DOCKETED	
Docket Number:	24-BPS-01
Project Title:	Building Energy Performance Strategy Report
TN #:	272122
Document Title:	BOMA San Francisco Comments - BOMA SF Comments on Docket No 24-BPS-01
Description:	N/A
Filer:	System
Organization:	BOMA San Francisco
Submitter Role:	Public
Submission Date:	8/21/2026 12:59:47 PM
Docketed Date:	8/21/2026

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

BOMA SF Comments on Docket No 24-BPS-01

Additional submitted attachment is included below.

Date: August 21, 2026

To: California Energy Commission
715 P Street
Sacramento, California 95814
Submitted via e-comment (Docket 24-BPS-01) and docket@energy.ca.gov

From: Building Owners & Managers Association of San Francisco

RE: **Docket No. 24-BPS-01, Comments on the Draft California Building Energy Performance Strategy Report (SB 48), CEC-400-2026-007-CMD**

Dear Commissioner McAllister and Members of the Commission,

On behalf of the Building Owners & Managers Association of San Francisco (BOMA SF), representing more than 72 million square feet of commercial office space in San Francisco, we appreciate the opportunity to comment on the draft Building Energy Performance Strategy Report. Our members operate some of the most efficient buildings in the world and have invested in efficiency and electrification for years, well ahead of any mandate. We work closely with the San Francisco Department of the Environment on the City's Climate Action Plan and emerging Building Performance Standard.

This is a thorough and well-informed draft, and we support its overall direction. It reflects careful attention to the concerns owners have raised in other jurisdictions, and several of its choices are meaningfully better than programs adopted elsewhere: a single statewide framework, a recent multi-year verified baseline, and five-year compliance cycles rather than a fixed cap. Preserved, those features can carry a durable and workable statewide standard.

We offer our comments in that spirit. Each is directed at preserving those core elements while resolving the open questions that will determine how the standard performs in practice: local program conformity, the baseline and credit for early action, the 2045 target, metric design and accounting methodology, compliance flexibility, and tenant cost recovery. Where we ask for a change, we identify the precedent or statutory basis for it and state the request in language the Commission could adopt directly. A consolidated list appears in the Appendix. We raise these questions as a partner in the effort. If the Commission answers them in the final report rather than deferring them to rulemaking, owners can plan their capital investments accordingly.

I. Recommendations BOMA SF Supports

We ask the Commission to preserve the following recommendations in the final report. Each reflects sound policy and hard-won lessons from other programs:

- **Establish a single statewide standard for large buildings** and prevent "the complexity of a patchwork of local policies" (p. 98).
- **Use a recent, multi-year, professionally verified baseline** to avoid the distortions of a single anomalous year.

- **Adopt a trajectory structure with five-year compliance cycles and 2045 final targets** (aligned with AB 1279) that gives owners regulatory certainty and a smooth path rather than the cliff effects seen in fixed-cap programs.
- **Provide a full menu of compliance flexibility**, including target adjustments, portfolio-level compliance, timeline adjustments, baseline adjustments, and pathways for hardship and technical infeasibility.
- **Limit enforcement to monetary penalties, reject liens, publication penalties, and sale/use prohibitions, and recycle penalty revenue into compliance assistance** (p. 101).
- **Align program coverage with the existing AB 802 benchmarking population (≥50,000 square feet)** to simplify engagement and data collection.
- **Support compliance through complementary incentive programs, a BPS resource hub, and a BPS advisory group or technical advisory committee.**
- **Streamline compliance documentation and explore demand-management metrics**, such as coincident peak demand, that recognize the changing relationship between energy use and grid emissions.

We ask the Commission to maintain these positions through the final report. They give owners a standard they can plan around. The questions below identify what our members still need to know to meet the state's decarbonization goals.

II. A Single Statewide Standard for Large Buildings

We strongly support the recommendation that large buildings meet one standard rather than overlapping state and local requirements. Owners of geographically distributed portfolios cannot efficiently comply with divergent metrics, baselines, and deadlines across jurisdictions, and the report correctly finds a uniform standard to be "the least cost solution" (p. 98).

We note, however, that the report's operative language is that the Legislature "should *encourage*" locals to stay below the state threshold, while the governing statute (Public Resources Code § 25402.16(c)(8)) directs the Commission to "*consider authorizing* a local jurisdiction to implement its own program … as an alternative to" the state strategy where that program achieves "substantially equivalent or better" efficiency and GHG results and "substantially equivalent or stronger" tenant protections. These two provisions are in tension, and the boundary between them will determine whether large buildings actually face one standard or several.

BOMA SF requests that the final report:

- **Recommend that the Legislature *require*, not simply encourage, local BPS programs affecting buildings ≥50,000 square feet to conform to the statewide standard**, so that covered buildings are subject to a single set of requirements.
- **Recommend that the § 25402.16(c)(8) "substantially equivalent or better" test be applied to *both* performance metrics** (energy efficiency *and* greenhouse gas emissions), so a local program cannot qualify on a single-metric basis.

