COMMITTEE HEARING

BEFORE THE

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT

COMMISSION OF THE STATE OF CALIFORNIA

In the matter of,	)	
	)	Docket No.
	)	
Nonresidential Building Energy	)	
Use Disclosure Program (AB 1103)	)	

CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

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SACRAMENTO, CALIFORNIA

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*Leslie Cook, US EPA

*Tracy Narel, US EPA

Barry Hooper, San Francisco Department of the Environment

*Jamie Ponce, Chicago C40

*Nikhil Nadkarni, City of Boston

*Ted Bardacke, Office of Los Angeles Mayor Eric Garcetti

Jennifer Svec, California Association of Realtors

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Sara Neff, Kilroy Realty Corporation

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Fran Inman, Majestic Realty

Cheri Davis, Sacramento Municipal Utilities District

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1 P R O C E E D I N G S

2 JULY 2, 2014 9:08 A.M.

3 MR. ASHUCKIAN: Good morning. I'm Dave

4 Ashuckian. I'm the Deputy Director for the Energy

5 Efficiency Division here at the California Energy

6 Commission.

7 And I'm going to be the day's master of

8 ceremonies, so to speak. We have a very full agenda

9 today so we want to get started and stay on time.

10 We have a number of folks who are on WebEx.

11 Right now the count is over 50. And a number of those

12 folks are from the East Coast so we want to make sure

13 that we keep things in the morning session primarily --

14 or particularly because of the time differences.

15 As you may all probably know that on June 18th

16 the Commission adopted an order instituting

17 investigation to evaluate the efficiency and the

18 efficacy of the Nonresidential Building Energy Use

19 Disclosure Program, also known as AB 1103.

20 And so, this is the first workshop we're holding

21 to talk about how the program has been operating, get

22 input on issues and recommendations for how we might be

23 able to improve the program.

24 There's going to be three panels, started with

25 an initial presentation by our staff to kind of give an

overview and background of the program.

And then we're going to have a presentation by the EPA on the Portfolio Benchmarking Program.

And then the panelists will include other jurisdictions. The first panel will include other jurisdictions that have adopted and developed benchmarking programs, both here in California and across the country.

The second panel will include building owners and real estate industry folks to talk about how the program is actually operating for them.

And then the final panel is the utility role in participating in the program.

Just some housekeeping to start with, the restrooms are across the hall here on the outside.

Emergency exits are probably the door you came in, as well as there's a door to the left as you exit the building here.

If the fire alarm goes off, you should gather across the street in the park area.

On the second floor we have a cafe and they have, you know, refreshments as you might see fit.

We'll start off with the opening remarks by our Commissioners.

And with that, let's get started. Commissioner

McAllister.

COMMISSIONER MC ALLISTER: All right, well thanks everybody for coming. I want to also thank Dave and staff, Christine and Daniel, and other staff working on this for sort of accelerating the time frame for our work on AB 1103.

And I think this is a really important topic for the Commission and it's good that we've been able to move forward and sort of revisit it as we've gotten some experience under our belt and seen some obvious problems, and want to hear about any and all problems or successes, actually, if there are some, from stakeholders and just see how it's going out there in the world.

I want to acknowledge those of us here -- well, those on the dais and our agency counterparts that are here with us today.

Next to me, on my right, is Brian Stevens from Chairman Peevey's Office at the PUC. I want to thank Brian and we'll give him the opportunity to comment as well, for coming.

Jeanne Clinton from the Governor's Office and the PUC is here, as well, and she's been a great resource all along for many of the topics that we do here at the Commission and helping us interface with the

PUC.

And to my left is Commissioner Douglas, who will comment here, briefly.

On the far right is Pat Saxton, who's my advisor, and Jennifer Nelson, Commissioner Douglas's adviser.

So, just a couple of quick comments and so we can get the agenda moving here.

But, you know, 1103 is what we have done to date on disclosure in the nonresidential sphere in California. Disclosure as a topic or as a policy area is much, much broader than what 1103 contemplates.

And benchmarking is also much more broad. It's a large topic, it's a useful tool to develop, scope projects, understand a situation in any given building relative to its peers. And that's also a very broad topic.

So, 1103 really treats, I think, relatively narrow parts of each of these topics. You know, energy performance benchmarking is one thing. Benchmarking that is required by 1103 is a different thing.

Performance benchmarking has a longitudinal aspect to it. It's ongoing and you get regular updates from your utility or, you know, your energy information. And you look at how you're evolving over time so you can

make better decisions.

1103 is really a one-time thing at a transaction. So, obviously, we encourage everyone who is a position to do so to do performance benchmarking.

