# City Energy Project – San José
## Reporting and Transparency

**Date:** June 14, 2018
**Time:** 9:00 AM to Noon
**Location:** Environmental Innovation Center
1608 Las Plumas Ave., San José

**Agenda:**

1) **Welcome and Introductions - Ariel Carpenter, Environmental Services Department**

2) **Meeting Recap - Walker Wells, Global Green**
   a) Kick Off
      i) Benchmarking Overview
      ii) Initial Characterization of Building Stock
   b) Meeting 2
      i) In-depth Analysis of Building Stock Coverage and Thresholds
      ii) Introduction to EPA ENERGY STAR Portfolio Manager
   c) Meeting 3
      i) Reporting Process through ENERGY STAR Portfolio Manager
      ii) Levels of Transparency
   d) Meeting 4
      i) Policy Design Options and Examples
         (1) Annual benchmarking
         (2) Annual public reporting
            (a) 5-year compliance cycle
         (3) Performance options
            (a) Minimum ENERGY STAR Score/Certification
            (b) Maximum WUI
            (c) Demonstrated energy and water use reduction
         (4) Prescriptive options
            (a) Energy and water audit
            (b) Retrocommissioning (RCx) or Retuning
            (c) Complete simple building retrofits
      ii) Ensuring Data Quality

3) **Potential Water Conservation Components of an Ordinance**
   a) Background
      i) Climate Smart San Jose water use reduction and recycled water demand goals
         (1) Today
            (a) 116 million gallons per day
            (b) 60 gallons per capita

(c) 5% of demand met by reused/recycled water
(2) 2030
(a) 107 million gallons per day
(b) 42 gallons per capita
(c) 14% of demand met by reused/recycled water
(3) 2040
(a) 76 million gallons per day
(b) 20 gallons per capita
(c) 23% of demand met by reused/recycled water
ii) Opportunities for Water Savings
(1) Atlanta Better Buildings Challenge and New York City Benchmarking report found at least 70x variability in water consumption per $ft^2$
(2) Greatest variability in the Multifamily sector
iii) Success in other cities
(1) In Minneapolis, total water consumption dropped 5.9% in consistently benchmarked buildings, and public buildings showed a nearly 12% decline in water consumption from 2015 to 2016.

b) Water Performance Standards: Demonstrate compliance through basic performance standards that require no further action:
i) Minimum ENERGY STAR Water Score for MF buildings, or maximum water use intensity for all other building types (WUI)
ii) Demonstrated Improvement (i.e.) reduce WUI (% reduction over previous 5 years)

c) Prescriptive Pathway for Water: Further action is required if basic performance standards are not met, for example:
i) Water Audits
ii) Retrofits
iii) Meet plumbing code
iv) RCx/Retuning options

d) City Role
i) Coordinating agencies for implementation
ii) Budgeting for staff and capacity
iii) Designating and training staff
iv) Education and outreach
v) Notification and enforcement
vi) Assuring data quality
vii) Tracking and reporting

4) **Noticing, Submission and Enforcement Process**

a) Submission Process
i) Custom ENERGY STAR Portfolio Manager template for City of San José reporting, compliant with CEC requirements
ii) Data verification requirements
iii) Digital upload to City of San José Master Portfolio Manager Account
iv) Automatic notification of missing or incomplete information
v) City review of submission for data quality assurance

b) Potential Enforcement Process
i) Letter stating that data was not received within 30-day grace period
ii) Letter stating noncompliance and potential for fines
iii) Levy of fines for additional delay in filing or noncompliance

iv) Engagement of the City Attorney's Office
v) Additional penalties

5) **Resources: Education/Outreach and Technical Assistance**
   a) Education and Outreach
      i) Workshops, trainings and events
      ii) Speakers Bureau
      iii) Office hours
      iv) Noticing
   b) Technical Assistance
      i) ENERGY STAR Portfolio Manager online guides, videos and webinars
      ii) City of San José guides on:
         (1) Benchmarking
         (2) Audits and RCx
      iii) City of San José support for initial filing, general benchmarking Q&A
      iv) PG&E support for energy data access and uploads
      v) Water retailers for water billing questions
      vi) PG&E, Water district AND retailers for rebates/incentives

6) **Task Force Timeline and Next Steps**
   **a) Meeting 6: Review Draft Ordinance RESCHEDULED FOR AUGUST 1ST**
   b) Internal staff committee reviews
   c) Language review and approval from City Attorney
   d) City Council Committee input/recommendation
   e) City Council adoption

