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CRA Building Energy Performance Strategy Report Comments

Additional submitted attachment is included below.

Michael Sokol
Division Director, Efficiency Division
California Energy Commission
715 P Street
Sacramento, California 95814

Subject: Building Energy Performance Strategy Report Docket #: 24-BPS-01

Dear Division Director Sokol,

While the California Restaurant Association (CRA) appreciates the California Energy Commission's (CEC) commitment to achieving the mandate set out in Senate Bill 48, we would like to outline some crucial operational considerations for restaurants that the CEC should include in its Building Energy Performance Strategy Report.

Implications for Neighborhood Restaurants

The CRA understands and respects the state's climate goals – and the overall intent of the Building Energy Performance Strategy Report. However, our member restaurants, including many small, independent, chef-driven businesses, remain deeply concerned about the potential consequences of future policies informed by this report that could have negative – and irreparable – consequences for commercial cooking equipment and appliances.

Our intent is not to question the CEC's climate objectives, but rather to highlight the practical impacts that certain building performance standard (BPS) implementation strategies could have on the restaurant community, its employee base, and the corresponding – and enormous – amount of state and local sales tax generated from restaurants.

Policies that mandate or significantly restrict the use of natural gas, as stated by the CEC, require costly equipment replacements and facility retrofits – increasing operating expenses while taking away a key cooking method for many international cuisines and chefs.

For example, switching from a gas to electric cooking appliance would not be a simple like-for-like swap; instead, it would require substantial infrastructure costs, including but not limited to switching electrical panels, along with reworked wiring and gas piping. Restaurants also rely on dedicated water heaters that rapidly heat water to handle peak demand and meet strict food safety requirements,

particularly with regard to hot-water temperature requirements set by local environmental health officers and the state. The same issues extend to these heaters.

Each of these factors adds additional costs, time, and approvals from both building and health officials – delaying the opening of restaurants.

Exacerbating Local Restaurant Operating Crisis

There also has been no shortage of mainstream media coverage on the ongoing restaurant crisis in California. Given the unique business models of neighborhood restaurants, most face razor-thin 3-5% economic margins on a good day, and this additional cost increase could force many to reduce their workforce, eliminate available work hours for team members, or even shut their doors.

Today, thousands of California restaurants rely on specialized natural gas equipment to prepare the cuisines that define their menus and culinary traditions. Techniques such as flame-searing meat, charring vegetables, and high-heat wok cooking often cannot be replicated with currently available alternatives. Likewise, many restaurants serving culturally significant and ethnic cuisines depend on natural gas to prepare authentic dishes that their guests expect.

Addressing Unintended Consequences

Today, most electricity and gas usage in the state is for residential use; therefore, forcing restaurants in applicable commercial buildings to adhere to a one-size-fits-all mandate would incur massive costs for minimal gains toward reaching the state's climate goals. In the current draft report, the CEC has already identified standard target adjustments as an option for building spaces such as restaurants – and noted their adoption by other jurisdictions. With this in mind, we respectfully urge the Commission to recommend that applicable buildings with food facilities receive these standard target adjustments.

Commitment to Collaboration

The CRA and its member restaurants have long demonstrated a commitment to energy efficiency and environmental stewardship and will continue to support policies that advance cleaner energy and a more sustainable future – while also not imposing additional harm to the California restaurant community. The CEC must develop energy and emissions reduction policy recommendations that are practical, affordable, and equitable for neighborhood restaurants and the employees and communities they impact.

We look forward to continuing to work collaboratively with the CEC to develop pragmatic solutions that advance environmental goals while preserving the vitality of our local restaurant community and economy. We appreciate the opportunity to engage in this important discussion and look forward to continuing our dialogue as this report moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Sutton". The signature is fluid and cursive, with the first name "Matt" being more prominent than the last name "Sutton".

Matt Sutton
Senior Vice President, Government Affairs & Public Policy
California Restaurant Association