

**DOCKETED**

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# California Can Seize Equitable Building Performance Standard Leadership



**CEC SB48 Workshop Kickoff**

**July 31, 2024**

# About the Institute for Market Transformation (IMT)



## Mission

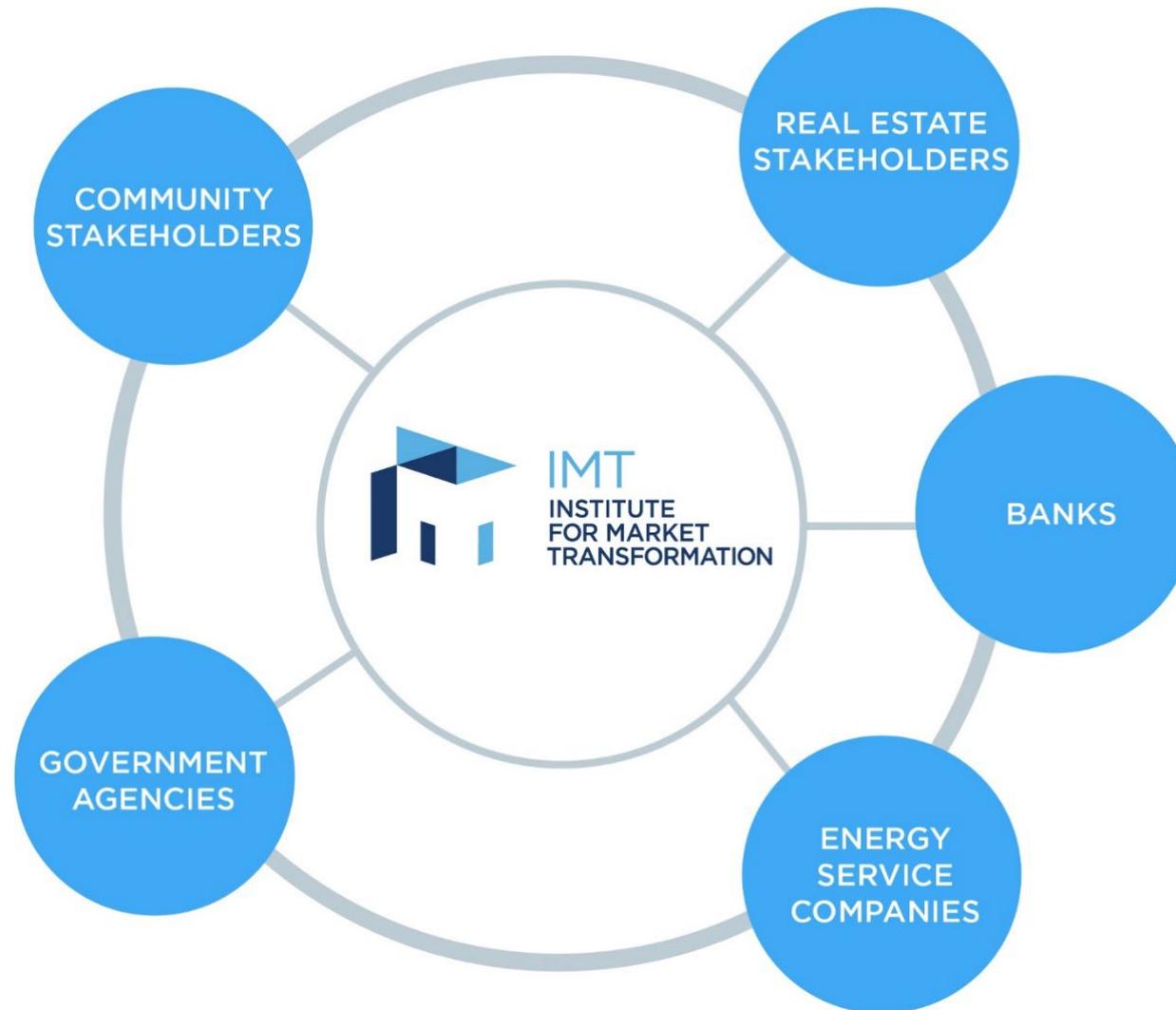
Catalyze widespread and sustained demand for high-performing buildings



