

DOCKETED

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**U.S Environmental Protection Agency Comments on Building Energy Use
Benchmarking and Public Disclosure Program (AB 802)**

Additional submitted attachment is included below.

December 30, 2015

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket Number: 15-OIR-05

U.S Environmental Protection Agency Comments on Building Energy Use Benchmarking and Public Disclosure Program (AB 802)

On behalf of the U.S Environmental Protection Agency, I respectfully submit these comments in response to the California Energy Commission's staff workshop on Building Energy Use Benchmarking and Public Disclosure Program (AB 802). Please note that these comments are intended to provide information about the value of benchmarking energy use in commercial and multifamily buildings, as well as the capabilities of EPA's ENERGY STAR Portfolio Manager. We are pleased that the California Energy Commission has demonstrated leadership in advancing access to whole-building energy use information and adopting a state-wide benchmarking program for commercial and multifamily buildings. Benchmarking the energy use of commercial and multifamily buildings is a critical first step in the path to superior energy and water efficiency and will help deliver important environmental benefits for residents of California and the global community.

Energy efficiency offers one of the lowest-cost solutions for improving energy reliability and security, reducing our energy bills, and addressing the important issue of global climate change—all while helping to grow the economy. Since 1992, with help from ENERGY STAR, American families and businesses have saved \$300 billion on utility bills, while preventing two billion metric tons of greenhouse gas emissions. For more than a decade, EPA, through ENERGY STAR, has worked with tens of thousands of building owners and managers to reduce energy use in buildings. Using the lessons learned from working with these individuals who are on the front lines addressing our nation's energy challenges, EPA tailors easy-to-use tools and cost-effective solutions through ENERGY STAR to help businesses and other organizations reduce energy waste in buildings. The cornerstone of the ENERGY STAR program for buildings is energy benchmarking; this is because, simply put, you can't manage what you don't measure. Our experience has shown that many building owners and operators simply don't have a true understanding of just how much money they are spending on energy bills, and don't know if their

energy use is high or low for their type of building and operation. But our experience also has shown that, once people are armed with the information uncovered by benchmarking their building's energy use, many will act on that information. In the State of California, this desire to act leads people back not only to EPA's numerous ENERGY STAR resources on improving building energy performance but to state and local offerings, regional utility programs, and local energy service providers, for assistance in identifying and implementing energy efficiency projects. In a 2012 study, EPA found that buildings that were benchmarked consistently reduced energy use by an average of 2.4 percent per year, for a total savings of 7 percent. This study also revealed that more than one-third of the 20,000 buildings that have earned ENERGY STAR certification for top performance were built in or prior to 1980, showing that buildings of all ages can become top energy performers.

EPA has developed Portfolio Manager to assist building owners and managers to measure and assess energy in a standardized way. Portfolio Manager is an interactive energy management software tool that is referenced in the AB 802 as a recommended tool by which building owners in California can benchmark their energy and water performance. Portfolio Manager is well-suited for this type of state-wide implementation. It is available to users at no cost, and allows them to assess and track energy and water consumption for a single building, or across an entire portfolio of buildings, in a secure on-line environment. Once a building owner or operator has collected 12 months of utility bill data for a building, and a few other basic pieces of information about its operations, benchmarking that building in Portfolio Manager takes as little as 15 minutes. For those with large numbers of buildings, EPA offers a bulk data upload template to streamline the data entry process. A little time spent entering basic data into Portfolio Manager allows owners of all types of buildings to:

- assess energy and water performance based on actual utility bills,
- identify under-performing and top-performing buildings in order to prioritize energy efficiency efforts,
- measure the carbon emissions attributed to building energy use,
- set a baseline and measure improvements,
- apply for ENERGY STAR certification,
- obtain data to support mortgage, sale, and/or lease transactions, and
- communicate energy performance with tenants, customers, and the general public.

EPA will continue to invest in the delivery and support of Portfolio Manager, driven by a growing national interest in benchmarking energy use as a way to spur and measure improvement in buildings. Through 2014, organizations of all types have used Portfolio Manager to benchmark the energy and water performance of more than 400,000 buildings representing over 35 billion square feet of commercial space across the country. ENERGY STAR Partners such as Tishman Speyer, Cushman & Wakefield, Jones Lang LaSalle, Marriott, Ford, Target, Kroger, local governments and school districts around the country, and many others are benchmarking their buildings as a key first step in their efforts to reduce energy use and their carbon footprint. National associations such as the Building Owners and Managers Association, the American Society of Healthcare Engineers, the National Restaurant Association, and others are encouraging—even challenging—their members to assess the energy use in their buildings as a first important step toward improvement. Within the State of California alone, nearly 50,000 commercial and multifamily buildings representing nearly four billion square feet of space have already benchmarked energy use with Portfolio Manager, showing a 27 percent increase in total buildings benchmarked in the city from 2013 to 2014. California’s metropolitan areas also show strong growth in benchmarking activity. As of 2014, the total number of buildings benchmarked in Portfolio Manager within the Los Angeles, San Diego, San Francisco, Sacramento, San Jose, Fresno, and the Riverside metro areas grew by 18-35 percent as compared to 2013 (see EPA’s 2014 ENERGY STAR Snapshot: www.energystar.gov/buildings/tools-and-resources/energy_star_2014_snapshot).

The popularity and success of benchmarking with ENERGY STAR continues to grow dramatically. We believe this growth is due to several factors, including: growing public and private concerns about climate risk; increasing energy and water prices; increased consumer awareness of the ENERGY STAR program; recognition of EPA as a trusted and unbiased authority on energy efficiency; and EPA’s commitment to continually upgrading Portfolio Manager and adding new user-friendly features. For example, a partnership with energy information service vendors and utilities allows for the automatic, electronic transfer of utility data into Portfolio Manager, eliminating the need for manual entry by the building owner or operator. At present, more than 50 organizations are registered to provide this service, including major utilities such as Commonwealth Edison, Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric, Los Angeles Department of Water and Power, Seattle City Light, Xcel Energy, and Puget Sound Energy.

With the passage AB 802, California is joining a growing number of state and local governments leveraging Portfolio Manager and ENERGY STAR offerings to reduce energy use in buildings within their jurisdictions. In addition to becoming the industry standard for voluntary benchmarking, Portfolio Manager has been the tool of choice included in all existing U.S. commercial building benchmarking and transparency policies. Atlanta, GA, Austin, TX, Berkeley, CO, Boston, MA, Boulder, CO, Cambridge, MA, Chicago, IL, District of Columbia, Kansas City, MO, Minneapolis, MN, Montgomery County, MD, New York, NY, Philadelphia, PA, Portland, OR, San Francisco, CA, Seattle, WA, and the state of Washington all require the use of Portfolio Manager to assess energy use in both public and private sector buildings.

In closing, benchmarking the energy use of commercial buildings is a critical first step on the path to superior energy efficiency, and the California Energy Commission is to be commended for identifying existing buildings as a major opportunity to reduce energy consumption and greenhouse gas emissions. We appreciate the opportunity to provide our informational perspective, and we thank you for your leadership on energy issues to the benefit of the people of California and for the nation.

Regards,

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