- **Include a grandfathering and transition analysis** addressing how existing and in-progress local programs (e.g., San Francisco, West Hollywood, Chula Vista) would be evaluated: whether they are preserved, must affirmatively re-qualify under (c)(8), or must conform on a defined timeline.
- **Confirm that conformity reaches prescriptive local mandates, not only local BPS programs.** A local *performance* target that is substantially equivalent or better should be permitted; a prescriptive local *technology* mandate (for example, a requirement that electrification be achieved only via heat pumps) that forecloses a compliant state pathway should not, because it raises cost without improving the greenhouse gas outcome.

Technical question:

Q1. How does the Commission intend the (c)(8) authorization process to interact with local programs adopted before a statewide BPS takes effect: case-by-case re-qualification, automatic preservation, or a conformance deadline?

III. Baseline, Occupancy, and Credit for Early Action

We support a recent, multi-year, professionally verified baseline, and we ask the Commission to protect it against two distortions and to correct one incentive problem.

Occupancy distortion. California's major office markets remain far below pre-pandemic utilization: as of mid-2026, physical office occupancy sat at just under half of pre-pandemic levels in San Francisco, San Jose, and Los Angeles alike (roughly 48–49%), well below the national 10-city average near 57% (Kastle Systems, July 2026). This is a statewide condition, not a San Francisco anomaly. A baseline anchored to depressed, low-occupancy consumption becomes a trap when occupancy recovers, consumption rises, and the building is thrown off its interim trajectory through no operational fault. The report itself cites Maryland's less-than-50%-occupancy baseline exemption as precedent (Table 5).

Early-efficiency distortion. These two distortions compound for the same buildings. An office tower that lost occupancy after 2020 and also completed efficiency work between 2020 and 2025 would enter a 2025 through 2028 baseline window at an artificially low EUI, reflecting neither its normal operation nor its remaining improvement potential. When tenants return, energy use rises with them. That rebound reflects the building filling back up, not how it is run. Occupancy recovery is an outcome that state and local policy actively seek, and a baseline that converts it into a compliance failure penalizes the very recovery the region is working toward.

Based on conversations with CEC staff during the August 18, 2026 BPS working group meeting, we understand the Commission intends interim EUI limits to be normalized by both climate zone and occupancy type, which we support, and we ask that this be stated in the final report, so it carries into rulemaking.

The early-action problem. A baseline-relative trajectory does not reward early action the way a fixed cap does. Under a fixed cap (e.g., NYC Local Law 97), a building already below the target has headroom; under a trajectory, early reductions become the baseline. Owners who invested years ago start from a lower baseline with less flexibility, while buildings that delayed investment retain a

higher baseline and more lenient interim targets. Although both buildings ultimately face the same 2045 endpoint, the trajectory provides little recognition for reductions already achieved.

BOMA SF member One Maritime Plaza in San Francisco illustrates the problem. The 1967 San Francisco office tower has already completed major energy-efficiency and decarbonization upgrades to address excessive solar heat gain, inefficient HVAC operations, and an outdated steam heating system. Those investments included building-envelope improvements, HVAC optimization, advanced controls, and energy-management upgrades. The results were substantial: a 20–25% reduction in HVAC fan energy use, approximately 40% lower chilled-water consumption, significant reductions in electricity and natural gas use, and a more than 90% reduction in heating start-up time, from roughly six hours to about thirty minutes. These improvements lowered emissions, improved operations, and better prepared the building for future electrification. Yet under a future baseline-relative BPS, much of that progress could be invisible if the baseline is set after the work is complete. A building that acted early may have less remaining low-cost improvement potential for future compliance. In contrast, a comparable building that delayed investment may start from a higher baseline and have an abundance of easy, high-ROI measures available for the first performance period. That outcome would discourage precisely the kind of proactive investment the state should reward.

This matters most for heating and domestic-hot-water electrification, often the last and most expensive measure remaining after cost-effective efficiency improvements have already been made. For many high-performing buildings, the remaining road to deeper reductions is a major central-plant conversion tied to 15–25-year equipment life, electrical-service upgrades, utility-capacity availability, and long capital-planning cycles. An early-action credit and the ability to bank over-compliance would provide the runway needed to align these investments with equipment end-of-life rather than arbitrary compliance dates.

BOMA SF requests that the final report:

- **Preserve the recent, multi-year, professionally verified baseline** as the foundation of the program, and state that a single pandemic-affected year is not a suitable basis for a target.
- **Add a low-occupancy safeguard**, consistent with the Maryland precedent the report cites (Table 5), with a defined normalization method, so that occupancy recovery does not by itself create noncompliance.
- **Align interim energy-efficiency targets with ENERGY STAR scores**, which normalize for occupancy, operating hours, and worker density, so that a building is measured on how efficiently it operates rather than on how full it is.
- **Confirm that interim EUI targets will be normalized by California climate zone and occupancy type**, so the approach is carried into rulemaking.
- **Recommend an early-action credit** in the form of an **earlier verified elective baseline**, under which a building may elect a professionally verified baseline year before the standard baseline window so that reductions already achieved are credited (consistent with USGBC-California's alternative-baseline provision and Washington State's Early Adopter Incentive).

- **Recommend a forward-banking (over-compliance carryover) mechanism**, so a building that beats an interim target may carry the surplus toward a future cycle, creating the runway needed to sequence heating electrification responsibly.
- **Provide a streamlined compliance pathway with reduced documentation and certification requirements for buildings already meeting or exceeding their property-type EUI target**, such as top-quartile ENERGY STAR performers, with eligibility based on measured performance rather than clean-power procurement credits.