7) **Discussion**
    1. **What water performance standards should be included in this ordinance?**
        a. Currently there are not uniform water audit standards, though tools to exist.
        b. Santa Clara Valley Water advises the standards would center around
            i. Fixtures
            ii. Leaks
            iii. Processes and system management
            iv. Cooling in large commercial buildings
        c. Consensus that there should be a water audit working group to develop standards that would work for San Jose
        *d. Outstanding question: What is Los Angeles using for water audit standards and how is the water component of their ordinance faring?*
            i. Staff have reached out to LA to find out more information.
        e. Should San Jose have % reduction goals rather than gallons per capita goals, as stated in Climate Smart San Jose?
    2. **What would RCx measures look like for water, beyond identifying/fixing leaks?**
        a. There is a consensus that these systems could benefit from monitoring
            i. Cooling towers
            ii. Irrigation
            iii. Laundry
            iv. Domestic hot water boiler and/or other outdated equipment
    3. **How can we align performance standards with existing programs and incentives from water retailers/wholesalers?**
        a. Santa Clara Valley Water has available rebates, incentives and direct install programs including:
            i. Free high-volume toilet replacement
            ii. Custom meter rebates
        b. PG&E also has hot water rebates
        c. Consensus that we should communicate many upgrades like faucet aerators, will have a very short, if not immediate, return on investment (ROI)
    4. **What types of technical assistance are most valuable?**
        a. Consensus that accessing customer water data is difficult and only some large commercial properties have automated/smart meters with data on hourly use
        b. Support for automated meter infrastructure
        c. Water retailers state that water use history can be requested, one meter at a time, by email.
            i. The City should evaluate how they can support or streamline water data requests
    5. **How can the City communicate most effectively with the building owner and management community? What types of education or outreach will be most effective, trade organizations, peer-to-peer?**
        a. Consensus that the City should engage with certain groups either at organization-hosted meetings, through webinars and by distributing materials through networks like:
            i. Building Owners and Managers Association (BOMA)
            ii. California Apartment Association (CAA)- TriCounty chapter
            iii. International Facility Management Association (IFMA) Silicon Valley
            iv. Property Management firms

v. Realtor Associations

6. **What level of fines or other enforcement strategies will ensure that buildings owners comply?**
    a. The City should explore penalties in terms of fines per $ft^2$ instead of an absolute or standard fee; otherwise large commercial buildings may not be incentivized by a flat fine, like $500.
    b. There is information on the cost of an audit per $ft^2$ that could translate into the sliding scale for penalty fines.
    c. The City should consider enforcement strategies through which outstanding fines or noncompliance can impact the building owner's ability to obtain other permits.
    d. Notices of 'violation' may be more effective than 'noncompliance.'
7. **Other questions/comments:**
    a. How will this ordinance align with the Long-Term Water Conservation Goals of the California Water Action Plan? SB606? SB1668?
        i. This ordinance would support the Long-Term Water Conservation Goals of the California Water Action Plan, as well as those of SB606 and SB1668, and will provide supplemental conservation data to local agencies complying with those state laws.
    b. How can the City support streamlining permitting or establish unique considerations like a special permitting class for Sub-metering using the models from Solar and Accessory Dwelling Units?
        i. Environmental Services staff will convene with Planning, Building and Code Enforcement Staff to discuss current permitting rates and identify "pain points" for buildings going through sustainability-related upgrades/construction.
    c. What is the actual energy data and energy savings when we move the threshold from 20k to 10k; as of now we only have $ft^2$ as a proxy for energy use, but can we get more data on the actual EUI for smaller buildings? What does the consumption distribution look like in other cities?
        i. The City does not have energy use data by building, supplemented by building characteristics. A benchmarking and transparency ordinance can remedy this for the buildings covered by the program/policy.
    d. Proposal to align local policy with AB802 mandate at 50k threshold as a learning curve for building owners and the city; then in 1-3 years move down to 20k threshold.
    e. Consensus that the role of the City should also be in demonstrating and achieving compliance for City buildings.
    f. How can the City support recycled water infrastructure – which agencies are involved? Would on-site recycling and reuse require oversight from the Health Department?
        i. Environmental Services staff to convene water wholesaler and retailers to discuss.