California Energy Commission
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American Lighting
6861 Nancy Ridge Drive
San Diego, CA 92121
858-549-2324
Contractor 818848

Docket No. 15-BSTD-01 TITLE 24 – IMPACT TO LIGHTING RETROFIT INDUSTRY

When the California Energy Commission updated the Building Energy Efficiency Standards in 2013, our company (American Lighting) was concerned about the effects on the lighting retrofit industry in California.

Those concerns are now a reality. A reality that will decimate the retrofit lighting industry in California.

Effects on our company are already, less than one year in, putting a strain on our company to stay in business. If no changes are made now to the Title 24 Standards for existing buildings, our company will more than likely close our doors before 2017.

Our sales are down, and employee jobs have been lost. Sales with the drop off in revenue from the last six months of 2014 alone (when Title 24 went into effect) are down 30% from the average over the last 10 years. Sales are anticipated to be 50% lower for the 2015 fiscal year. Our work force is down 25% currently, and we anticipate more jobs will be lost. Many of those employees are now working for retrofit companies in other states, as California jobs are lost in our industry.

The 2013 Standards were designed to accomplish: 1) Ensure new and existing buildings achieve cost effective energy efficiency. 2) Reduce greenhouse gas emissions. 3) Lower energy costs.

These are reasonable and effective goals for new construction. However, for existing buildings the new standards have been a dismal failure.

What our company is seeing in the marketplace, what our CEO Neil Miller had predicted, is that property building owners are opting to not do any upgrading of their existing lighting due to increased cost and compliance. The additional costs are adding 30% - 50% to the cost of existing lighting retrofit projects resulting in longer pay back periods. These longer pay back periods do not make sense to property building owners, and they are making their point by not electing to upgrade their existing lighting to more effective LED products. This is especially true for interior work, where the greatest energy savings can be obtained, were building property owners are electing to only retrofit 40 ballasts to take advantage of exceptions in Title 24.

Our company has prided itself on the energy savings generated by meeting the needs of our customers with cost effective retrofitting of their lighting. All around our office are case studies with customer testimonials reminding us of the important job we do to reduce California businesses energy foot prints.

For a small company, we have left a big imprint of energy savings over the years all across California. Year after year we have won numerous awards from SDG&E, SCE, and PGE from the lighting retrofit work we perform on existing buildings.

What Title 24 rules are doing to the existing retrofit market is strangulating the potential growth from new/existing LED technology. We are all aware that LED technology has the potential to save way more in energy savings than any regulatory savings can accomplish. Title 24 rules should be revised for existing buildings to more effectively implement this technology to result in the greatest overall energy savings. LED's as with any new technology have higher costs in the initial growth cycle due to research and development costs. The advances in LED T8 lamps has been dramatic. LED T8 lamps started out with 23 watts, then 18 watts. The new LED T8 lamps are only 12 watts compared to a 25 watt standard T8 lamp. That is a 50% energy use savings.

What our company and the retrofitting industry in California as a whole would like to see is a loosening of the Title 24 Standards for existing buildings to allow LED's to expand into the marketplace at a greater pace, and result in greater overall energy savings. These changes must be implemented immediately to save the retrofit lighting industry.

As LED costs go down, then over time re-implement Title 24 standards for existing buildings.

This would be more effective for meeting the California Energy Commission goals of reducing greenhouse gas emissions, and lowering overall economic energy costs.

It is important for lighting retrofit companies, like American Lighting, to survive to continue to generate energy savings to existing business property owners all over California.

Please take the time to re-evaluate the California Building Energy Standards of Title 24 as they relate to existing business property retrofit lighting. Our company and other retrofit lighting companies are depending on you to save our industry.

Sincerely,

James M Yoch

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CFO

American Lighting

800-973-8763 fax: 858-549-8969

www.americanlighting.net