Technical questions:

Q2. Will the baseline period be published before the close of the benchmarking years it covers, so owners understand the regulatory consequence of 2025–2028 investment decisions?

Q3. How will occupancy be normalized, will a low-occupancy exemption be available, and will the Commission consider occupancy-normalized metrics such as ENERGY STAR scores or an elective pre-2020 base year?

IV. The 2045 Performance Target

The draft report does not state whether the 2045 performance target is zero site GHGI or a feasibility-based deep-reduction level. That question determines the scale of capital our members must plan for over the next twenty years, and we ask the Commission to answer it in the final report rather than leave it to future rulemaking.

The report ties its 2045 timeline to the California Climate Crisis Act (AB 1279). AB 1279 establishes an economy-wide net-neutrality goal and does not require every individual building to eliminate all onsite combustion. Neither AB 1279 nor SB 48 requires a zero-site GHGI endpoint for covered buildings.

Many large San Francisco buildings can accomplish substantial reductions in onsite combustion but may not be able to eliminate it entirely. Older high-rise buildings, district steam customers, and buildings with space, infrastructure, or operational constraints face technical and economic barriers to full electrification. Where full electrification is infeasible for a material share of a property type's building stock, the performance target must be set appropriately; a series of extensions won't change engineering reality. The final report should therefore clarify whether 2045 GHGI targets are intended to be zero, feasibility-based deep-reduction levels, or accompanied by an alternative compliance pathway for buildings with documented constraints.

BOMA SF requests that the final report:

- **State that AB 1279 establishes an economy-wide net-neutrality goal** and does not require every individual building to eliminate onsite combustion.
- **Set 2045 property-type targets at technically and economically achievable deep-reduction levels**, established through documented feasibility analysis by property type, rather than presumptively at zero.

- **Provide a permanent compliance pathway**, rather than a temporary delay, for buildings with documented technical or economic constraints on full electrification.
- **Provide a net-compliance mechanism for residual combustion** — fee-in-lieu, verified carbon credits, carbon removal, or clean-thermal credit — consistent with AB 1279's net framing and modeled on Cambridge's BEUDO, subject to residual-only eligibility, CARB-approved or equivalent protocols, a share cap, and pricing consistent with Section IX.

Separate policies, including Bay Area Air District Rules 9-4 and 9-6, are already driving buildings toward electrification at equipment end-of-life. **Our request is not to preserve combustion indefinitely. It is to ensure that the final BPS reflects what is technically and economically achievable and provides a clear path for the limited cases where absolute zero is not feasible.**

Technical question:

Q4. Will 2045 property-type targets be set at zero site GHGI, or at achievable deep-reduction levels via feasibility analysis, and will a net-compliance path exist for infeasible cases?

V. Metric Design: Process Loads, District Steam, and Onsite Generation

We support the dual site-EUI and site GHGI metric structure, and we ask the Commission to resolve several boundary questions before the metric hardens.

Mixed-use buildings and concentrated high-intensity loads. Site-EUI assumes that energy use generally scales with floor area. For a growing number of buildings, that is not the case. High-intensity tenant process loads, such as data centers, server rooms, and AI compute, can consume a disproportionate share of a building's energy while occupying only a small portion of the floor area. The tenant's business drives these loads, and they are largely outside the owner's control. As a result, a building can appear inefficient under a site-EUI metric even when the base building systems (HVAC, envelope, lighting) are best-in-class. Two problems follow:

1. The report's laboratory/industrial exemption is a floor-area gate, not an energy measure. It applies only where those uses exceed 50% of floor area, so relief turns on a threshold unrelated to the load in question. Typical laboratory buildings in California run roughly 40–60% lab space, which places much of the state's life-science stock directly on the boundary: two comparable buildings, one at 51% and one at 49%, receive opposite treatment despite lab space driving most of the load in both. The same gate denies relief to high-intensity tenant loads. A building where compute occupies under 5% of floor area but drives most total energy use falls outside the exemption. Yet this is exactly the case where site-EUI most distorts building performance.
2. Because the dual metric pairs EUI with GHGI and compute load is electric, these buildings pass the GHG leg easily but are penalized on the EUI leg. The metric effectively penalizes all-electric tenant activity rather than measuring the efficiency of the building systems it is intended to evaluate.

Floor area is a poor proxy for energy intensity. High-intensity space drives a disproportionate share of load whether it occupies 5% of a building or 60%. This is a *solvable* accounting problem, not a

reason to distort the metric, and our members already have the tools. Owners of these buildings routinely submeter high-intensity tenant loads and bill them back to the tenants that drive them, maintaining detailed submeter records as ordinary practice. ENERGY STAR Portfolio Manager already accounts for data-center and process energy separately. The Commission does not need to invent a method for this, only to make it available below the 50-percent threshold. BOMA SF therefore supports pairing a process-load adjustment with strong data standards rather than a loose exemption: excluded process loads should be measured with revenue-grade submetering meeting ANSI C12.20 and reported as interval data, so the Commission can verify the separation rather than take it on faith. Good data, which our members are already producing, is the answer to the mixed-use problem.

