as others who may want to contribute to that subgroup.

ACTION: WHPA Compliance Committee members with expertise in minimum legal requirements for mechanical permits and have interest in participating in the Online Permitting Working Group to notify WHPA Staff (wendy@performancealliance.org).

HVAC Compliance Definition Matrix

The final version of [the HVAC Compliance Definition Matrix dated 12-16-16](#) was emailed to the roster prior to the meeting.

The WHPA Compliance Committee Chair (“The Chair”) reported that the final HVAC Compliance Definition Matrix content was email approved by the Compliance Committee’s voting panel and escalated to the WHPA Executive Committee (EC) for review in advance of the Chair’s presentation and Work Product approval request scheduled for January 18th.

ACTION: The Chair to update the Compliance Committee on the results of the EC vote on the HVAC Compliance Definition Matrix.

EBEE-AP SUB-STRATEGY 1.5.5 POTENTIAL SOLUTIONS WHITE PAPER DEVELOPMENT



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REFERENCE DOCUMENT: [12-08-16 Ref: Compliance EBEE-AP 1-5-5 Solutions Worksheet 12-6-16 Draft](#)

The Chair facilitated discussion of the reference document items not previously vetted through the WHPA Compliance Committee starting with Gap 4.

GAP 4 DISCUSSION

Reference Content: "No big stick. Not sufficient value for owner or contractor. No consistent message that there is a value proposition."

The Chair confirmed that the Committee has not been discussing the "big stick" concept and facilitated discussion around the following question: "Are there negative encouragements that should be reviewed to encourage contractors and property owners to obtain permits and to work with the jurisdictions and needed players for higher compliance?"

- Charles Segerstrom (Consultant) reminded that a real estate transfer disclosure should be clarifying work done without a permit so there is a secondary affect that needs to be factored into the process.
- Mike Carson (Brody Pennell) reported that in the City of Santa Monica, it took him 1.75 hours to obtain a which costs money in opportunity costs. "It is frustrating to compete against those that cheat the system since there is no enforcement."
- The Chair agreed that compliance does have a monetary impact.
- Mark Meyers (CALBO) agrees that it is an important point because there are still contractors believing compliance is optional. If there was a level playing field, then the cost would be reflected in everyone's price so there would not be such a disparate cost issue.
- Charles Segerstrom (Consultant) noted that there is a risk with checking the box for all being permitted. It is a "pay me now, pay me later" situation, but it is an opportunity for situations that are compromised, etcetera to be rectified, although it may be through lawyers. A solution would be to provide the need for permits up front.
- Mike Carson (Brody Pennell) commented that people are in a bidding war for homes so there is a risk-reward situation with the buyer taking the house.
- Chris Walker (CalSMACNA) suggested that if "The Davis Ordinance" were adopted statewide, it would require political discussion and would cause realtors and other to worry about delays in costs, but contractors who seek permit compliance, find that there is a lack of strong building department consistency based on building cycles. If the building departments took on an inspection role at every real estate transaction, it would yield more consistency with a net benefit for contractors who seek compliance.
- The Chair foresees legal roadblocks to something like Chris Walker's suggestion as realtors do not want to be "the cops". The Chair cautioned against targeting any specific group that would create a conflict and requested suggestions on what could be done at the time of transfer without putting additional responsibility on the homeowner or the realtor. He suggested perhaps obtaining a trace on work done through the building department as an option.
- Mark Meyers (CALBO) cautioned about "kicking the can down the road" in terms of compliance, while noting that an "as is" transaction would go counter to "catching it later" as well. He acknowledged that the Davis inspection process is a great one for inspection on real estate transfers and rentals, but that it occurs because of the Davis City Council ruling due to the high number of rentals. The Building Official has confirmed that "he loses money on it all the time".
- The Chair summarized that there are some suggestions related to catching permit issues through real estate transactions, etc., but that it would not be the best stick for improving compliance.

There was discussion about SB1414.

- Eric Taylor (Enalaysis) commented that he knows "serial number tracking is a sore subject", but suggested using SB1414 as a means to establish a voluntary distributor involvement for equipment tracking.
- The Chair confirmed that SB1414 is still being evaluated for implementation. He cautioned against having the conversation go toward serial number tracking.
- Dave Dias (JCEEP) clarified that SB1414 is only used for Utility rebates and that it is only "a Band-Aid on a gushing wound". He suggested that focus should be on something that is industry wide rather than for a limited segment, particularly since the rebate will not give enough money to offset costs of somebody doing it under the table.
- Barbara Hernesman (SynergyNexGen) commented that it sounds like a possible pilot program that could be implemented in specific California regions, but reminded that there are multiple "touches" that also need to be included along the way. As it has already been proven that compliance does not work when it is all put on the contractors, she suggested the



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solution is to work with the WHPA EBEE Committee to determine who all the players are and how to identify incentivization for each of those players for process involvement.

There was discussion about how the CF1R form might be used to improve compliance.

