

**DOCKET**

12-AB1103-1

DATE APR 12 2012

RECD. APR 12 2012

STATE OF CALIFORNIA — DEPARTMENT OF FINANCE

**ECONOMIC AND FISCAL IMPACT STATEMENT****(REGULATIONS AND ORDERS)**

STD. 399 (REV. 12/2008)

See SAM Section 6601 - 6616 for Instructions and Code Citations

DEPARTMENT NAME California Energy Commission	CONTACT PERSON Justin Regnier	TELEPHONE NUMBER (916) 654-4196
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Nonresidential Building Energy Use Disclosure Program		NOTICE FILE NUMBER Z

**ECONOMIC IMPACT STATEMENT****A. ESTIMATED PRIVATE SECTOR COST IMPACTS (Include calculations and assumptions in the rulemaking record.)**

1. Check the appropriate box(es) below to indicate whether this regulation:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts businesses and/or employees | <input checked="" type="checkbox"/> e. Imposes reporting requirements   |
| <input checked="" type="checkbox"/> b. Impacts small businesses            | <input checked="" type="checkbox"/> f. Imposes prescriptive instead of performance                                  |
| <input checked="" type="checkbox"/> c. Impacts jobs or occupations         | <input type="checkbox"/> g. Impacts individuals   |
| <input type="checkbox"/> d. Impacts California competitiveness             | <input type="checkbox"/> h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.) |

h. (cont.) \_\_\_\_\_

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: <25,000/y Describe the types of businesses (Include nonprofits.): Nonresidential building owners and operators; utilities; real estate professionals; consultanciesEnter the number or percentage of total businesses impacted that are small businesses: 65%3. Enter the number of businesses that will be created: < 100 eliminated: 0  
Explain: Consultancies are likely to be created or expanded to help building owners benchmark and increase energy efficiency4. Indicate the geographic extent of impacts: ☒ Statewide ☐ Local or regional (List areas.): \_\_\_\_\_5. Enter the number of jobs created: <100 or eliminated: 0 Describe the types of jobs or occupations impacted: Utility administrators, building owners and operators, energy efficiency engineers and consultants will have additional duties in current jobs

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ Yes ☒ No If yes, explain briefly: \_\_\_\_\_**B. ESTIMATED COSTS (Include calculations and assumptions in the rulemaking record.)**

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ \$ 458 M
- |  |                                       |                  |
|--|---------------------------------------|------------------|
| a. Initial costs for a small business: \$ <u>0</u>     | Annual ongoing costs: \$ <u>80</u>    | Years: <u>10</u> |
| b. Initial costs for a typical business: \$ <u>0</u>   | Annual ongoing costs: \$ <u>1,400</u> | Years: <u>10</u> |
| c. Initial costs for an individual: \$ _____           | Annual ongoing costs: \$ _____        | Years: _____     |
| d. Describe other economic costs that may occur: _____ |                                       |                  |

## ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

2. If multiple industries are impacted, enter the share of total costs for each industry: 93% building owners, 7% utilities
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. (Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.): \$ < \$5/year
4. Will this regulation directly impact housing costs? ☐ Yes ☒ No If yes, enter the annual dollar cost per housing unit: \_\_\_\_\_ and the number of units: \_\_\_\_\_
5. Are there comparable Federal regulations? ☐ Yes ☒ No Explain the need for State regulation given the existence or absence of Federal regulations: The federal benchmarking program is voluntary; these regulations are mandated by California law.
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 0

### C. ESTIMATED BENEFITS (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: Major beneficiaries of the legislation are the prospective buyers, lessees, and lenders who will be able to make better choices by having the energy use data disclosed to them. The public will benefit from cleaner air, fewer greenhouse gas emissions.
2. Are the benefits the result of: ☒ specific statutory requirements, or ☒ goals developed by the agency based on broad statutory authority?  
Explain: Benchmarking is required by the statute. Studies show benchmarking helps lower energy bills and improves market value.
3. What are the total statewide benefits from this regulation over its lifetime? \$ \$5,713 M

