

DOCKETED

Docket Number:	15-IEPR-05
Project Title:	Energy Efficiency
TN #:	204291
Document Title:	Gina Goodhill Rosen Comments: Global Green USA Comments on Existing Buildings Energy Efficiency Draft Action Plan (AB 758)
Description:	N/A
Filer:	System
Organization:	Gina Goodhill Rosen
Submitter Role:	Public
Submission Date:	4/21/2015 3:53:25 PM
Docketed Date:	4/21/2015

Comment Received From: Gina Goodhill Rosen

Submitted On: 4/21/2015

Docket Number: 15-IEPR-05

Global Green USA Comments on Existing Buildings Energy Efficiency Draft Action Plan (AB 758)

Additional submitted attachment is included below.



April 21, 2015

Commissioner Andrew McAllister
The California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Dear Commissioner McAllister,

Global Green USA commends the California Energy Commission on the newest version of their Existing Buildings Energy Efficiency Draft Action Plan (the Plan), and appreciates the chance to submit comments. Global Green is a national non-profit environmental organization focused on greening the built environment. We are currently working with the City of Los Angeles to help develop an energy and water efficiency program for existing buildings in order to meet the City's ambitious efficiency goals.

Global Green submitted comments to the California Energy Commission in 2013 in response to the first version of the AB 758 Draft Action Plan, and we are pleased to see that many of our concerns have been addressed. In particular, our recommendation that the plan include ongoing coordination with other statewide programs, partner agencies, relevant stakeholders, and the CPUC, is much more systematically addressed in this version of the Plan.

Global Green also recommended that the plan include clear, quantitative goals and a timeline of how the State will achieve them. We thank the CEC for including targets and a timeline in the newest version of the Plan, however, we strongly recommend that each strategy clearly connect to the larger 17% reduction by 2030 goal. The CEC should give the Existing Building Efficiency Collaborative (EBEC) clear direction to define how the strategies will help achieve the goal, and to adjust these strategies as needed.

We respectfully submit the below comments regarding the Plan.

Goal 1, Strategy 1.2 Nonresidential Benchmarking and Disclosure

The plan states "mandatory time-certain benchmarking will apply to all nonresidential buildings over 50,000 gross square feet of floor area, and must be performed at least every two years."

Global Green strongly supports a mandatory, time-certain benchmarking program that applies to all nonresidential buildings over 50,000 square feet, as benchmarking is a proven tactic to increase energy efficiency. Buildings that consistently benchmark have been shown to save an average of 2.4% annually for at

least three years.¹ Global Green also supports the use of EnergyStar Portfolio Manager. This program is being successfully used nationwide, and will allow California's data to be part of a national conversation.



However, many aspects of this mandatory benchmarking program should be clarified if this program is to succeed. We understand that many of the specifics of this program will be decided by EBEC, and therefore recommend that EBEC immediately address the following issues:

- *Strategy 1.2 Statewide Non-Residential Benchmarking and Disclosure:* It is unclear how the CEC will know if all California non-residential buildings over 50,000 square feet are included in the benchmarking databases. While the Plan expresses an intent to partner with SEED, the Plan should explain how County Assessors' offices throughout the state will transmit information into the SEED database, if they are not already partnering with SEED. We recommend technical and program support for these offices to ensure consistency of data formats. Without a clear and consistent database of all buildings, it will be impossible to know which buildings are benchmarking and which are not.

Once the CEC creates a database of all buildings within the benchmarking threshold, Global Green recommends that EBEC create a suite of "carrots and sticks" to incentivize early adopters, and to penalize non-compliance. One of the most valuable lessons from the early implementation of AB 1103, California's time-of-sale benchmarking law, is that many buildings will not participate unless there is a clear incentive to do so, or a disincentive for not complying.² In addition to encouraging compliance by educating building owners on the benefits of benchmarking, the program should include regulatory consequences for buildings that do not participate.

- *Strategy 1.2.2 Benchmarking & Reporting Infrastructure Development:* Global Green strongly urges the CEC to include a robust stakeholder dialogue as part of the rulemaking process. This process should employ a mix of public workshops that are spread throughout the state, and should include stakeholders from internal state agencies, utilities, and various external stakeholders. Outreach should also include smaller, more focused meetings with specific stakeholder groups. Los Angeles' pending benchmarking program is a good example of this process. By the time the program development is complete, it will have included at least eight public stakeholder meetings as well as countless individual stakeholder meetings. The CEC should also consider hiring a third party facilitator or organization to lead this stakeholder process.
- *Strategy 1.2.5 Potential Mandatory Programs:* Strategy 1.2.5 requires that the CEC, CPUC and others establish clear metrics to evaluate effectiveness and whether sufficient savings have been achieved. Global Green recommends that EBEC define "sufficient savings." EBEC should first determine the portion of 17% that the benchmarking program is expected to provide. Once this target is determined, EBEC should work backwards to determine the energy efficiency targets needed each year to meet the

¹ Energy Star Portfolio Manager™ "Benchmarking and Energy Savings" United States Environmental Protection Agency. October 2012

² Amy Barr and Douglas Mahone, ACEEE Summer Study, 2012. "Demonstrating Value and Overcoming Data Privacy Obstacles to Achieve Universal Benchmarking: Key Lessons Learned from California" (pg 3-5).

allotted share of the 17% goal. If these targets are not being met, the CEC should be ready to work with the legislature to immediately transition to additional mandatory energy actions.