- The Chair asked about the idea of each unit automatically getting a permit attached to it when it comes into the state with the permit formatted to whatever jurisdiction in which it might end up.
- Mark Meyers (CALBO) suggested the solution already exists through the CF1R form for installation. He suggested that if CEC wants to resolve the issue, they should say that there will be no equipment transfer without a CF1R as it would clarify all involved and allow for easier enforcement. Eric Taylor (Enalaysys) endorsed that suggestion.
- Mike Carson (Brody Pennell) felt that use of the CF1R still does not address permits not being obtained on the majority of work being done.
- For clarification, Mark Meyers (CALBO) confirmed that building departments would have access to the database to find the information on the CF1R as it is a verifiable, tracking document that goes along with the life of the equipment. The building department can see where there is a break in the chain, do some research, and report to CSLB as needed for enforcement issues.
- Susan Davison (CalCERTS) reported that a simplified version of the CF1R could be done with the dealer adding the contractor name as it goes out so review could then be done on which contractors are pulling permits. Building Departments can get simplified reports from the Registry.
- The Chair reported on the need to avoid situations where building departments are doing investigation. If they receive a report showing what was shipped into their jurisdiction, they can look at that, but unless they have other evidentiary information, they do not have authority to do additional investigation. Building Officials cannot peak through windows, fences, etc. or do investigative work.
- Susan Davison (CalCERTS) clarified that tracking data is in the Registry so reports could be generated for those who would want to look at it, but also noted that there needs to be some financial remunerations to Building Departments to offset the cross-checking cost to see which contractor was working on a unit or where it went. She suggested that adding some fees or penalty for violations that could help fund needed actions to foster increased compliance.
- Chris Walker (CalSMACNA) expressed that they are very interested in finding a way for Building Departments to get consistent funding and maintain their strength when the funding cycle is not on since they see the inconsistency in strength as a big issue. The Chair agreed with that concept since “it is up and down”.
- Bryan Rocky (JCI) commented a lot of distributors bring equipment into California and then send them to other states to be sold. He asked how the CF1R process would handle that. He also voiced concern that any model tracking, whether called serial number tracking or not, is still tracking from manufacturer to distributor to contractor to consumer. It is his impression that while project based is different than job based, it still sounds like serial number tracking.
- Mark Meyers (CALBO) confirmed that the process is already required so it is not something new.
- Dave Hegarty (Duct Testers) commented that it is job specific, address specific, and equipment and HVAC specific.
- Susan Davison (CalCERTS) confirmed awareness that we are not supposed to discuss serial number tracking, but clarified that as there is a full process in which all players “have some skin in the game”, if only one part of the process is addressed and not for all the players, then it will not work overall. While serial number tracking may not be “the magic bullet”, at some point, all players must take ownership of the issue.
- Charles Segerstrom (Consultant) acknowledged that discussion of the CF1R form and how the process could be improved is an important piece of the puzzle, but reminded that the role of the whole paradigm needs to be looked at as well. He suggested that the paradigm could be changed past the CF1R to enable contractors to have some sort of self-certification and verification piece with the use of modern technology.
- Dave Hegarty (Duct Testers) indicated that manufacturers and distributors will reduce warranties if equipment is properly tracked and installed.

ACTION: The Chair confirmed that further Compliance Committee discussion is needed on the EBEE-AP 1.5.5 Gap 4 focus.

GAP 5 DISCUSSION

Reference Content: “Value-add not a value for building department. They are about health and safety. No perception of the long term health and safety impact of not having energy efficient buildings.”

The Chair facilitated conversation related to the reference content about non-energy efficient buildings.

- Dave Dias (JCEEP) asked for clarification on what that means noting that it is “not always just about saving energy”.



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- The Chair confirmed that HVAC changeout does not add value to the building department because it is not cost effective per the budgets they have. Their focus is primarily on health, life, and safety issues resulting from incorrectly installed equipment. There is a barrier on the energy side since there isn't financial support for greater building department support of the issues for HVAC changeouts.
- Barbara Hernesman reported that the WHPA EBEE Committee's discussion on this was that the recession resulted in reduction of personnel and services in building departments that were never replaced with improvement in the market. The end result is that health, life, and safety and energy efficiency go "hand in hand". If we going to ask them to take HVAC into account as well, the opportunity is to support more personnel in building departments so they can do the needed work. This includes educating on how they go "hand in hand" and can complement each other.
- Mark Meyers (CALBO) felt we needed to the question apart into 2 pieces. He clarified that Building Departments fill a service and fees are billed based on that service. They can cover costs for those that are compliant in pulling permits. The enforcement activity for those who are not compliant is the other portion. Trying to be the unfunded enforcer is the issue. Some try to do what they can with the tools they have, but trying to put an inspector "on every corner" to watch for unpermitted actions is not allowable or practical. We need to find tools and methods to make compliance more palatable for the industry for increased willingness for compliance, while also making it worse for them if they are not compliant.
- The Chair summarized that the comments on Gap 4 and 5 are interrelated.

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 February 9, 2017 from 8:30am – 9:30am PST. The agenda will be distributed prior to the meeting but is expected to include continued Sub-Strategy 1.5.5 Potential Solutions White Paper Development (Gaps 6 & 7).

Closing Comments/Adjournment

Eric Taylor (Enalasy) motioned to adjourn with a second from Dave Dias (JCEEP). The Chair adjourned the meeting at 9:33a.m. PST based in unanimous approval.

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Summary of Action Items and Key Decisions (from above)

1. **ACTION:** WHPA Staff to post the December 8, 2016 meeting minutes in final version on the WHPA Compliance Committee webpage. (Done)
2. **ACTION:** The Chair to update the Compliance Committee on the results of the EC vote on the HVAC Compliance Definition Matrix. (Done)
3. **ACTION:** The Chair confirmed that further Compliance Committee discussion is needed on the EBEE-AP 1.5.5 Gap 4 focus.