

Strategy 1.2 Nonresidential and Multifamily Benchmarking and Public Disclosure

Assembly Bill 802

AB 802 promotes whole-building energy usage data access, benchmarking, and disclosure for large commercial and multi-family buildings. AB 802 removes the barrier that building owners with separately metered tenants have dealt with for years. Building owners previously lacked the data necessary to manage the energy usage of their buildings, assess and finance efficiency investments, and properly size investments like solar panels.

The new access to whole-building energy use will result in improved conditions for tenants and building owners in multiple ways. Public disclosure of building energy performance will allow tenants to compare buildings as they search for appropriate space, and provide prospective buyers with information to support investment decisions. Building owners will be aware of how a building is performing as a system and can make decisions to improve the efficiency of their buildings. This was previously not possible. Building owner access to anonymized whole-building energy use data will lead to previously inaccessible efficiency improvements, which results in better property conditions for tenants and more affordable energy expenses.

Whole-building energy usage information is also very important for affordable multifamily buildings, with these data used for prerequisites to participate in financing, grant, and incentive programs. The ability to accurately calculate utility allowances to offset costs for subsidized housing residents is a promising new opportunity for California's affordable multifamily housing.

AB 802 repealed the prior Nonresidential Benchmarking and Disclosure law mandated by AB 1103. This policy change from transaction-based disclosure (AB 1103) to time-certain public disclosure (AB 802) does not mean there is no value in providing energy performance information at time of sale. Transaction-based disclosure is coming into the market through real estate listing services and other private sector initiatives. These market information services are ideally positioned to deliver AB 802 benchmarking information to potential buyers and leases, earlier and more consistently than what were achievable by AB

1103. The Energy Commission will encourage and promote these voluntary practices, in concert with local benchmarking programs.

AB 802 includes a utility account" aggregation threshold" at which utility customer confidentiality is deemed protected, thus reducing a historical barrier to building energy use data access for building owners. In conjunction with the statutory requirement for the utilities to provide building-level energy use data upon the owner's or owner's agent's request, the Energy Commission's proposed draft regulations require the utilities to provide these data based on a building address. This means the utilities must know which utility accounts belong to which building. Most utilities are unable to ascertain building energy usage based on a building address. Therefore, utilities have required building owners to provide additional information, such as account numbers and/or meter numbers at the time of data request, making building benchmarking more cumbersome, time-consuming and therefore costly for the building owner.

Proposed Regulations

In November 2015, the Energy Commission collected public comments to determine the scope of the whole-building data access, benchmarking, and public disclosure program. Subsequently, in 2016, Energy Commission staff held two pre-rulemaking workshops to develop and present staff's proposed draft regulations, which include two major sections, one on whole building energy use data access, and one on mandatory benchmarking and public disclosure. This pre-rulemaking draft proposes public benchmarking and disclosure to apply only to buildings above 50,000 square feet. Further, as envisioned in the original EBEE Action Plan, reporting to the Energy Commission for commercial buildings is proposed to begin in 2018 and every year thereafter. Owners of multifamily residential buildings would report to the Energy Commission in 2019 and every year thereafter. Per the current proposal, for each building sector, building-level public disclosure would begin in the second reporting year, that is, 2019.

The regulations are anticipated to go into effect in the second half of 2017.

California’s Existing Buildings Energy Efficiency Action Plan – 2016 Update

Local Benchmarking Programs

The energy use data access provided by AB 802 will allow local jurisdictions to implement benchmarking and public disclosure programs without needing to separately negotiate data access with utilities. Energy Commission staff is working with local jurisdictions. The intent is that building owners in those jurisdictions need to report only to the local jurisdiction, and that data collection mechanisms will be streamlined and

integrated between state and local systems. Local programs could also encourage and support building owners’ taking the next steps to improve their building energy performance, by assisting in the efficiency project development process with technical advice and financing, for example.

Strategy	Metrics/Time Frame	Lead/Partners
<p>1.2 Statewide Nonresidential and Multifamily Benchmarking and Public Disclosure: Establish a statewide energy benchmarking program with eventual public disclosure for commercial, public, and multifamily buildings above 50,000 sf gross floor area.</p>	<p><i>Phased, 2015 - 2021. State buildings beginning 2016.</i></p>	<p><i>CEC/CPUC, Utilities, Pacific Coast Collaborative (PCC)</i></p>
<p>1.2.2 Time-Certain Benchmarking and Disclosure Rulemaking:</p> <ul style="list-style-type: none"> • Provide process for access to whole-building energy use data for building owners. • Work with utilities to map building addresses to meters. <p>Determine program structure, requirements, high-level process, and timeline.</p>	<p><i>Prerulemaking and Rulemaking in 2016; new regulations effective 2017</i></p>	<p><i>CEC/PCC, Utilities, DOE, LG’s, IMT</i></p>
<p>1.2.3 Benchmarking and Reporting Infrastructure Development:</p> <ul style="list-style-type: none"> • Evaluate the Standard Energy Efficiency Data platform for matching utility data with physical property information and storing benchmarking data. • Partner with local governments to employ a database infrastructure for public disclosure of benchmarking data. • Work with the U.S. Environmental Protection Agency (U.S. EPA) to ensure the seamless integration of Portfolio Manager and California’s benchmarking and disclosure database. 	<p><i>2016- 2018</i></p>	<p><i>CEC/DOE, EPA, LGs, PCC</i></p>
<p>1.2.4 Implement Statewide Program:</p> <ul style="list-style-type: none"> • Monitor and facilitate compliance with the benchmarking and disclosure regulations. • Establish clear metrics to evaluate effectiveness. • Encourage and support actions to improve building energy benchmarks over time. 	<p><i>Phased 2018 – 2022</i></p> <p><i>Ongoing</i></p> <p><i>Ongoing</i></p>	<p><i>CEC/CPUC, Utilities, LGs</i></p>
<p>1.2.5 Potential Mandatory Programs:</p> <ul style="list-style-type: none"> • Review the benchmarking and disclosure programs to determine whether they motivate improvements and result in sufficient savings. • Establish the criteria and performance metrics needed for mandatory upgrade programs, based on AB 802 benchmarks. • Determine whether the program should be extended to smaller buildings. 	<p><i>Evaluation of disclosure policy effectiveness within 2 –5 years of implementation for each sector</i></p> <p><i>2020</i></p>	<p><i>CEC, CPUC/GO, Legislature</i></p> <p><i>CEC</i></p>