

California Energy Commission



Commercial Benchmarking and AB 1103

Statewide Energy Efficiency Collaborative

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Benchmarking Overview

- Benchmarking is the process of comparing performance metrics against a known standard
 - In this case, the standard is the typical energy use of a building type
 - The metric is source energy/square foot per year
- Energy Star Portfolio Manager is an online application that compares the energy use of a commercial building against survey data for that building type and gives a 0-100 score



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Outline of AB 1103 Regulations

- These regulations mandate the disclosure of energy use at the time of the sale, lease, or refinance of an entire commercial building.
- The disclosure occurs between the owner and the counterparty to the transaction (purchaser, lessee, or financier) – THERE IS NO PUBLIC DISCLOSURE
- This regulation is scheduled to become effective on July 1, 2012
- Currently in pre-rulemaking



History

- AB 1103 chaptered in 2007 establishing initial mandate
- AB 531 chaptered in 2009 allows CEC to set implementation schedule and stipulates that utilities must upload data (not just supply the data to the owner).
- Draft regulations were published and comments received in August 2009, May 2010, and September 2011.
- In addition to these 3 public meetings to gather comment, Commission staff has been working with Utilities and Building Owners to get input on implementation



Staged Implementation Schedule

Section 1683. Schedule of Implementation

- A building owner shall comply with this article according to the following schedule:
- On or after July 1, 2012, for a building with total floor space measuring more than 50,000 square feet.
- On or after January 1, 2013, for a building with a total floor space measuring more than 10,000 square feet and up to 50,000 square feet.
- On or after July 1, 2013 for a building with a total floor space measuring at least 5,000 square feet and up to 10,000 square feet.



Common Questions – Does this Apply to my Building?

Section 1682. Definitions

(l) “Nonresidential Building” means a building of occupancy type A, B, E, I-1, I-2, M, R1, S, and type U parking garages, as defined in the California Building Code, title 24, section 302 et seq. (2007).



Common Questions – At what point in the transaction do I have to provide a disclosure?

- **Section 1684. Disclosures**

According to the implementation schedule established in Section 1683, a building owner shall disclose the Disclosure Summary Sheet, Statement of Energy Performance, Data Checklist, and the Facility Summary to:

- a) a prospective buyer of the entire building, as soon as practicable before execution of the sales contract; or
- c) a prospective lessee of the entire building, as soon as practicable before execution of the lease; or
- e) a prospective lender financing the entire building, as soon as practicable before submittal of the loan application.



Disclosure Requirements

- The submission of the following items constitutes disclosure:
 - 1) Electronic submission of compliance report (submitted to CEC within ESPM)
 - 2) Disclosure summary sheet (downloaded from CEC web site)
 - 3) Statement of Energy Performance (downloaded from ESPM)
 - 4) Data Checklist (downloaded from ESPM)
 - 5) Facility Summary (downloaded from ESPM)

Item 1 is submitted digitally, the other items are included as a part of the contract documents.



Definition of Disclosure items

- “Compliance Report” means an electronic submission of a copy of the data used for generating disclosure documents, submitted within the Portfolio Manager system from the building owner’s account to the Commission’s account.
- “Disclosure Summary Sheet” means the Commission document detailing the contents and relevance of disclosures generated by Portfolio Manager.
- “Statement of Energy Performance” means a report generated by Portfolio Manager that supplies data about a building’s energy performance, and if available, the building’s energy use rating.

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Definition of Disclosure items Continued

- “Data Checklist” means a report generated by Portfolio Manager that summarizes a property’s physical and operating characteristics.
- “Facility Summary” means a report generated by Portfolio Manager that summarizes the space usage of a building and compares a building’s energy use to national averages.

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Voluntary Action – California Rating

- CEC to offer a online rating tool based on California specific buildings.
- ESPM has <20 building types, California Commercial End-Use Survey has 62.
- ESPM uses the same climate zone information for nearly all of the state, California rating is based on zip code level climate information.
- More information on the California rating can be found at:
http://www.energy.ca.gov/ab1103/documents/2009-08-13_workshop/presentations/Martha_Brook_Presentation.pdf

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Next Steps

- CEC to preparing a package for submission to the Office of Administrative Law (OAL), moving into formal rulemaking
- Commission Rulemaking Proceeding tentatively scheduled for December
- In order to stay updated, please sign up for the AB 1103 listserve at: <http://www.energy.ca.gov/ab1103/index.html> (signup box in lower right corner of page)

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Useful Links

- Text of AB 1103:
http://www.energy.ca.gov/ab1103/documents/ab_1103_bill_20071012_chaptered.pdf
- Text of AB 531:
http://www.energy.ca.gov/ab1103/documents/2011-09-12_workshop/2011-09-12_Assembly_Bill_531.pdf
- Draft Regulations implementing AB 1103:
<http://www.energy.ca.gov/2010publications/CEC-400-2010-004/CEC-400-2010-004-SD2.pdf>
- Step by step outline of disclosure process:
http://www.energy.ca.gov/ab1103/documents/2011-09-12_workshop/2011-09-12_AB_1103_disclosure_process.pdf



Questions?

