

DOCKETED	
Docket Number:	24-BPS-01
Project Title:	Building Energy Performance Strategy Report
TN #:	272119
Document Title:	San Francisco Environment Department Comments - SF Environment Comments
Description:	N/A
Filer:	System
Organization:	San Francisco Environment Department
Submitter Role:	Public Agency
Submission Date:	8/21/2026 12:25:15 PM
Docketed Date:	8/21/2026

*Comment Received From: San Francisco Environment Department
Submitted On: 8/21/2026
Docket Number: 24-BPS-01*

SF Environment Comments

Additional submitted attachment is included below.



August 21, 2026

Mr. David Hochschild, Chair
California Energy Commission (CEC)
715 P Street
Sacramento, CA 95814

Re: Docket 24-BPS-01, Comments on the Draft California Building Energy Performance Strategy Report

Submitted via e-comment to: BPS@energy.ca.gov

Dear Chair Hochschild and Members of the Commission:

The San Francisco Environment Department (SF Environment) is a department of the City and County of San Francisco that advances climate protection and environmental sustainability while working to improve quality of life for all San Franciscans. The department is a recognized leader in developing and implementing innovative environmental policies and programs.

SF Environment advances energy efficiency and building decarbonization across San Francisco's commercial and residential building stock. Through long-standing energy benchmarking and energy efficiency programs, SF Environment helps building owners and renters understand energy performance, identify opportunities to reduce energy use and costs, and prioritize investments in energy efficiency and building electrification. These efforts support the transition from fossil-fuel systems to efficient electric technologies, such as heat pumps, while reducing greenhouse gas emissions, lowering energy costs, and improving indoor air quality.

We at SF Environment are pleased to submit comments on the draft *California Building Energy Performance Strategy Report (July 2026)*. The report reflects meticulous research, lessons learned from early adopters, and stakeholder outreach by CEC staff. It offers a clear-eyed, pragmatic path for California to make progress toward its goal of decarbonizing the built environment while protecting vulnerable residents and small businesses.

Legislation informed by the report would provide the CEC with a highly impactful tool for reaching California's climate targets, and successful implementation would improve energy resilience and safety, help control utility costs, reduce carbon emissions, and provide building owners the clarity and flexibility to invest in decarbonization strategically over time.

We would like to suggest a few improvements to the report and share lessons from San Francisco's own efforts to develop a building performance standard (BPS) policy in collaboration with local stakeholders as well as our implementation of related policies and programs.



Clarify Performance Metrics

The report proposes two performance metrics: site greenhouse gas emissions intensity (GHGI) and energy use intensity (EUI). A GHGI metric is the most essential element of the proposal: the state's goal of zero net emissions by 2045 and San Francisco's related goal of net zero emissions by 2040 can only be met by dramatically reducing onsite emissions – including eliminating combustion from most buildings.

We believe the report should more explicitly state that the second priority of a BPS is to decarbonize buildings cost-effectively by mandating reasonable levels of efficiency. It makes sense to have an EUI target to protect building owners and occupants from excess utility costs, reduce the grid impacts of unchecked electricity consumption, and steer building owners away from overbuilding infrastructure. At the same time, an overly strict EUI target could limit design options that allow large buildings to electrify over time, force investments that compete with emissions reductions work, and/or increase the cost of retrofits. California's principal energy efficiency policy – Title 24 Energy Standards – already applies to the improvements necessary to meet GHGI targets and is crafted to control infrastructure costs borne by utility ratepayers. In a statewide BPS, therefore, the EUI target should be highly achievable – an instrument to help building owners and operators identify the need for highly cost-effective improvements that align with their investment objectives rather than a lever to turn every existing building to an externally-defined definition of highest performance.

Public disclosure of energy performance and electricity rates, as well as the highly variable cost of increasing electric service capacity will continue to reward energy efficiency. For example, San Francisco office buildings that consistently benchmark energy performance have cut annual EUI by 40% over the 10 years from 2014-2024. Though the pandemic provided a serious shock to office occupancy, the trend in improvement has been steady through 2019 (an economic boom) and 2021-present (a more challenging period). Four key drivers of efficiency in large office buildings during this period are: Benchmarking disclosure, energy efficiency program investments, implementation of four triennial cycles of the California Energy Standards, and technology advancement (such as LED lighting and controls). These four instruments leverage private sector investment in base buildings to attract tenants, and the construction of tenant improvements.

