

City Energy Project – San José

Benchmarking and Transparency Policy Package

Meeting 6: Draft Ordinance Framework
August 1, 2018



Environmental Services



Delivering world class utility services and programs
to improve our health, environment, and economy.



Welcome



Environmental Services

Delivering world class utility services and programs to improve our health, environment, and economy.

Climate Smart San José

City Action Plan 3.2:

*Improve Our
Commercial Building
Stock*

**CLIMATE
SMART
SAN JOSE**

A People-Centered Plan for a
Low-Carbon City



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Recap Meeting 1-5

Kick Off: Benchmarking Overview

Meeting 2: In-depth Analysis of Building Stock Coverage and Thresholds

Meeting 3: Reporting Process through ENERGYSTAR Portfolio Manager

Meeting 4: Policy Design Options and Examples

Meeting 5: Implementation, Enforcement and Developing Water Efficiency Standards



Ordinance Components and Format

- Purpose
- Scope
- Definitions
- Benchmarking and Self-Reporting
of Energy and Water Consumption
Information
- Energy and Water Audits and
Retro-Commissioning
- Record Maintenance
- Schedule for Compliance
- Noncompliance Fee
- Submittal Fees

Proposed Ordinance Structure

Category	Suggested Structure
Lead Implementer	Environmental Services Department



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Proposed Ordinance Structure

Category	Suggested Structure
Sector(s) Affected	Commercial Multifamily



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Proposed Ordinance Structure

Category	Suggested Structure
Size Threshold	20,000 sq. ft. and above (Covers approx. 2,600 buildings)



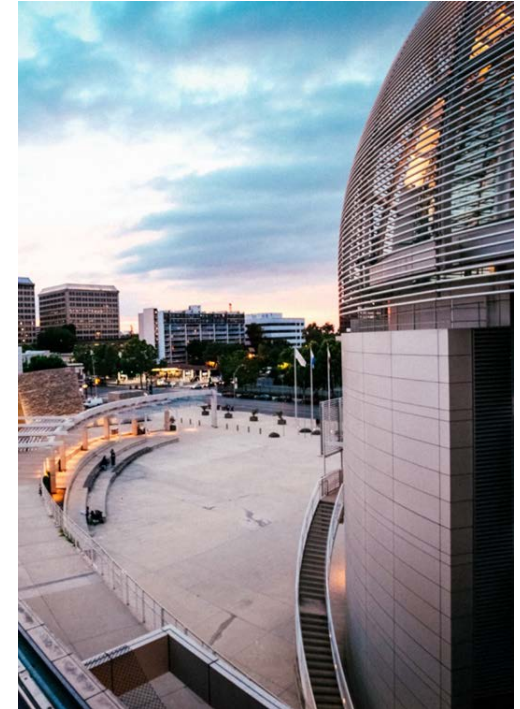
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Proposed Ordinance Structure

Category	Suggested Structure
Benchmarking and Transparency Exemptions	<p>No blanket <i>reporting</i> or <i>transparency</i> exemptions. Bldgs. must submit a request for a reporting exemption, which may include:</p> <ol style="list-style-type: none">1. New bldgs. in which the certificate of occupancy is less than 2 years old;2. Unoccupied bldgs., in which there is less than 1 full-time equivalent occupant over the last calendar year;3. Bldgs. in financial hardship. <p>Bldgs. must submit a request for a data transparency exemption, e.g. publishing of data will result in release of proprietary information, characterized as a “trade secret.”</p>

Proposed Ordinance Structure

Category	Suggested Structure
Benchmarking and Transparency Reporting Fee	No fee



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Transparency Approach	<p>Include at least a spreadsheet made public annually and a formal report after the first 5 years of implementation. Public data made public will include, at minimum, the following:</p> <ol style="list-style-type: none">1. Building identification;2. ENERGY STAR Portfolio Manager energy and water scores (where available);3. Site and source energy use intensity;4. Indoor water use and water intensity, outdoor water use (if available), and total water use;5. Ordinance compliance status; <p>Additional contextual information related to energy and water use as voluntarily submitted by bldg.</p>

Proposed Ordinance Structure

Category	Suggested Structure
Prescriptive Pathway Requirements	<p>On 5 year cycle, bldgs. must perform 1 of the following, determined by APN:</p> <ol style="list-style-type: none">1. ASHRAE II audit (including water)2. Or Retrocommissioning (RCx) (including water) or3. Complete any 4 of the prescriptive actions listed...

