

# City Energy Project – San José

## Kickoff Meeting Minutes

**Date:** February 15, 2018  
**Time:** 9:00AM – 12:00PM  
**Location:** Environmental Innovation Center  
1608 Las Plumas Ave., San José

### Agenda:

- 1. Welcome - Kerrie Romanow, Director, Environmental Services Department (ESD)**
  - a. Background and context on Climate Smart San José sustainability efforts
  - b. Balancing innovation and aspirations with pragmatism and fiscal responsibility
- 2. Overview of City Energy Project – Ariel Carpenter, Technical Advisor, ESD**
  - a. Introduction of ESD as lead department for the City Energy Project (CEP) Benchmarking Policy
  - b. Attendees introduce themselves and affiliation
  - c. Overview of CEP San Jose Initiatives including
    - i. Benchmarking
    - ii. Zero Net Energy
    - iii. Multifamily Retrofits
    - iv. Commercial Financing
    - v. Green Leasing
    - vi. Code Compliance Assessment
  - d. Definition of 'benchmarking' as tracking building energy/water use overtime to understand performance relative to like buildings
  - e. Three essential components lead to market transformation and permanent change
    - i. Benchmarking
    - ii. Reporting
    - iii. Transparency
- 3. Benchmarking Overview- Walker Wells, Facilitator, Global Green**
  - a. Existing Policy Framework
  - b. Overview of National U.S. Building Benchmarking and Transparency Policies

- c. CA AB-802 Building Energy Use Benchmarking and Public Disclosure Mandate
  - i. Requires disclosure of energy consumption data
    - 1. All covered buildings over 50,000 ft<sup>2</sup>
    - 2. All nonresidential and multifamily buildings with 5+ utility accounts
  - ii. Benefits and Results from Other Cities
    - 1. Market Competition and Consumer Choice
    - 2. Energy and Cost Savings
    - 3. Job Creation and Economic Growth
    - 4. Smarter Government and Utilities

#### **4. BREAK**

#### **5. Benchmarking in San José**

- a. Building Stock Analysis and Policy Impacts
- b. Case Study Analysis of Los Angeles Building Stock (based on County Assessor data)
  - i. 2% of parcels responsible for 40% of energy use
  - ii. Phased-in Compliance Threshold
- c. Overview of San José Building Stock Coverage (based on CoStar Group building data; dataset does not including single family homes)
  - i. 50,000 ft<sup>2</sup> threshold (state mandate)
    - 1. 1558 buildings covered
    - 2. 13% of total number of buildings
    - 3. 70% of total ft<sup>2</sup>
  - ii. 30,000 ft<sup>2</sup>
    - 1. 2280 buildings covered
    - 2. 19% of total number of buildings
    - 3. 78% of total ft<sup>2</sup>
  - iii. 20,000 ft<sup>2</sup>
    - 1. 2930 buildings covered
    - 2. 24% of total number of buildings
    - 3. 82% of total ft<sup>2</sup>
  - iv. 10,000 ft<sup>1</sup>
    - 1. 4766 buildings covered
    - 2. 40% of total number of buildings

3. 90% of total ft<sup>2</sup>

d. Policy Development Process

- i. Understand Existing Policy Framework
- ii. Characterize Building Stock
- iii. Identify Lead Agencies
  - 1. Policy development
  - 2. Implementation
  - 3. Enforcement
- iv. Identify and Engage Stakeholders (current stage)
- v. Collaborate to Develop Policy and Implementation Plan

e. Task Force Timeline

- i. Meeting 2: Building Stock Coverage and Reporting Platform 3/15/18
- ii. Meeting 3: Data Access: Privacy, Disclosure and Automation 4/19/18
- iii. Meeting 4: Compliance Pathways 5/16/18
- iv. Meeting 5: Implementation and Enforcement 6/14/18
- v. Meeting 6: Final Workshop TBD 7/18/18

**6. Discussion Items**

a. Water

- i. The City of San José (CSJ) is behind in utilizing ground and recycled water vs domestic water; combining meters results in waste
- ii. What are CSJ's alternatives to purple pipe?
- iii. How can CSJ incentivize and 'allow' for innovation in water systems? Can CSJ support, instead of impede innovation?