Today's state and local energy benchmarking policies demonstrate that disclosure is a powerful tool. While we strongly encourage a building performance standard to include no more than two metrics where improvement is mandatory, we believe the strategy should call for the measurement and disclosure of complementary metrics that simplify decarbonization planning and help manage utility cost. Chief among these: the benchmarking and disclosure of the date, time, and magnitude of annual peak electric demand for each electric service serving the site. This significant update in data management and provision would enable the building owners' representatives to estimate the remaining capacity of existing infrastructure –



which is a critical early input to electric service optimization, rather than plans that assume expensive upgrades to electric service as a prerequisite to efficient electrification.

Similar to AB802, peak demand on each electric service should be available via Energy Star Portfolio Manager to any building owner; buildings that would not be subject to the statewide BPS – including condominiums of any size and all buildings less than 50,000 square feet in gross area – must have equal and convenient access to this critical information.

While the report makes a pragmatic case for where to focus the future mandate, the state's and local governments' decarbonization goals extend beyond large buildings. Ensuring that critical energy-use data is available across the building stock will help make electrification planning more informed, efficient, and cost-effective.

Partnership with Local Government

San Francisco implements California's longest-running energy benchmarking program, which has been an effective tool in facilitating energy efficiency improvement in our municipal and private sector building stock. We appreciate the CEC's longstanding recognition that compliance with San Francisco's program satisfies the State requirement. Local programs covering the four largest cities in California have served as the bedrock for implementation during periods when the State's resources to implement benchmarking were very limited.

Stakeholders rightly desire uniform requirements and policy consistency over many years. A policy implemented by the State alone will face greater risk of shifting priorities and resources over time than has been the case under AB802. Building on the existing model, the CEC should define the criteria that a local program must meet to be recognized as a partner in implementation. This would allow local governments—with their deeper reach and closer relationships to stakeholders—to continue to partner with the State in ensuring the success of a future statewide BPS.

Implementation Resources

BPS requires significant resources to educate and engage stakeholders; facilitate early adoption and demonstrations of success; ensure data from utilities and building owners is accurate and complete; and impose accountability measures consistently. Accordingly, implementing legislation must include resources for stable funding for implementing staff. That funding should be available both to the CEC and to local government partners that can implement BPS as discussed above.

With more than two decades of experience implementing incentive programs, SF Environment has worked with many large commercial buildings to deploy LED lighting, lighting controls, HVAC upgrades, and other



energy-efficiency measures. Through this work, we have seen firsthand how incentives can accelerate compliance by giving building owners a compelling financial reason to act. Energy efficiency not only reduces energy use and GHG emissions, but it also lowers energy costs, providing a direct financial benefit to building owners and residents. Funding will be critical to helping affordable housing providers and other under-resourced building owners make the improvements necessary to comply with BPS. These improvements include electrification equipment, such as heat pumps, when existing equipment reaches the end of its useful life.

BPS offers an opportunity to advance two important state goals: improving energy efficiency and reducing greenhouse gas emissions. We ask that the CEC continue collaborating with the California Public Utilities Commission (CPUC) to align energy-efficiency programs—including those offered by current energy efficiency program administrators—to support advancing BPS compliance. Coordination among state, regional, and local partners can maximize available funding and resources to equitably expedite and achieve broad BPS compliance.

Additionally, penalties collected through BPS enforcement should be directed toward helping building owners achieve compliance in the near term. For example, funds could support existing energy-efficiency incentives and rebates, provide technical assistance to building owners, and prioritize assistance for affordable housing providers and other under-resourced building owners. Using enforcement revenues in this way would create a cycle in which penalties help finance the investments needed to reduce future noncompliance, while accelerating energy savings and emissions reductions across the building stock.

Summary

- Set reasonable EUI performance metrics that improve efficiency in the worst-performing buildings but do not stifle the flexibility needed to meet GHGI targets.
- Require utilities to provide peak demand details sufficient to assess electric service capacity utilization in existing buildings, including condominium and multi-tenant properties.
- Do not preempt local programs. Instead, set clear criteria local programs must meet in order to align with the State BPS.
- Explicitly resource the program, including both state and local implementers, and direct any fines toward the decarbonization of equity priority buildings via CPUC-funded energy efficiency programs.

We appreciate CEC's consideration of these comments, which reflect the perspective of SF Environment. Please let us know if we can provide additional information, elaborate on any of the points raised, or answer any questions.



Sincerely,

Lowell Chu

Lowell Chu, CEM, LC, LEED AP
Energy Program Manager
San Francisco Environment Department