### D. ALTERNATIVES TO THE REGULATION (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: Because the statute prescribes a specific technology (Portfolio Manager) and that technology is free and available to all Internet users, no more convenient alternative is available. Reporting is necessary to enable Commission to check compliance, develop policy for the state.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:
- |                |                            |                       |
|----------------|----------------------------|-----------------------|
| Regulation:    | Benefit: \$ <u>5,713 M</u> | Cost: \$ <u>458 M</u> |
| Alternative 1: | Benefit: \$ _____          | Cost: \$ _____        |
| Alternative 2: | Benefit: \$ _____          | Cost: \$ _____        |
3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: All costs and benefits are based on an assumption of a 10 year life of regulations. It is anticipated that this regulation will be superceded by AB 758 regulation in that time.
4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ Yes ☒ No  
Explain: The statute prescribes a specific technology (Portfolio Manager).

### E. MAJOR REGULATIONS (Include calculations and assumptions in the rulemaking record.) Cal/EPA boards, offices, and departments are subject to the following additional requirements per Health and Safety Code section 57005.

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)**

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million ?    ☒ Yes    ☐ No (If No, skip the rest of this section.)

2. Briefly describe each equally as an effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: AB 1103 mandated benchmarking and disclosure of energy use data. Commission has not identified any alternative

Alternative 2: approach to accomplish the statute that would be equally as effective as the proposed regulations

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation:	\$ <u>458 M</u>	Cost-effectiveness ratio: \$ <u>12</u>
Alternative 1:	\$ _____	Cost-effectiveness ratio: \$ _____
Alternative 2:	\$ _____	Cost-effectiveness ratio: \$ _____

---

---

**FISCAL IMPACT STATEMENT**

---

---

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

☐ 1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

☐ a. is provided in \_\_\_\_\_, Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

☐ b. will be requested in the \_\_\_\_\_ Governor's Budget for appropriation in Budget Act of \_\_\_\_\_  
(FISCAL YEAR)

☒ 2. Additional expenditures of approximately \$ 0 in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

☐ a. implements the Federal mandate contained in \_\_\_\_\_

☐ b. implements the court mandate set forth by the \_\_\_\_\_  
court in the case of \_\_\_\_\_ vs. \_\_\_\_\_

☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_  
election; (DATE)

☐ d. is issued only in response to a specific request from the \_\_\_\_\_  
\_\_\_\_\_, which is/are the only local entity(s) affected;

☐ e. will be fully financed from the \_\_\_\_\_ authorized by Section \_\_\_\_\_  
(FEES, REVENUE, ETC.)  
\_\_\_\_\_ of the \_\_\_\_\_ Code;

☒ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit;

☐ g. creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

☐ 3. Savings of approximately \$ \_\_\_\_\_ annually.

☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law regulations.

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)**

- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.
- ☐ 6. Other.




**B. FISCAL EFFECT ON STATE GOVERNMENT** (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

- ☒ 1. Additional expenditures of approximately \$ 0 in the current State Fiscal Year. It is anticipated that State agencies will:
- ☒ a. be able to absorb these additional costs within their existing budgets and resources.
- ☐ b. request an increase in the currently authorized budget level for the \_\_\_\_\_ fiscal year.

- ☐ 2. Savings of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- ☐ 4. Other.

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

- ☐ 1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
- ☐ 2. Savings of approximately \$ \_\_\_\_\_ in the current State Fiscal Year.
- ☒ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- ☐ 4. Other.

FISCAL OFFICER SIGNATURE		DATE
		
AGENCY SECRETARY <sup>1</sup> APPROVAL/CONCURRENCE		DATE
DEPARTMENT OF FINANCE <sup>2</sup> APPROVAL/CONCURRENCE	PROGRAM BUDGET MANAGER 	DATE

1. The signature attests that the agency has completed the STD.399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or department not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
2. Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD.399.