b. Transparency and Disclosure

- i. Public disclosure and 'transparency' may be punitive- how will the data be used?
- ii. Are unique building characteristics like location, operations, density or occupancy considered? How is performance compared across building sectors?
- iii. How can we contextualize scores/performance for the public? Messaging and education is key to ensure building energy use is not misconstrued

c. Energy/Building Management Systems

- i. Reducing infrastructure maintenance backlog is a priority

- ii. Energy Management Systems have the potential for savings but motivation for installing management systems can be to increase autonomy or function rather than to improve efficiency
  - iii. Building Management Systems (BMS) for 'smart buildings' are installed but often not programmed to work properly, efficiently and optimize building performance – could that be part of the code?
    - 1. Customizing a BMS led to Energy Star rating of 98 for one example building
  - iv. Integral hired by PG&E to write a data management best practice guide, which may be valuable to distribute
  - v. CSJ should engage with 3rd party building firms
- d. Audits and Standards
  - i. ASHRAE process is similar to LEED
  - ii. ASHRAE is here as a resource throughout this process
- e. Community Choice Energy – San José Clean Energy
  - i. CSJ's new community choice energy program will enable increased local renewable energy generation, and consumer choice over power sources
  - ii. San José Clean Energy will eventually be able to fund new energy efficiency resource programs, which could be informed by benchmarking data through a policy
- f. Financing
  - i. How can we model smart cities and revenue streams from successful industrial/tech partners or pilots?
- g. Enforcement
  - i. Planning, Building and Code Enforcement Department (PBCE) currently implements incremental code enforcement, aligned with state building code
  - ii. Health and safety will likely always be prioritized over efficiency
  - iii. Changes to building code would potentially result in additional PBCE enforcement responsibilities
- h. Messaging and Education

- i. In addition to providing education and resources to building owners/stakeholders, CSJ should work to better promote success stories and communicate achievements of individual buildings
  - ii. Green lease language resources would be highly valuable for landlords and tenants
  - iii. CSJ should create “toolkits” on specific energy programs, efficiency technologies, best practices, etc. or partner with other organizations that have created these educational resources already
- i. Miscellaneous
  - i. Look at Stanford’s large retrofit and benchmarking projects to maximize return on investment from efficiency
  - ii. How will transportation technology like EV charging affect building energy use?
  - iii. Look at Seattle’s model for performance based codes
  - iv. Collaboration among ‘Smart Buildings’ to share data, cutting edge technology and best practices
- j. Recommendations for Additional Stakeholders:
  - i. California Apartment Association- Tri County Division
  - ii. Essex Trust
  - iii. Stanford University
  - iv. Catherine Sandoval – former CPUC and current law professor
  - v. Ken Huesby – Hillhouse Construction
  - vi. Kevin Bates – Sharp Development
  - vii. Jeff Arrillaga – Newmark Cornish and Carey
  - viii. Conservis
  - ix. National Water and Power
  - x. AUM

**Attendees:**

Mandy Abend – Irvine Company

Danny Alexander – Embarcadero Capital Partners

Brad Angell – Santa Clara County

Andrea Case – City of San José, Public Works

Ken Davies – City of San José, Environmental Services

Kurt Elvert – San Jose Water Company

Steve Flores – Local Union 393

Sharon Fredlund – Building Owners and Managers Association

Wes Gardner – Sobrato Organization

Tim Guster – Great Oaks Water Company

Jared Hart – City of San José, Planning, Building and Code Enforcement

Nicole Harvie – City of San José, Planning, Building and Code Enforcement

Angel Ibanez – City of San José, Mayor’s Office

Erik Jensen – California Energy Commission

David Kaneda – Integral Group

Hammad Khan – Jones Lang LaSalle

Warren Krause – City of San José, Planning, Building and Code Enforcement

Vanessa Lassesson- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)

Ada Marquez – San Jose State University

Lillian Martin – City of San José, Public Works

Brendan McEneaney – U.S. Green Building Council

K.R.S. Murthy – self employed

Kimi Narita – Natural Resources Defense Council

Daniel Nguyen – ASHRAE

Brandi Rodgers – Embarcadero Capital Partners

Ewell Sterner – Team San Jose

Anna Torres – Prologis

Mary Wimmer – Team San Jose

June Yip – Aedis Architects