

City of San José

Energy and Water Building Performance Ordinance

Webinar Meeting 7: Ordinance Framework Update

November 30, 2018



Environmental Services



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to improve our health, environment, and economy.



Welcome



Environmental Services

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Climate Smart San José



City Action Plan 3.2:

Improve Our Commercial Building Stock



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Recap Meeting 1-6

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

Final Meeting : Draft Ordinance Framework



Ordinance Components and Format

- Scope
- Definitions
- Benchmarking and Self-Reporting
- Beyond Benchmarking Pathways
- Record Maintenance
- Schedule for Compliance
- Noncompliance Fees
- Appeals
- Violations Deemed Infractions

Proposed Ordinance Structure

Category	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	Structure
Size Threshold	20,000 sq. ft. and above (Covers approx. 2,500 buildings)



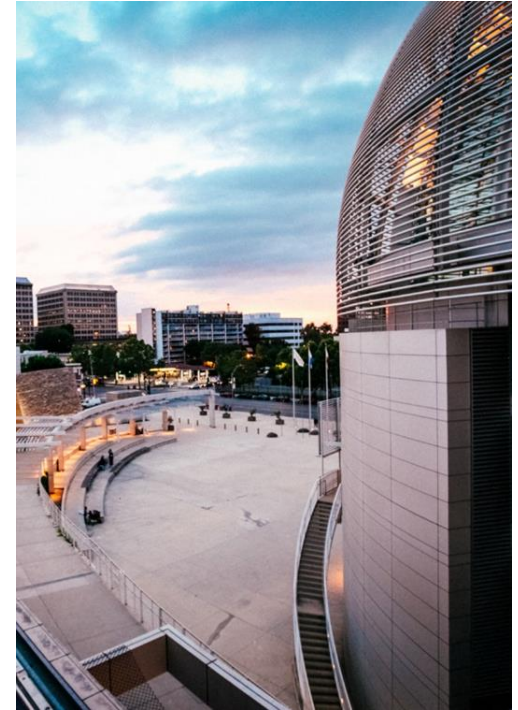
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Proposed Ordinance Structure

Category	Structure
Benchmarking and Transparency Exemptions	<p>No blanket reporting exemptions.</p> <p>Properties must submit a request for a reporting exemption, which may include:</p> <ol style="list-style-type: none">1. Property did not have Certificate of Occupancy/Temporary Certificate of Occupancy for entire calendar year;2. Entire property was not occupied, due to renovation, for the entire calendar year;3. Demolition permit for entire property has been issued and demolition work has commenced on/before reporting deadline;4. Property did not receive energy/water services for entire calendar year;5. Property is in Financial Distress (as defined in ordinance);6. Disclosure of energy/water use data would result in the release of proprietary information characterized as a trade secret.

Proposed Ordinance Structure

Category	Structure
Benchmarking and Transparency Reporting Fee	None for reporting year 1 (May 2019)



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Proposed Ordinance Structure

Category	Structure
Transparency Approach	<p>Means of transparency will include at least a spreadsheet prepared by ESD, to be made public annually, and 1 formal summary report after the first 5 years of implementation. Data made public will include, at minimum, the following:</p> <ol style="list-style-type: none">1. Property identification;2. ENERGY STAR® Portfolio Manager energy and water scores (if 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; and6. Additional contextual information related to energy and water use as voluntarily submitted by property.



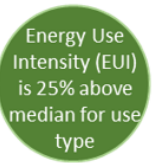



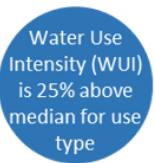







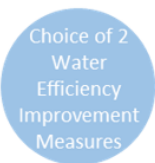
Proposed Ordinance Structure

Category	Structure
Beyond Benchmarking: Performance Pathway Requirements	<p>On a 5-year cycle determined by APN, properties must verify that they have achieved 1 or more of the following energy and water standards for at least 2 of the 4 years preceding the compliance due date:</p> <ol style="list-style-type: none">1. Energy Standards<ol style="list-style-type: none">a. ENERGY STAR® Score of 75 or greater; orb. Improved ENERGY STAR® Score by 15 points or more relative to baseline year; orc. Weather normalized source Energy Use Intensity that is at least 25% above the mean for property type; ord. Reduced weather normalized source Energy Use Intensity by at least 15% relative to baseline year.2. Water Standards<ol style="list-style-type: none">a. US EPA Water Score of 75 or greater from the US; orb. Improved US EPA Water Score by 15 points or more relative to baseline year; orc. Water use intensity that is at least 25% above the locally calculated mean for that property type; ord. Reduced water use intensity by at least 15% relative to baseline year.