The State really needs to kind of move to institutionalize that kind of an approach.

So, I want to just lay out that context that 1103 is a relatively narrow slice of these issues but that there are broad benefits to going aggressively in these directions more comprehensively.

You know, a relatively small set of buildings are sold, leased, and re-fied, refinanced in any given year or period of time. So, there's a much broader market for this than just what is being treated by 1103.

So, at the same time I want to be clear there are statute that mandates benchmarking and disclosure for transacted commercial buildings. 1103 does that.

So, this is existing statute, there are existing regulations and folks should be complying with those.

So, that's one -- we believe that that's not actually happening anywhere near comprehensively in the marketplace and so that's part of the motivation for this workshop and for the OII and, potentially, if we decide to do so, reopening the regulation discussion.

So, you know, I also want to point out that

there are lots of different flavors of disclosure. You know, 1103 is between the transaction parties, so the seller, the owner.

Our regulations do require that the Energy Commission also be cc'd, essentially, on that transaction, on that reporting, that disclosure. That's our way of gathering information about the marketplace, but also just making sure that compliance is happening and one of the ways that we've -- how we've figured out that it's not actually happening.

So, many places, and we'll be hearing from some of them today, across the nation actually have public disclosure in place.

So, this is not public disclosure. This is, again, a subset of the possibilities in the disclosure universe.

So, public disclosure actually serves -- you know, when it's between the parties at the transaction, not even prior to the transaction, which is what 1103 does, it isn't actually something that's going to influence the transaction very directly, if at all.

It maybe gives the new owner some information to decide about possible investments in the building or the existing owner at refi.

So, public disclosure actually, you know, can

actually move the marketplace in ways that the sort of limited 1103-type of disclosure may not.

And so, you know, California needs to learn from the other experiences in public disclosure to see how it is affecting the marketplace, whether it is creating this kind of shift in culture towards energy efficiency and optimally-performing buildings.

So again, this discussion on 1103 is within this broader context.

So, the Energy Commission and the PUC are both very interested in 1103 and the conversations and dialogue that it inspires here, as we revisit it.

And we're very much aligned. I think, as the primary State agency on this as to where we need to go and what the benefits of various potential policies may be.

We're definitely interested in learning about it from other jurisdictions, other states, and the cities that are doing disclosure across the country, and also hearing what our stakeholders here in California have to say about it.

So, we see this, I see this as an important step towards gathering the kinds of information we need to understand where we want to go as a State, both ensuring compliance with 1103, improving, potentially, those

1 regulations, but also thinking more broadly about future
2 approaches that might help us get where we need to go.
3 So, with that I will pass to Commissioner
4 Douglas to see if she has some opening comments.
5 And then we'll move to the PUC and get on with
6 the agenda.
7 COMMISSIONER DOUGLAS: Wonderful, thank you.
8 Well, good morning, I'd like to welcome all of you to
9 the Energy Commission this morning.
10 My focus on this issue is fairly simple.
11 There's an existing requirement that, as part of certain
12 transactions for commercial real estate of a certain
13 size, this disclosure of energy information take place,
14 and that's got a statutory basis and an important policy
15 basis.
16 And as Commissioner McAllister noted, it's
17 really a first small step towards trying out and proving
18 the real possible benefits of this kind of approach.
19 And this is an approach, I think as we'll hear about
20 more this morning, is also being taken in other parts of
21 the country. And we'll hear about some of them today.
22 And so, really, my focus is that with this
23 requirement in place compliance should be simple, and
24 easy and straight forward.
25 And so, I'd really like to hear from all of the

1 speakers here about what the issues are with compliance
2 with this requirement, how can it be made easier and
3 more effective so that people can provide the required
4 information, and provide it with as few transaction
5 costs as possible, and as easily as possible so that we
6 can inform these transactions.
7 And also, so that as we think about how to make
8 this kind of process work better we gain needed
9 experience in this area and we find ways to make it
10 easier, not harder, to do that.
11 So, that's really what I'll be looking for
12 today. I really welcome the participation of everyone
13 here and on the WebEx, as well, and look forward to
14 hearing from you.
15 MR. STEVENS: Great. Good morning, I'm with the
16 Public Utilities Commission. I serve as an advisor to
17 President Michael Peevey.
18 So, really quickly, the mission of the PUC is to
19 serve the public interest by protecting consumers and
20 ensuring the provision of safe reliable utility service
21 and infrastructure at reasonable rates, with a
22 commitment to environmental enhancement and a healthy
23 California economy.
24 We regulate utility services, stimulate
25 innovation, and promote competitive markets, where

