Commercial Benchmarking and AB 1103

California Commissioning Collaborative

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Benchmarking Overview

• Benchmarking is the process of comparing performance metrics against a known standard
  o In this case, the standard is the typical energy use of a building type
  o 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
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 January 1, 2013

• Currently in rulemaking – 15 day language will be issued
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 pre-rulemaking public meetings to gather comment, there has been a hearing on 45 day language and 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 January 1, 2013, for a building with total floor space measuring more than 50,000 square feet.

• On or after July 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 January 1, 2014 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 prospective buyer of the entire building, as soon as practicable before execution of the sales contract; or
- a prospective lessee of the entire building, as soon as practicable before execution of the lease; or
- 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.
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.
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
Next Steps

• CEC will issue 15 day language and propose adoption of this language. The meeting considering adoption will be held on July 11, 2013
• Implementation still set for January 1, 2013
• In order to stay updated, please sign up for the AB 1103 listserv at: http://www.energy.ca.gov/ab1103/index.html (signup box in lower right corner of page)
Useful Links

Questions?