EV charging. EV charging is a transportation load rather than a building performance load, yet it increases site-EUI and is often not separately metered. **Owners should not be penalized under a BPS for providing EV charging infrastructure that California policy and CALGreen encourage, nor should they have to choose between EV-charging compliance and BPS compliance.**

District steam. The GHGI definition includes steam, but the report does not clearly address how compliance should work when a district-energy provider, rather than the building owner, controls emissions. For San Francisco, this is not hypothetical: a substantial number of downtown buildings are served by the Cordia district steam loop. While buildings purchase steam, the provider controls the fuel source, emissions profile, and pace of decarbonization. The Commission is aware that Cordia is pursuing electrification of their loop in partnership with the San Francisco Public Utilities Commission. The decarbonization lever therefore sits with the steam provider, not the consuming building.

The report should clarify who holds compliance responsibility, how district steam is treated under site GHGI, and whether buildings will receive credit as providers decarbonize their systems. This would also be consistent with the approach underlying California's Global Warming Solutions Act (AB 32), which generally places responsibility on the entity that controls the emissions source rather than the downstream customer. Additionally, New York City and Montgomery County both place district-energy compliance obligations on the provider rather than the customer.

Onsite generation (cogeneration and fuel cells). The report is silent on onsite generation. Under a site GHGI metric, a building's cogen or fuel-cell system converts its entire onsite electric supply into regulated direct emissions, potentially scoring worse than purchasing grid power, with no acknowledged transition path.

Dual-metric burden. We understand the draft treats the two metrics as independent, with covered buildings expected to satisfy both. That structure places considerable weight on how the site-EUI targets are calibrated. We expect the site-EUI parameters to be set with ample room to absorb the added electric load that electrification produces. A building that eliminates onsite combustion, and therefore meets its GHGI target, can see site-EUI rise as a direct result: supplemental and backup electric resistance at design conditions, defrost operation, added fan and ventilation energy from a central-plant conversion, and the residual-zone reheat described in Section VIII all register site electric load that a gas system did not. If the two targets are genuinely independent,

the EUI target must be calibrated so that a building meeting the GHGI leg does not fail the other leg for doing so.

BOMA SF requests that the final report:

- **Replace the binary 50-percent floor-area gate with proportional, measured-load accounting for high-intensity space**, so that laboratory, life-science, and process loads are recognized according to metered energy rather than the share of floor area they occupy, and buildings near the threshold are not subject to cliff effects.
- **Provide a process-energy adjustment for concentrated high-intensity tenant loads,** covering tenant equipment (data center, IT, compute) and the base-building HVAC energy serving those uses, which is often the larger share, so they are separately accounted for or normalized out of site-EUI rather than gated behind the 50-percent floor-area exemption.
- **Require excluded process loads to be measured with revenue-grade submetering** meeting ANSI C12.20 and reported as interval data, so that the separation is objectively verifiable.
- **Exclude EV-charging load from building site-EUI** or provide a standardized deduction, with default estimation methods where the load is not separately metered.
- **Define the treatment of purchased district steam under site GHGI** and place compliance liability at the steam generator rather than the consuming building.
- **Credit consuming buildings as a district steam provider decarbonizes its loop**, so that a building served by the provider (e.g., Cordia) benefits from reductions it purchases but cannot control.
- **Provide a transition pathway or target adjustment for legacy onsite generation** (cogeneration, fuel cells), so existing assets are not stranded.
- **Calibrate site-EUI targets with explicit headroom for electrification load**, so that a building meeting its GHGI target through documented electrification is not placed out of compliance on the EUI leg.
- **Provide an EUI target adjustment where a documented electrification measure eliminates onsite combustion** and increases site-EUI as a direct result, limited to the increment attributable to the measure and supported by engineering documentation and metered data.

Technical questions:

Q5. How will site-EUI treat concentrated tenant process loads (data center / AI compute) that fall below the 50% lab/industrial exemption threshold?

Q6. Will EV-charging energy be excluded or normalized, and how will unmetered EV load be handled?

Q7. Does purchased district steam count toward a building's site metric, who is the responsible party, and will consuming buildings be credited as the provider electrifies?

Q8. How is onsite-generated electricity treated under site GHGI, and is there a transition path for legacy installations?

VI. Emission Factors, Normalization, and the Data Platform

The boundary questions in Section V determine what the metric counts. The questions in this section determine how it is calculated. Undefined accounting rules prevent owners from making sound long-term capital decisions. We ask the Commission to publish the technical methodology before setting targets.

BOMA SF requests that the final report:

- **Commit to publishing the GHGI emission factors and the normalization methodology** (weather, occupancy, operating hours) **before performance targets are established.**
- **Clarify the treatment of procured clean electricity.** The report states that site GHGI "does not give credit to buildings that optionally procure 100% clean electricity" (p. 29). Many San Francisco members are served by CleanPowerSF and are obligated by ordinance to purchase 100% renewable power. At minimum, this treatment should be communicated clearly; we ask the Commission to consider whether verified clean-power procurement should earn recognition, and to explain the rationale where it does not.
- **Confirm ENERGY STAR Portfolio Manager as the compliance data source** and commit to a contingency data-platform plan given the program's dependence on a federally maintained tool.
- **Make the utility-data cross-check transparent.** Where the Commission compares benchmarking submissions against utility billing data, owners should receive notice and an opportunity to reconcile before any discrepancy finding.
- **Adopt a standardized gross-floor-area definition**, given that most metrics divide by GFA and no industry-standard definition currently exists.

