



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

California Energy Commission

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OFFICE OF
AIR AND RADIATION

PROPOSED REGULATIONS) Docket Number 12AB1103-1
Nonresidential Building Energy Use Disclosure Program)
Title 20, Division 2, Chapter 4, Article 9, Sections 1680-1685)
June, 2012)
CEC-400-2010-004-15DAY)

Re: The U.S. Environmental Protection Agency's comments on the California Energy Commission's proposed regulations related to nonresidential building energy use benchmarking and disclosure (AB 1103 Rulemaking, Docket No. 12-AB1103-1)

To Whom It May Concern:

The U.S. Environmental Protection Agency is pleased to provide the following information to reinforce the value of energy use benchmarking, which would be expected to increase with the adoption of the California Energy Commission's proposed regulations related to nonresidential building energy use benchmarking and disclosure. The EPA's ENERGY STAR program would also welcome the opportunity to assist the Commission in reviewing any supporting guidance documents that describe ENERGY STAR® Portfolio Manager before they are finalized. Please direct any questions on this matter to me.

Sincerely,

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I. Introduction

The ENERGY STAR program of the U.S. Environmental Protection Agency (EPA) helps American consumers and businesses save money and protect the environment through energy efficient products and practices. These comments on behalf of the EPA are intended to provide information on the value of benchmarking energy use in commercial buildings. EPA is pleased to provide comments to reinforce the value of energy benchmarking.

II. The ENERGY STAR Program and Portfolio Manager

Since its inception in 1992, the ENERGY STAR program has helped individuals and organizations nationwide find cost-effective, energy-efficient solutions. Americans, with the help of ENERGY STAR, prevented about 210 million metric tons of greenhouse gas emissions in 2011 alone - equivalent to the annual emissions from approximately 41 million vehicles - and saved nearly \$23 billion on their utility bills.

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.

EPA provides objective information for buildings of all types, sizes, and functions, and our tools are used by states, local governments, offices, hospitals, schools, retailers, hotels, congregations, and many others. The cornerstone of the ENERGY STAR program for buildings is energy benchmarking, because, simply put, you can't manage what you don't measure. Experience has shown that many building owners and operators 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.

Portfolio Manager, EPA's ENERGY STAR measurement and tracking tool, assists building owners and managers in assessing energy use in a standardized way. Through 2011, organizations of all types have used Portfolio Manager to benchmark the energy performance of nearly 270,000 buildings. EPA estimates that the energy use of 35 billion square feet or close to 40% of the U.S. commercial building space has been tracked and benchmarked through Portfolio Manager. Portfolio Manager allows owners of all types of buildings to:

- Assess energy and water use and set a baseline against which improvement can be measured;
- Identify under-performing and top-performing buildings to prioritize energy efficiency efforts;
- Verify efficiency improvements;

- Understand and track the carbon emissions of a building;
- Obtain data to support mortgage, sale, and/or lease transactions;
- Document performance in energy service contracts;
- Communicate energy performance with tenants/customers/general public; and
- Apply for ENERGY STAR certification for top-performing buildings.

The popularity and success of benchmarking with ENERGY STAR continues to grow dramatically. In fact, in 2011, the total number of buildings benchmarking energy use in Portfolio Manager increased by roughly 50 percent from the previous year. EPA sees this growth as related to several factors, including: leadership by states and cities in promoting building energy performance benchmarking; continuing public and private concerns with climate risk; increasing energy 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.

In California, more than 3,300 commercial buildings representing nearly 480 million square feet of space have earned the ENERGY STAR, a process that begins with benchmarking energy use with Portfolio Manager. In total, over 1 billion square feet of commercial building floor space in California has been benchmarked. This indicates that benchmarking with Portfolio Manager has become a key part of standard business practices for a number of the largest building owners and operators in the U.S. and California, including companies such as, CB Richard Ellis, Target, Staples, and USAA Realty. Furthermore, benchmarking has been adopted as standard practice by local governments and school districts in California and around the country.

Finally, EPA encourages the CEC to use the most up-to-date language when referring to EPA's metric for energy performance, the "ENERGY STAR energy performance score," and other commercial and industrial program resources, to the extent possible within the limitations posed by the original statute, as well as any other administrative or legal considerations. EPA's updated terminology is intended to minimize any confusion that might exist in the marketplace surrounding the use of such terms as "rating," "rated," "certified," and "qualified." Specific to the proposed 15-day language, EPA encourages the use of "ENERGY STAR energy performance score" rather than "Portfolio Manager Energy Performance Rating." Guidance on talking about ENERGY STAR commercial and industrial program resources is attached.



How to Talk About the C&I Program and Its Activities

Much confusion exists in the marketplace surrounding the use of such terms as “rating,” “rated,” “certified,” and “qualified.” It’s our job to minimize this confusion by talking about the program in a clear and consistent way.

HOW TO TALK ABOUT BENCHMARKING

OLD

EPA’s energy performance rating system

ENERGY STAR rating

Eligible to receive a rating

Ratable space type

NEW

EPA’s ENERGY STAR energy performance scale *(first reference)*
The ENERGY STAR energy performance scale *(subsequent references)*

ENERGY STAR energy performance score *(first reference)*
ENERGY STAR score *(subsequent references)*

Eligible to receive an ENERGY STAR energy performance score *(first reference)*
Eligible to receive an ENERGY STAR score *(subsequent references)*

Eligible to receive an ENERGY STAR score

HOW TO TALK ABOUT LABELING

OLD

ENERGY STAR labeled

NEW

Earned EPA’s ENERGY STAR
ENERGY STAR certified
Earned EPA’s ENERGY STAR certification

HOW TO TALK ABOUT THE TOOLS

OLD

Portfolio Manager

EPIs

NEW

EPA’s ENERGY STAR measurement and tracking tool, Portfolio Manager
Portfolio Manager, EPA’s ENERGY STAR measurement and tracking tool
Portfolio Manager *(subsequent references)*

EPA’s ENERGY STAR energy performance indicator (EPI) *(first reference)*
EPI *(subsequent references)*