Strategy 1.2.5 also considers extending benchmarking to smaller non-residential buildings. 50,000 square feet is a large threshold that will exclude many buildings that already benchmark. It is also inconsistent with the threshold that other cities like Berkeley and Los Angeles are developing. The EBEC should create a timeline for how and when smaller buildings would be subject to the program.

Finally, if the ultimate goal of a benchmarking program is to help meet the state's 17% reduction in statewide building energy use by 2030, additional mandatory energy actions must be considered for low-performing buildings. Specifically, the CEC should consider additional energy actions, such as retrocommissioning, audits or retrofits, for buildings that achieve an EnergyStar Portfolio Manager score below a certain threshold. Global Green recommends that EBEC create a clear framework and process to consider these additional energy actions.

Goal 1, Strategy 1.7 Local Government Leadership

Global Green applauds the Plan's recognition that local governments in California are leading the way in energy efficiency innovation, and the Plan's commitment to help these cities succeed by offering seed funding through a competitive grant program. This support will help exemplary cities achieve their goals, and will motivate additional cities to get out ahead of the statewide benchmarking program.

Strategy 1.9 Energy Efficiency Collaborative – Statewide Agency Leadership

The draft plan currently assigns many of the key details, including connecting the strategies to the goals and the roll-out of the implementation, to EBEC to determine. Global Green supports the creation of this Collaborative, as it can bring additional analysis and expertise to each piece of the plan.

However, comprising this Collaborative of only CPUC and CEC staff leaves out a wide range of input and experience that other stakeholders should provide. While the Action Plan calls on EBEC to coordinate with other stakeholders and partner agencies, there is no direction on how often or to what degree this coordination will take place, or to what degree the feedback from these stakeholders and partner agencies will be used.

Global Green therefore recommends that the CEC revise the EBEC structure in one of two ways:

1. Staff EBEC with senior members of the CPUC and CEC, as well as with representatives from the stakeholder groups listed on page 94 of the Plan. Building owners should also be added to this list; or
2. Staff EBEC with senior members of the CPUC and CEC only, but create clear requirements for how EBEC will consult with the stakeholders listed on page 94. Building owners should be added to this list. Requirements should address the frequency, format, and outcomes of meetings between EBEC and additional stakeholders, and clear guidelines for how EBEC should incorporate feedback from these stakeholders.

Goal 4, Strategy 4.2 Marketing, Education and Outreach

The plan calls for increasing marketing, outreach and education (ME&O) efforts around energy efficiency. This effort will be a crucial piece of the program.



- *4.1 Real Estate Value:* Global Green supports the Plan's efforts to work within the real estate industry to adopt property asset-related energy characteristics in buildings valuation and to integrate energy efficiency in multiple transactions and points of contact. Just as restaurants are required to post the health score assigned by the Department of Public Health, and most motor vehicles provide customers with information on miles to the gallon, buildings should also disclose their energy performance at various points of customer interaction.
- *4.2.2 Energy Upgrade CA:* Energy Upgrade California (EUC) is the only strategy within the ME&O piece of the plan that is already operational and does not need to be significantly ramped up or developed from scratch; therefore, we suggest an increased effort to improve and expand this program. Most immediately, EUC should be expanded to include larger, non-residential buildings, in addition to the single-family homes and small businesses for which it is currently designed. This will significantly help building owners that will be required to benchmark, and could help build the pipeline for those who want to learn about their options before the benchmarking program goes into effect.

One area that should definitely be expanded is the energy professional and financing section. This allows users to find energy professionals (such as raters or contractors) as well as financing options and rebates, based on a variety of parameters like zip code or primary language. Our experience working on the Los Angeles benchmarking ordinance has shown us that this would be a helpful tool for many building owners in larger non-residential buildings. We urge the CEC to expand the EUC program so that larger non-residential buildings in both POU and IOU territory can utilize it.

Global Green appreciates the opportunity to provide these comments, and looks forward to continuing to work with the California Energy Commission to ensure we meet our statewide energy efficiency goals.

Sincerely,

A handwritten signature in cursive script that reads "Gina Goodhill Rosen".

Gina Goodhill Rosen
Senior Policy and Legislative Affairs Associate
Global Green USA



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