Technical questions:

Q9. What emission-factor set will be used for GHGI (grid-average, location-based, or otherwise), and will it be fixed or updated over time?

Q10. Will the normalization methodology be published for stakeholder review before targets are set?

VII. Compliance Flexibility for Capital-Intensive Electrification

We strongly support the report's flexibility pathways and its stated goal of accommodating "capital investment cycles, equipment useful life, and tenant needs" (p. 98). We ask the Commission to make that goal concrete for the highest-cost measures. For a typical office building, a full boiler-to-heat-pump conversion today runs roughly $20–$100 per square foot depending on system complexity and required electrical upgrades; high-load buildings such as hotels can face more. These measures can't be compressed into a short compliance window. Nor are they always

physically straightforward: in older buildings, upgrading switchgear can require enlarging electrical rooms and modifying corridors that also serve as ADA paths of travel and fire egress, and can intrude on tenant footprints that leases do not permit the owner to alter, even for a government-mandated improvement. Industry-reported switchgear lead times of 48–52 weeks, plus utility-approval steps, can extend a single electrical upgrade beyond a year before work even begins. California already recognizes utility capacity as a basis for relief. The CALGreen EV-charging standards (CCR Title 24, Part 11, §§ 4.106.4 and 5.106.5.3) provide limited exceptions where the local utility cannot accommodate a project. That principle applies more strongly to a whole-building electrical service upgrade, which is a substantially larger request on the same constrained distribution system.

BOMA SF requests that the final report:

- **Confirm that the timeline-adjustment and technical-infeasibility pathways** expressly cover equipment end-of-life, documented supply-chain lead times, and local utility grid-capacity limits.
- **Recognize physical-space constraints as a basis for a timeline adjustment, exemption, or alternative compliance** where an electrification or electrical-capacity upgrade cannot be accommodated without modifying ADA paths of travel, fire-egress corridors, or tenant-controlled space.
- **Provide an alternative compliance fee (fee-in-lieu) for defined infeasibility cases** (legacy onsite generation and technically infeasible high-rise electrification), so buildings with no physical compliance path are not left without an option.
- **Confirm that interim targets can be met on a capital-cycle rather than calendar basis where an owner demonstrates a committed compliance plan.**

VIII. Demand Management and Coincident Peak

The flexibility pathways in Section VII address buildings that need more time. This section addresses buildings that face a physical limit on how far heat pumps alone can take them.

BOMA SF supports the Commission's exploration of demand-management metrics such as coincident peak demand, which reflect real grid value and are within owner control. Any coincident-peak metric will require interval data and a clearly defined methodology.

Demand management can provide a practical flexibility pathway for buildings that cannot fully electrify with heat pumps alone. In many commercial buildings, VRF and heat-pump systems can serve most, but not all, of the building because of run-length limits, routing constraints, or physical barriers. In these cases, limited electric-resistance reheat can allow owners to eliminate the last remaining combustion rather than leave small portions of a building on gas indefinitely.

BOMA SF is not advocating electric resistance as a primary heating strategy. The conditions on this pathway are strict by design. It applies only to zones where higher-efficiency electrification is not technically feasible, and only where the building holds coincident peak demand at or below its baseline peak through storage and load management. A building electing it must submit 15-minute

interval electric-demand data, readily available from utility interval meters and building management systems, demonstrating that its peak remains at or below baseline. A building that cannot hold its peak flat does not qualify. Held to those conditions, the building achieves the state's principal objective of eliminating onsite combustion without creating additional grid impacts.

As California continues to electrify buildings and clean the grid, the timing of electric demand matters as much as total energy consumption. A building that eliminates combustion and manages its peak demand should not be penalized under the site-EUI metric for a small amount of electric reheat serving otherwise unreachable zones.

Two barriers currently prevent this outcome:

1. **The site-EUI metric can effectively veto it.** Even a small amount of electric reheat can increase site-EUI and jeopardize compliance despite eliminating combustion.
2. **Title 24 can foreclose the pathway.** Existing restrictions on electric-resistance heating can make these limited electrification solutions difficult or impossible to permit, even where they would eliminate the last remaining gas use. This creates a conflict between a performance-based decarbonization goal and a prescriptive code requirement.

This is the same performance-versus-prescriptive tension discussed in Section II of our comments. A performance-based BPS that rewards the elimination of combustion should not be undercut by a narrow code restriction that prevents completion of an otherwise successful electrification project.

We recognize that the Building Energy Efficiency Standards are adopted through a separate proceeding. We raise the conflict here because the BPS would create the compliance obligation these code provisions block, and the final report is the right place to identify the need for coordination between the two. Without that coordination, an owner who has electrified most of a building will not be able to permit the reheat needed to finish the job, and those final zones will stay on gas even though the owner is ready to convert them.