Proposed Ordinance Structure

Category	Structure
Beyond Benchmarking: Improvement Pathway Requirements	<p>On a 5-year cycle determined by assessor parcel number (APN), properties with unmet energy and/or water standards, as per the Performance Pathway Requirements, must perform 1 of following:</p> <ol style="list-style-type: none">1. Energy and/or water audit (ASHRAE II or other approved assessment as provided by utility); or2. Energy and/or water retrocommissioning (RCx); or3. Complete 2 of the following energy and/or water efficiency improvement measures for each unmet standard(s)...

Beyond Benchmarking Pathways

MEET REQUIREMENTS FOR	ENERGY	<i>and</i>	WATER
PERFORMANCE PATHWAY: OPTION 1 MEET TARGET METRICS	 or  or  or 	<i>and</i>	 or  or  or 
PERFORMANCE PATHWAY: OPTION 2  LEED EBOM	LEED Existing Buildings Operations and Maintenance Certification, meeting compliance standards for both energy and water		
IMPROVEMENT PATHWAY	ENERGY OPTION 1  or OPTION 2  or OPTION 3 	<i>and</i>	WATER OPTION 1  or OPTION 2  or OPTION 3 

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Proposed Ordinance Structure

Category	Structure
Improvement Pathway Requirements, continued...	<p>Energy</p> <ol style="list-style-type: none">1. Installation of common area/exterior lighting in accordance with Title 24;2. Installation of domestic hot water heater in accordance with Title 24;3. Replacement of all refrigerators to ENERGY STAR® Certified models;4. Replacement of all gas stoves to electric induction stoves;5. Replacement of all gas water heaters to electric water heaters;6. Installation of a smart thermostat;7. Installation of a solar thermal heating/cooling system;8. Enrollment in utility demand response program;9. Participation in approved utility retrofit program. <p>Water</p> <ol style="list-style-type: none">1. Installation of plumbing in accordance with Title 24;2. Installation of outdoor landscaping/irrigation in accordance with San José Municipal Code Chapter 15.11, Water Efficient Landscape Standards for New and Rehabilitated Landscaping;3. Installation of a greywater system;4. Installation of insulation on all hot water pipes in accessible locations;5. Participation in approved utility retrofit program.

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Proposed Ordinance Structure

Category	Structure
Beyond Benchmarking Reporting Fee	None



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Ordinance Structure

Category	Structure
Verifications	<ul style="list-style-type: none">• No verifications required for benchmarking data reported but will require reporting entity to run all automated data checks in ENERGY STAR® Portfolio Manager, and make all necessary corrections• Performance Pathway reports for buildings not eligible for ENERGY STAR® Scores must be verified by a licensed Professional Engineer (PE) or architect• Improvement Pathway reports must be completed by a qualified auditor, RCx professional, or otherwise qualified professional (as defined in ordinance)

Proposed Ordinance Structure

Category	Structure
Enforcement Fines	<p>The City may assess noncompliance fines based on a tiered structure per violation type:</p> <ul style="list-style-type: none">• Properties 20,000-50,000 sqft: \$25/day, capped at \$2,500• Properties >50,000 sqft: \$50/day, capped at \$5,000



Proposed Ordinance Structure

Category	Suggested Structure
Schedule	<p><u>Year 1</u>: On May 1, 2019 covered properties 50,000 sq. ft. and over will be required to report benchmarking data, which will be made transparent.</p> <p><u>Year 2</u>: On May 1, 2020, all covered properties 20,000 sq. ft. and over will be required to report benchmarking data, which will be made transparent for all covered buildings.</p> <p><u>Year 3</u>: On May 1, 2021, Beyond Benchmarking requirements will begin for buildings 50,000 sq. ft. and over, on a 5-year cycle based on APN</p> <p><u>Year 4</u>: On May 1, 2022, Beyond Benchmarking requirements will begin for buildings 20,000 sq. ft. and over, on a 5-year cycle based on APN</p>

Proposed Ordinance Structure

Category	Suggested Structure
Staffing	0.5 FTE staff plus fellow/intern support.



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Resources

- To assist with compliance, City intends to:
 - host outreach events and trainings
 - provide technical assistance
 - develop resources, such as guidance documents, to help covered buildings comply with each component (benchmarking, pursuing audits, RCx, and prescriptive actions)
 - coordinate with external partners where appropriate

Next Steps

- December 3: Transportation & Environment Committee
- December 11: City Council
- January 2019:
 - Ordinance effective, pending Council approval
 - Initiate program implementation



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Questions and Input

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Thank You!

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