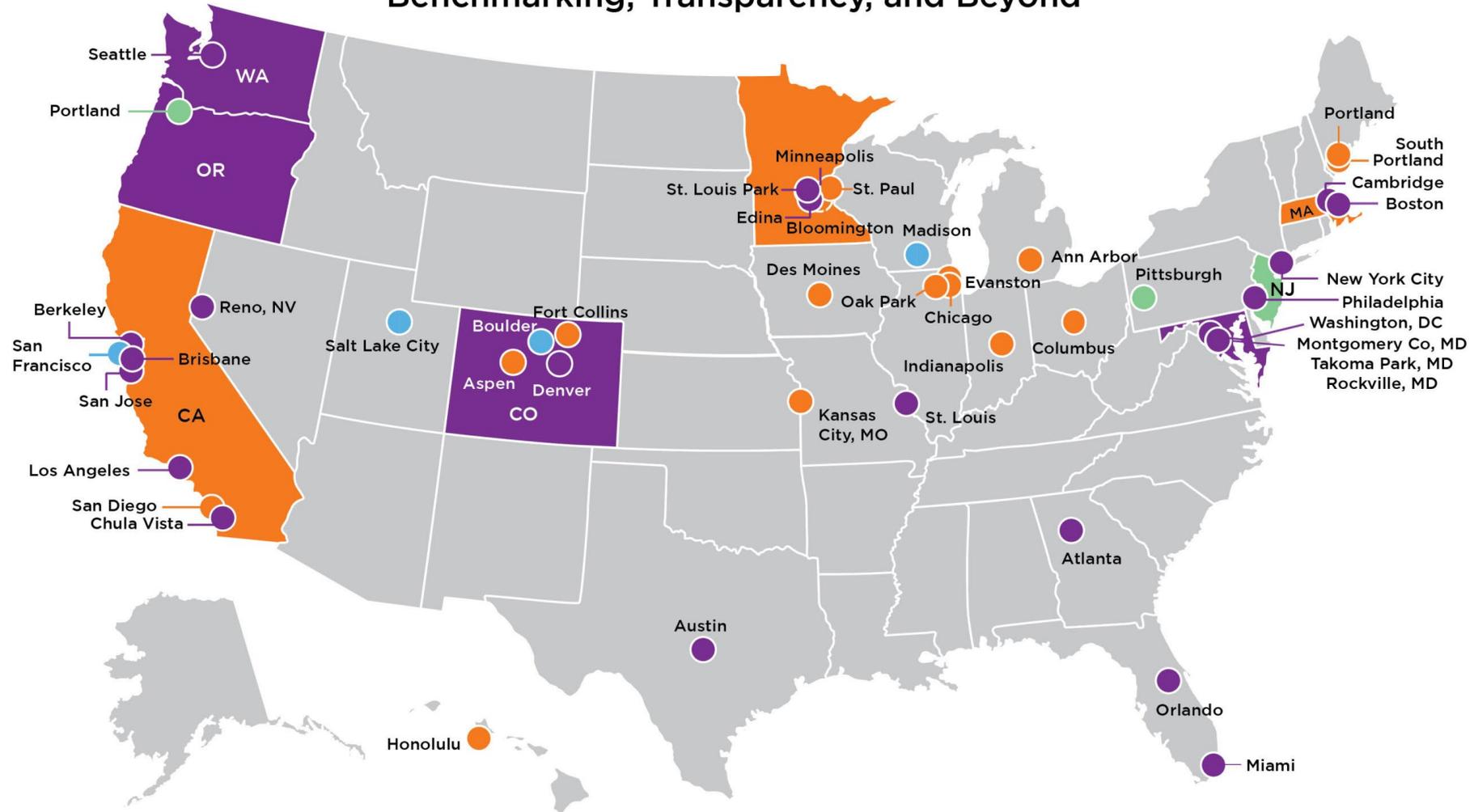
## Vision

A world where buildings dramatically lower greenhouse gas emissions and support our physical, social, and economic well-being