Proposed Ordinance Structure

Category	Suggested Structure
Prescriptive Pathway Requirements, continued...	<ul style="list-style-type: none">a) Lighting fixtures in accordance with CA Title 24b) Domestic hot water heater in accordance with CA Title 24c) Plumbing in accordance with CA Title 24d) Irrigation landscaping and in accordance with MWEL0e) Greywater installationf) Energy efficient refrigerator upgradeg) Gas to electric stove or water heater conversionh) Smart thermostat installationi) Hot water pipe insulation installationj) Solar thermal installationk) Enrollment in demand response programl) Approved utility retrofit program

Proposed Ordinance Structure

Category	Suggested Structure
Prescriptive Pathway Fee	Submission fee will be in place, amount TBD



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Proposed Ordinance Structure

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Prescriptive Pathway Exemptions (Performance Pathway)	<p>No blanket exemptions for required additional actions. Bldgs. must submit a request for exemptions, which may include:</p> <ol style="list-style-type: none">1. Bldg. demonstrated high energy and water efficiency over past 5 years:<ol style="list-style-type: none">a. ENERGY STAR label from the EPA for at least 2 of the 3 years preceding; or, if not applicable, EUI is 25 or more points better than performance of an average bldg. of its type;b. If available, ENERGY STAR water score of 75 or above for at least 2 of the 3 years preceding;c. Bldg. has received LEED EBOM certification.

Proposed Ordinance Structure

Category	Suggested Structure
Prescriptive Pathway Exemptions, continued... (Performance Pathway)	<ol style="list-style-type: none">2. Bldg. demonstrated <i>improvement</i> in energy and water efficiency over past 5 years:<ol style="list-style-type: none">a. Improved its ENERGY STAR score by 15 points, or EUI has been reduced by 15% within the 5 years preceding;b. Improved its ENERGY STAR water score by 15 points or WUI has been reduced by 15% within the 5 years preceding.

Proposed Ordinance Structure

Category	Suggested Structure
Schedule	<p><u>Year 1</u>: Bldgs. >50,000 sq. ft. report benchmarking data; no transparency or enforcement of prescriptive pathway reqs.</p> <p><u>Year 2</u>: Bldgs. >50,000 sq. ft. report benchmarking data; benchmarking data will be made transparent and prescriptive pathway requirement enforcement will begin</p> <p>Bldgs. >20,000 sq. ft. report benchmarking data; no transparency of benchmarking data or prescriptive pathway reqs.</p> <p><u>Year 3</u>: Bldgs. >20,000 sq. ft. will report benchmarking data; benchmarking data will be made transparent and prescriptive pathway requirements will be implemented</p>

Proposed Ordinance Structure

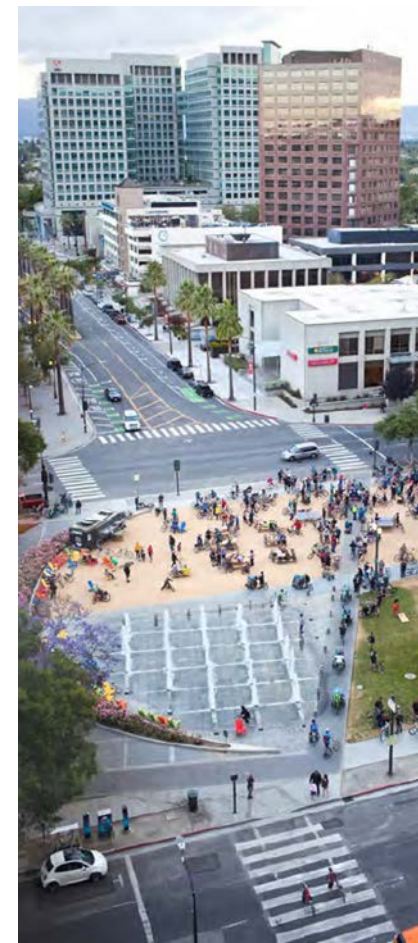
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Proposed Ordinance Structure

Category	Suggested Structure
Verifications	<ul style="list-style-type: none">• No verifications required for benchmarking data, but will require Energy Star Portfolio Manager data checks, and subsequent corrections by reporting entity; ESD will implement additional internal data quality control processes for enforcement.• Audits, and RCx documentation will need to be stamped by a licensed professional engineer (PE)• For prescriptive actions, no PE stamp required, but ESD will develop documentation and verification requirements• ESD will implement additional internal data quality control processes for enforcement.

Proposed Ordinance Structure

Category	Suggested Structure
Enforcement	Fines will be in place, amount TBD



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Staffing	1 FTE staff plus fellow/intern support.



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Resources

- City to host outreach events, trainings, office hours
- City to provide 1-1 phone and email assistance
- City to create new technical guides on benchmarking, audits, Rcx, and prescriptive actions
 - Coordinating with 3rd parties where appropriate (Ex: PG&E, Santa Clara Valley Water District)



Task Force Timeline and Next Steps

- Drafting legal language with City Attorney
- City Council Office and/or Committee briefings
- Additional stakeholder outreach- ask us to present!
- Task Force update webinar in September
- Present to City Council for approval in November
- Opportunities for advocacy
 - Letters of support
 - Attend or speak at Council meeting



Discussion

- Does this outline reflect/represent the discussions and consensus of the stakeholder engagement process?
- Are there other alternative options that should be considered?
- Is there anything that is missing or still needs to be addressed?