BOMA SF requests that the final report:

- **Recognize a demand-managed reheat pathway**: where a building eliminates onsite combustion by electrifying the bulk of its heating with heat pumps, permit terminal-level electric-resistance reheat for the residual zones a heat-pump or VRF plant cannot physically serve, without the site-EUI leg vetoing an otherwise compliant, zero-combustion building.
- **Create an exception in the Building Energy Efficiency Standards permitting electric-resistance reheat to serve the residual zones** of an otherwise heat-pump-electrified building that eliminates combustion and holds coincident peak at or below baseline.
- **Provide a safe harbor so that a BPS-driven electrification retrofit, such as installation of electric-reheat VAVs, does not trigger cascading full current-code Title 24 obligations.**

- **Clarify whether any demand-management metric would be binding or informational,** commit to defining the methodology through the advisory process before adoption, and recognize that meaningful demand response is unavailable to some occupancies, such as laboratories and healthcare, where ventilation rates are fixed by safety and containment requirements. Any binding metric should differentiate by property type or exempt safety-critical loads.
- **Confirm that a performance-based state standard preempts conflicting prescriptive local technology mandates** for covered buildings, consistent with Section II.

Technical questions:

Q11. Will any demand-management metric be binding or informational?

Q12. Will the Commission amend Title 24, Part 6 to permit peak-managed electric-resistance reheat for the residual zones of otherwise heat-pump-electrified buildings that eliminate combustion, and provide a safe harbor from cascading full current-code triggers for BPS-driven retrofits?

IX. Verification, Phase-In, Penalties, and Cost-Effectiveness

The report candidly acknowledges that the state cannot perform onsite verification for tens of thousands of buildings in the program's early years. We agree, and we support a pragmatic ramp in both verification and enforcement.

Penalty levels are the other half of that ramp, and the draft leaves them unspecified. That prevents owners and lenders from underwriting compliance exposure, and it invites the wide divergence seen in other programs, where Washington, D.C. penalties reach $10 per square foot and New York City prices emissions at $268 per metric ton CO_2e. California does not need to select a figure from that range. It already has one. Setting the greenhouse gas penalty by reference to the prevailing Cap-and-Trade allowance price makes the cost of residual emissions reflect the state's own market price for carbon. A market-linked penalty is transparent, predictable, escalates with the market, and is consistent with the AB 32 framework the state already uses to price carbon and to regulate combustion at its source.

Incentives should lead that ramp rather than follow it, and the Commission has built this sequence before. The New Solar Homes Partnership paired a decade-long incentive ramp with an eventual mandate and transitioned an entire market. A strong incentive on-ramp minimizes economic impact on owners and tenants while accelerating the retrofits the state is seeking.

BOMA SF requests that the final report:

- **Allow self-reporting with minimal certification requirements in the early years**, transitioning to professional verification as qualified capacity develops.

- **Recognize existing verification capacity**, including Home Energy Rating System (HERS) rater models, local building-department personnel, and a competency-certification framework for BPS "raters."
- **Phase in penalties**, beginning with compliance assistance and a defined grace/warning period on *performance* penalties in the first cycle, before performance penalties take full effect. Reporting obligations can apply earlier.
- **Specify penalty magnitudes and set the greenhouse gas penalty by reference to the prevailing California Cap-and-Trade allowance price,** so that compliance exposure is transparent and underwritable.
- **Anchor the net-compliance fee-in-lieu** requested in Sections IV and VII to the same Cap-and-Trade reference price.
- **Commit to a comprehensive cost-effectiveness analysis**, disaggregated by property type and published before performance targets are established, to guide targets, timelines, and penalties, and adopt a significant-cost-impact guardrail comparable to that required for embodied-carbon standards (Health & Safety Code § 38561.3(e)).
- **Fund a robust incentive program in the program's early years**, on the model of the Commission's New Solar Homes Partnership.
- **Adopt the Real Estate Roundtable's "20-Point Policy Guide" (October 2024)** as a design reference for the rulemaking, consistent with the report's own citation of it.

X. Tenant Provisions and Cost Recovery

Commercial office buildings operate as pass-through entities. Property taxes, insurance, utilities, and legally required capital improvements are recovered from tenants through operating-expense and escalation provisions, as they have been for decades. A building performance standard is a legal requirement imposed on the building, and the cost of meeting it belongs in the same category. Treating BPS compliance differently would make it the only government-mandated building cost an owner is expected to absorb.

We support the report's protection of residential and qualified small commercial tenants. Those provisions identify the class the Legislature intended to shield, and we do not seek to disturb them. Outside that class, cost recovery should not depend on lease negotiation. Large commercial tenants are sophisticated parties who negotiate operating-expense treatment as a matter of course, and their consumption drives much of the energy use the standard will measure.

The timing problem is more acute than it may appear. Commercial leases commonly run ten years or longer. An owner facing a compliance deadline in 2030 may have no contractual ability to recover any portion of the cost from tenants whose leases were signed before the standard existed and do not expire until well after the deadline. Leaving recovery to lease negotiation means recovery arrives years after the obligation does, and in many cases only after the penalty has already been paid.