# Who IMT Works With



# U.S. City, County, and State Policies for Existing Buildings: Benchmarking, Transparency, and Beyond



- Benchmarking required for public and commercial buildings
- Benchmarking required for public, commercial, and multifamily buildings
- Benchmarking and additional actions required for public and commercial buildings
- Benchmarking and additional actions required for public, commercial, and multifamily buildings

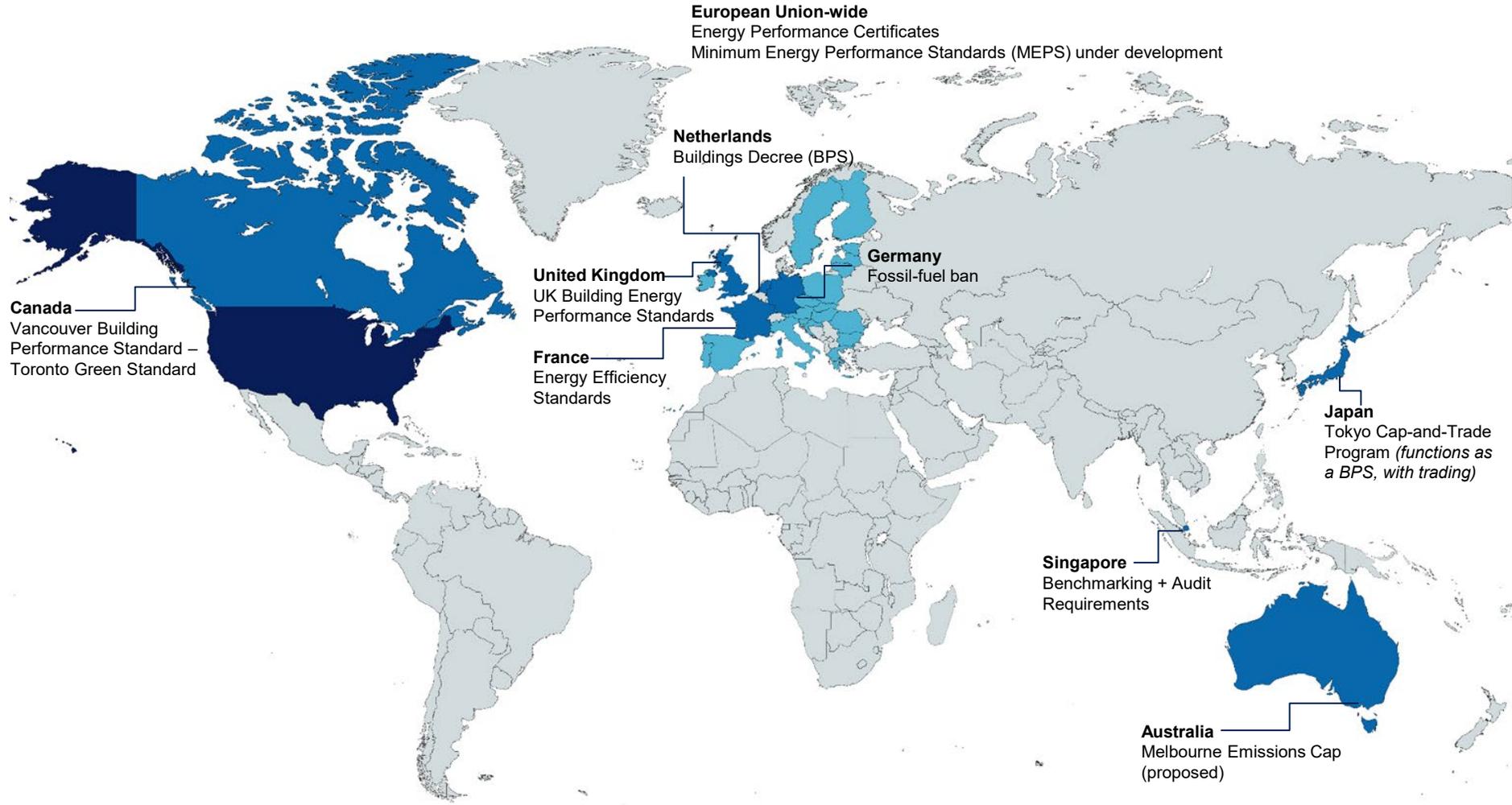
# The State of Building Performance Standards (BPS) in the U.S.

