

# Partner Energy Attends California Energy Commission's Workshop on the Revised Draft Regulation to Implement AB1103: Commercial Building Energy Performance Rating System

*The California Energy Commission conducted a committee workshop in Sacramento, California on May 17<sup>th</sup> to discuss the revised draft regulations for the implementation of the energy performance rating disclosure requirements for non-residential buildings specified in Assembly Bill 1103. Topics included revised regulations to implement the benchmarking and ratings requirements for non-residential buildings specified in Assembly Bill 1103, draft guidelines to aid non-residential building owners required to comply with AB1103, and concept presentation of the Energy Commission on-line tool to assist nonresidential building owners in completing U.S. Environmental Protection Agency Energy Star Portfolio Manager benchmarking and rating in compliance with AB1103.*

**Sacramento, CA, May 17<sup>th</sup>, 2010** – Partner Energy recently attended a workshop by the California Energy Commission (CEC) on the implementation of California Assembly Bill 1103 (defined below) and the guidelines for building owners' compliance of the law. This was the final workshop prior to formal rulemaking.

## **The CEC released the following implementation schedule for disclosure:**

- On and after January 1, 2011, a building owner shall disclose the Statement of Energy Performance and the California Energy Performance Disclosure Report for a nonresidential building that:
  - Has a total floor space measuring 50,000 square feet or more, or
  - Is solely occupied by the owner and has a total floor space measuring 1,000 square feet or more
- On and after January 1, 2012, a building owner shall disclose the Statement of Energy Performance and the California Energy Performance Disclosure Report for a nonresidential building that has a total floor space measuring 10,000 to 50,000 square feet
- On and after July 1, 2012, a building owner shall disclose the Statement of Energy Performance and the California Energy Performance Disclosure Report for a nonresidential building that has a total floor space measuring 1,000 to 10,000 square feet

According to the schedule established above, a building owner shall disclose the U.S. EPA's Portfolio Manager's Statement of Energy Performance and the California Energy Performance Disclosure Report:

- At or before the time the owner presents a sales contract to a prospective buyer:
- At or before the time the owner presents a lease for the entire building to a prospective lessee: and
- At or before the time the owner presents a loan application to finance the entire building to a prospective lender

According to implementation schedule above and 30 days before a disclosure is required as defined above, a building owner is required to open an account at the U.S. EPA's Energy Star Portfolio Manager Website and input their relevant building data. Within 15 days of receiving a request from a building owner to release energy use data to the U.S. EPA's Portfolio Manager, a utility company shall upload the entire building's energy use data to the building owner's Portfolio Manager Account. After all utility companies serving a building have uploaded the building's energy use data, the building owner shall, in sufficient time to comply with the schedule specified above, use the Portfolio Manager account to generate a Statement of Energy Performance for the building, and generate a California Energy Performance Disclosure Report and electronically submit the Report to the Commission.

The Energy Star rating is a rating from 1 to 100, with 50 being the average rating of properties across the country, while adjusting for climate, usage, etc. to create an even ranking system. The California Building Energy Performance Rating is a rating from A-G comparing only buildings in California, with an "A" being most energy efficient and a "G" being least energy efficient.

Jason Mandler of Partner Energy who attended the workshop, had this to say, "I think that an energy rating and disclosure is a great way to compare similar properties and portfolios before making an investment. I also want to stress to building owners that this is not meant to be an onerous requirement for a sale or financing, but rather to as an additional piece of information on a property before purchasing. I believe the rating is the first step in energy efficiency - if the score is low it alerts the owner there is inefficiencies in the way their building is being operated, and there is an opportunity to decrease the operating costs and increase the net operating income - and thus the residual value of the building."

Partner Energy was founded by real estate industry professionals who are also engineers. They saw a need arise for energy efficiency consulting services due to the onset of new and complex building efficiency and disclosure laws, rising energy costs, and the realization of global warming due to greenhouse gas. Their experience advising commercial real estate investors/owners and their engineering background provides an unique perspective into the motivations and goals of real estate owners and users looking for ways to reduce operating expenses through energy efficiency. All measures recommended and implemented have quantifiable and achievable cost savings, payback periods, and IRR. Tony Liou, President of Partner Energy, states "There are a million different ways to reduce energy usage. We match the energy efficiency measures we're recommending to our customer's goals. We're bridging the science and the business and helping customers make informed decisions."