Owners also lack control over much of the consumption the standard will measure. In a net-leased building, tenants control their own operating hours, equipment, and plug loads, and the owner frequently cannot see that data at all. A standard that holds the owner accountable for whole-

building performance while denying both visibility into tenant consumption and the ability to recover the cost of improving it places the obligation on the party least able to discharge it.

BOMA SF requests that the final report:

- **Provide affirmative statutory authority for owners to recover the full cost of compliance** from commercial tenants notwithstanding existing lease terms.
- **Confirm that this authority is self-executing and does not depend on lease renewal**, amendment, or renegotiation.
- **Establish a statutory tenant data-sharing mandate sufficient for whole-building compliance**, including a defined obligation on tenants to provide consumption data on request.
- **Preserve the report's protections for residential and qualified small commercial tenants, and define that class precisely** so that the boundary of the recovery authority is unambiguous.
- **Recognize that owners frequently do not control tenant energy consumption** and calibrate performance obligations and any penalties accordingly.

XI. Corrections and Process

- **West Hollywood status.** The report characterizes West Hollywood's program as "developing." The City adopted its Existing Buildings Performance Standard on December 1, 2025, and it took effect January 1, 2026. We ask the Commission to correct the appendix.
- **Final report timing.** SB 48 requires submission to the Legislature by August 1, 2026 (PRC § 25402.16(b)), which precedes the close of this comment window on August 21, 2026. We respectfully ask the Commission to clarify how and when the final report will be issued, and how comments filed in this window will be reflected.

Conclusion

BOMA SF supports the Commission's work and the state's commitment to reducing emissions from existing buildings. The draft report is a strong foundation. We ask above all that the final performance target be set by what is technically and economically achievable rather than presumptively at zero, and further that the baseline and early-action treatment, compliance flexibility for capital-intensive electrification (including a demand-managed reheat pathway for zones a heat-pump plant cannot reach), metric boundaries for mixed-use process loads and steam, and the underlying accounting methodology be clarified and strengthened before they harden in rulemaking. Our members are prepared to support the advisory process the report contemplates by providing field data, cost examples, and technical input.

We appreciate the opportunity to comment and look forward to continued engagement as the Commission finalizes its strategy and the Legislature considers a statewide standard.

Sincerely,

John R. Bryant
Chief Executive Officer
BOMA San Francisco

Appendix: Summary of Requests and Technical Questions

The requests and technical questions below are consolidated from the body of this letter for the Commission's convenience.

Requests:

1) (Section II) Recommend the Legislature *require* (not encourage) conformity of local programs affecting buildings ≥50,000 sq ft, with the § 25402.16(c)(8) test applied to both metrics; include a grandfathering/transition analysis.
2) (Section II) Confirm that conformity reaches prescriptive local mandates, not only local BPS programs: a substantially equivalent or better local performance target should be permitted; a prescriptive local technology mandate that forecloses a compliant state pathway should not.
3) (Section III) Endorse the recent multi-year verified baseline; state that single pandemic-affected years are unsuitable.
4) (Section III) Add a low-occupancy safeguard (Maryland precedent) with defined normalization.
5) (Section III) Align interim energy-efficiency targets with ENERGY STAR scores.
6) (Section III) Confirm that interim EUI targets will be normalized by California climate zone and occupancy type.
7) (Section III) Add an early-action credit via an elective earlier verified baseline.
8) (Section III) Add a forward-banking / over-compliance carryover mechanism.
9) (Section III) Provide a streamlined, deemed-compliant EUI pathway for already-high-performing buildings (e.g., top-quartile ENERGY STAR), based on measured performance and not conditioned on clean-power procurement credits.
10) (Section IV) State that AB 1279 is an economy-wide net-neutrality goal, not a building-level zero-combustion mandate; set 2045 property-type targets at achievable deep-reduction levels via documented feasibility analysis, not presumptive zero, with a permanent alternative path for infeasible property types.
11) (Section IV) Provide a net-compliance mechanism for residual combustion — fee-in-lieu, verified carbon credits, carbon removal, or clean-thermal credit — consistent with AB 1279's net framing and modeled on Cambridge's BEUDO, subject to residual-only eligibility, CARB-approved or equivalent protocols, a share cap, and pricing consistent with Section IX.
12) (Section V) Replace the binary 50-percent floor-area gate with proportional, measured-load accounting for high-intensity space, so that relief turns on metered energy rather than share of floor area.
13) (Section V) Provide a process-energy adjustment for concentrated high-intensity tenant loads (data center, AI compute) not gated behind the 50%-floor-area exemption, per ENERGY STAR Portfolio Manager process/data-center accounting; require revenue-grade ANSI C12.20 submetering with interval data as the verifiable basis; clarify mixed-use/life-science treatment.
14) (Section V) Exclude or normalize EV-charging load from site-EUI; provide default methods where loads are unmetered.