## Members of the National BPS Coalition as of July 2024

📍 Passed BPS
 📍 Committed to passage of BPS



# Building Performance Policies Beyond the U.S.



# Why BPS?



Building Performance Standards are the most powerful policy tool available to drive improved performance in existing buildings

# SB 48 Requires Community Collaboration

- Requires that CEC consult affected stakeholders starting with “community-based organizations representing tenant advocacy, equity, and environmental justice concerns.”
- CEC’s strategy must: “Avoid increasing utility and rental cost burdens for, or causing evictions, harassment, or displacement of, tenants of covered buildings.”

“SB 48 is necessary and important: California needs to make building decarbonization a core part of its climate effort. But the law must protect tenants from displacement. We cannot let building retrofits or renovations lead to evictions or rent raises or we will make our affordable housing crisis much worse and even harder to solve.”





## What is a Building Performance Standard?

- Establishes successively more ambitious requirements for building to improve performance across one or more quantitative objective measurements (e.g. to reduce site energy use intensity)
- Applies to a large swath of public and private buildings over a certain size (usually 25-50k sq. ft.) on preset dates (no trigger needed)
- Complements building codes

# What Makes a BPS Different?

Requires Improvement Across a Wide Range of Buildings

Yields Deep Retrofits at Scale

Drives Private Value-Creating Investment in Private Buildings

Provides Comprehensive Approach to Performance

Balances Flexibility and Immediate Action

Sends Long-Term Signal

# Major types BPS types

1

Type	Examples	Pros	Cons
<b>Periodic Updates</b>	<ul style="list-style-type: none"> <li>• DC</li> <li>• St. Louis</li> <li>• Washington State</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible</li> <li>• Adjusts to changes</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to predict long-term savings</li> <li>• Does not support capital planning</li> </ul>

2

<b>Date-Certain Fixed Targets</b>	<ul style="list-style-type: none"> <li>• New York City</li> <li>• Boston</li> <li>• Vancouver</li> <li>• Colorado</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term certainty</li> <li>• Alignment with climate targets</li> </ul>	<ul style="list-style-type: none"> <li>• Inflexible</li> <li>• Complex analysis</li> <li>• May require most expensive work</li> </ul>
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<b>Trajectory Approaches</b>	<ul style="list-style-type: none"> <li>• Denver</li> <li>• Montgomery Co. MD</li> <li>• Maryland</li> <li>• CRREM* (standard not law)</li> </ul>	<ul style="list-style-type: none"> <li>• Fairly distributes level of effort</li> <li>• Clear trajectories</li> <li>• Long-term certainty</li> <li>• Integrates with capital planning</li> <li>• Customized + flexible</li> <li>• Alignment with climate targets</li> </ul>	<ul style="list-style-type: none"> <li>• Complex to understand and to implement</li> </ul>
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# BPS Principles

1. Align with goals/commitments
2. Social and racial equity
3. Regulatory fairness
4. Jobs and economic growth
5. Maximize certainty
6. Transparency
7. Drive early action
8. Accommodate building life cycle events
9. Simplicity
10. Ease of compliance/implementation

# IMT's Model BPS Law

- IMT published the first model law for building performance standards in January 2021
- Incorporates lessons learned from adopted BPS
- Reviewed by expert stakeholders in real estate, social equity, building science, building performance policy
- Serves as the starting point for most new BPS laws
- [www.imt.org/bps](http://www.imt.org/bps)

# How IMT's BPS Strategy Addresses Building Performance



## Standards Based on Performance Metrics

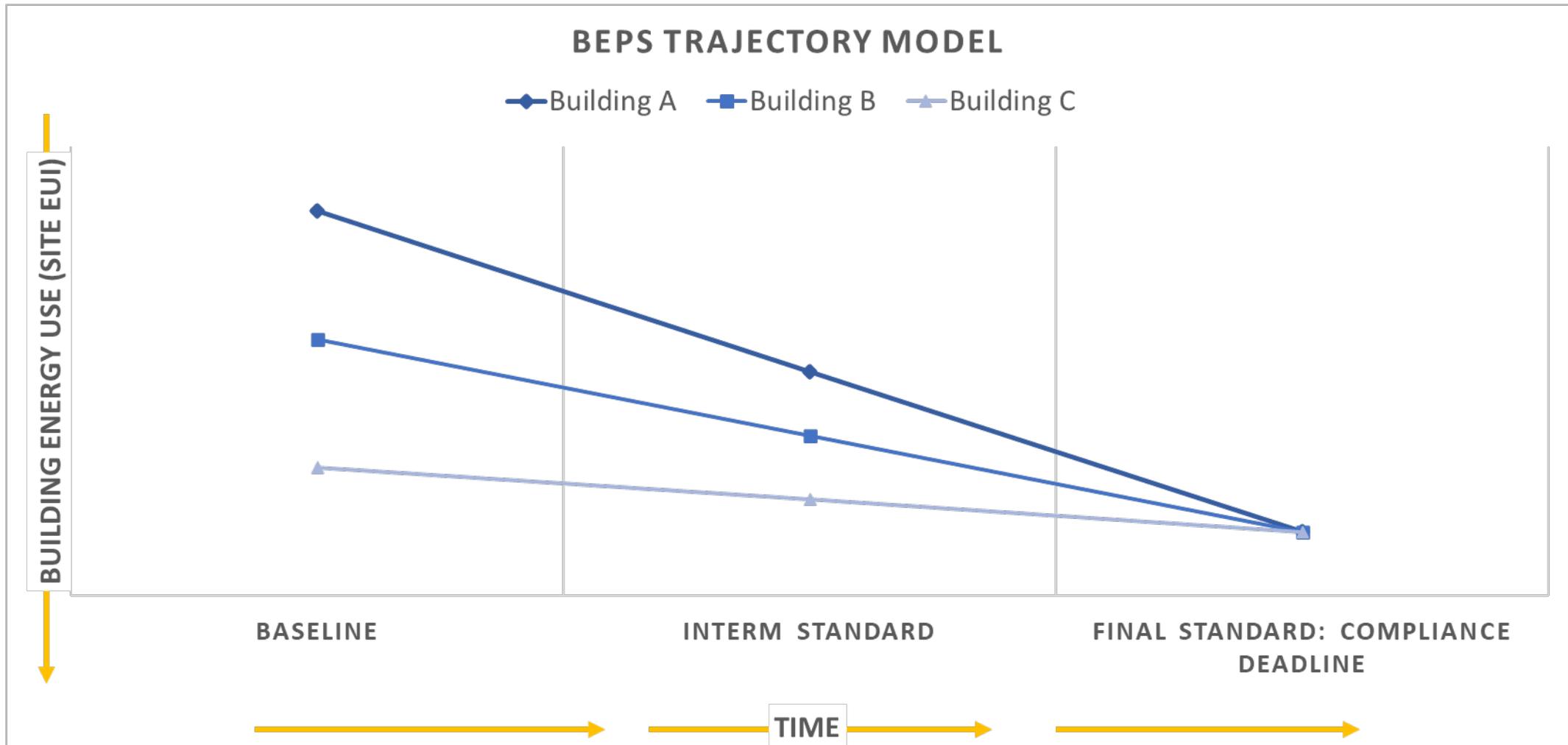
- Site Energy Use Intensity
- Onsite and District Thermal GHGs
- Water Use Intensity
- Coincident Peak Demand
- Indoor Air Quality



## Actions to Advance Social Priorities

- Anti-displacement, affordable housing protections packaged with law
- Owners seeking additional flexibility required to advance other community priorities

# BPS Trajectory Approach Example: Final and Interim Standards for 3 Office Buildings



# BPS Recommendations for California

- Center equity, inclusion, and tenant protection
- Provide long-term certainty to building owners
- Empower localities to innovate on BPS – the AB802 model plus resource support
- Leverage CA's leadership in real-time and interval electric data to leap frog other BPS in driving 24-7 decarbonization and grid reliability
- Streamline paperwork for annual compliance



*thanks!*

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