15) (Section V) Define district-steam treatment; place liability at the generator (consistent with AB 32's control-of-fuel principle); credit consuming buildings as the provider (e.g., Cordia) electrifies.
16) (Section V) Provide a transition pathway/target adjustment for legacy cogeneration and fuel cells.
17) (Section V) Calibrate site-EUI targets with explicit headroom for electrification load, so that a building meeting its GHGI target through documented electrification is not placed out of compliance on the EUI leg; provide an EUI target adjustment limited to the increment attributable to the measure and supported by engineering documentation and metered data.
18) (Section VI) Publish GHGI emission factors and normalization methodology before targets are set.
19) (Section VI) Clarify (and reconsider recognition of) procured clean electricity under GHGI.
20) (Section VI) Confirm ENERGY STAR Portfolio Manager as the data source and commit to a contingency data-platform plan.
21) (Section VI) Make the utility-data cross-check transparent, with owner notice and reconciliation.
22) (Section VI) Adopt a standardized gross-floor-area definition.
23) (Section VII) Confirm timeline-adjustment and technical-infeasibility pathways cover equipment end-of-life, supply-chain lead times, utility grid-capacity limits (CALGreen EV-charging precedent), and physical-space constraints (electrical-room enlargement, ADA/fire-egress corridors, tenant footprint).
24) (Section VII) Add a fee-in-lieu limited to defined infeasibility cases (legacy onsite generation, high-rise electrification).
25) (Section VII) Confirm that interim targets can be met on a capital-cycle rather than calendar basis where an owner demonstrates a committed compliance plan.
26) (Section VIII) Recognize a demand-managed reheat pathway: in a building that electrifies the bulk of its heating with heat pumps and eliminates combustion, permit electric-resistance reheat for the residual zones a heat-pump/VRF plant cannot physically reach, without the site-EUI leg vetoing an otherwise-compliant building. Conditioned strictly on no coincident-peak increase vs. baseline (verified by required 15-minute interval demand data; a building that cannot hold its peak flat does not qualify).
27) (Section VIII) Create a Title 24, Part 6 exception permitting electric-resistance reheat for the residual zones of an otherwise heat-pump-electrified building that eliminates combustion and holds coincident peak at or below baseline; and provide a safe harbor so BPS-driven electrification (e.g., electric-reheat VAVs) does not trigger cascading full current-code Title 24 obligations.
28) (Section VIII) Clarify whether demand-management metrics would be binding or informational; define methodology first; and differentiate by property type or exempt safety-critical loads where meaningful demand response is unavailable (laboratories, healthcare).
29) (Section VIII) Confirm that a performance-based state standard preempts conflicting prescriptive local technology mandates (e.g., heat-pump-only requirements) for covered buildings.
30) (Section IX) Allow early-year self-reporting; recognize HERS/local-inspector capacity and a rater-competency framework.

31) (Section IX) Phase in performance penalties with an initial grace period; commit to cost-effectiveness analysis and a significant-cost-impact guardrail.
32) (Section IX) Specify penalty magnitudes; peg the greenhouse gas penalty (and the fee-in-lieu) to the prevailing California Cap-and-Trade allowance price, so exposure is underwritable and consistent with the state's own carbon price.
33) (Section IX) Fund a robust early-years incentive program (New Solar Homes Partnership-style ramp) and adopt the Real Estate Roundtable 20-Point Policy Guide as a design reference.
34) (Section X) Provide affirmative statutory authority for owners to recover the full cost of compliance from commercial tenants notwithstanding existing lease terms, self-executing and not dependent on lease renewal or renegotiation; establish a statutory tenant data-sharing mandate sufficient for whole-building compliance; preserve and precisely define the residential and qualified small commercial tenant protections; and recognize that owners frequently do not control tenant consumption.
35) (Section XI) Correct the West Hollywood status; clarify final-report timing against the August 1 statutory deadline.

Technical Questions

Q1. (Section II) How does the Commission intend the (c)(8) authorization process to interact with local programs adopted before a statewide BPS takes effect: case-by-case re-qualification, automatic preservation, or a conformance deadline?

Q2. (Section III) Will the baseline period be published before the close of the benchmarking years it covers, so owners understand the regulatory consequence of 2025–2028 investment decisions?

Q3. (Section III) How will occupancy be normalized, will a low-occupancy exemption be available, and will the Commission consider occupancy-normalized metrics such as ENERGY STAR scores or an elective pre-2020 base year?

Q4. (Section IV) Will 2045 property-type targets be set at zero site GHGI, or at achievable deep-reduction levels via feasibility analysis, and will a net-compliance path exist for infeasible cases?

Q5. (Section V) How will site-EUI treat concentrated tenant process loads (data center / AI compute) that fall below the 50% lab/industrial exemption threshold?

Q6. (Section V) Will EV-charging energy be excluded or normalized, and how will unmetered EV load be handled?

Q7. (Section V) Does purchased district steam count toward a building's site metric, who is the responsible party, and will consuming buildings be credited as the provider electrifies?

Q8. (Section V) How is onsite-generated electricity treated under site GHGI, and is there a transition path for legacy installations?

Q9. (Section VI) What emission-factor set will be used for GHGI (grid-average, location-based, or otherwise), and will it be fixed or updated over time?

Q10. (Section VI) Will the normalization methodology be published for stakeholder review before targets are set?

Q11. (Section VIII) Will any demand-management metric be binding or informational?

Q12. (Section VIII) Will the Commission amend Title 24, Part 6 to permit peak-managed electric-resistance reheat for the residual zones of otherwise heat-pump-electrified buildings that eliminate combustion, and provide a safe harbor from cascading full current-code triggers for BPS-driven retrofits?