1 possible, in the communications, energy, transportation
2 and water industries.
3 So, President Peevey is the Lead Commissioner
4 for the Energy Efficiency Proceeding at the Public
5 Utilities Commission and so we have a significant
6 interest in ensuring that the Energy Commission has full
7 support from our agency to move forward with this
8 regulation.
9 We see this as an important component of
10 allowing the State to meet it's 2050 goals for GHG
11 reduction and kind of the broader environmental goals
12 that we have set so far.
13 So, I'm very encouraged to be here and I'm
14 thankful that the Energy Commission invited me.
15 Really quickly, I want to make note to a
16 decision that came out of the PUC fairly recently. It
17 was D0405016, and the title of that was "The Decision
18 Adopting Rules to Provide Access to Energy Usage and
19 Usage Related Data While Protecting Privacy of Personal
20 Data".
21 And in there, there was a use case. It was use
22 case 7 that pertained exactly to the scenario of
23 transactions for large buildings.
24 And there are two paragraphs in there that state
25 it. Essentially, one paragraph says that the Energy

Commission has statutory rights to this data. And the second paragraph says that the rules surrounding disclosure are fully within the jurisdiction of the Energy Commission.

And so, from my perspective I want to make sure that those directions of the PUC are carried forward and I look forward to helping the Energy Commission do so.

And I think that's about it. So, I'm really appreciative to be here today and I look forward to hearing the discussions.

COMMISSIONER MC ALLISTER: Great. Thanks Brian, and we appreciate you being here as well and representing President Peevey.

So, I'll pass it back to Dave and staff to get things up.

MR. ASHUCKIAN: Thank you very much. So, we'll start off with a background presentation by Brian -- I mean by Daniel Johnson. And he's our lead person right now on the AB 1103 program. And he was instrumental in helping us launch the program when it was launched last year, and did a lot of education and outreach to a lot of folks, both the real estate industry and building officials.

So with that, Daniel.

MR. JOHNSON: All right, good morning everyone.

1 So, I'm just going to start off really quickly and go
2 over the background of AB 1103.
3 Assemblywoman Lori Saldana authored Assembly
4 Bill 1103, which was approved by the Governor in October
5 2007.
6 The statute requires electric and gas utilities
7 to maintain energy use data and provide it to
8 nonresidential building owners upon request.
9 Additionally, the statute requires
10 nonresidential building owners or operators to disclose
11 Energy Star Portfolio Manager benchmarking data and
12 ratings for the most recent 12-month period to a
13 prospective buyer, lessee or lender.
14 So then, Assembly Bill 531 was approved in
15 October 2009 as a follow up to AB 1103, which amended
16 the Public Resources Code to allow the California Energy
17 Commission to manage the implementation schedule for AB
18 1103.
19 Regulations were adopted by the California
20 Energy Commission in October 2013. AB 1103
21 implementation for buildings, 10,000 square feet and
22 greater, began January 1st, 2014.
23 Okay, so what is the Nonresidential Energy Use
24 Disclosure Program?
25 So, one, as Commission McAllister mentioned, it

is a private disclosure.

Benchmarking is where buildings are compared to other buildings, nationwide, that have the same primary use.

Metrics, such as square footage, operational hours, and energy use intensity, or EUI, are all calculated in Portfolio Manager in conjunction with the electrical and gas energy use data to inform the owner of their building's performance.

As far as AB 1103 goes, it does allow for energy use estimation to protect real estate transactions.

Lastly, it transforms markets by making energy efficiency part of the conversation.

So right now you're going to see an infographic that we made, that shows what triggers an AB 1103 disclosure.

And you have to answer yes to all three of these questions.

So, the first one is, is the entire building, with the emphasis on "entire", is the entire nonresidential building being offered for sale, lease, finance, or refinance?

Does your building meet the size, which it has to be 10,000 square feet and greater.

And then the third one, is it one of these

occupancy types?

And you'll see that the different occupancy types listed are assembly, business, education, institutional assisted living, mercantile, residential transient, which would be like hotels and motels, storage, and utility parking garages.

And on the right you see there are two exempt classes, which would be factory and industrial, and also residential.

So, if you answered yes to all three of those questions, then you must make a disclosure for your transaction.

And to kind of walk it through really fast, just going to say that you have to make an Energy Star Portfolio Manager account, you have to put in your building's metrics, then you have to contact a utility and confirm their procedures for providing the energy use data.

You have to benchmark the building at least 30 days prior to a transaction.

Hold on one moment, people are saying that they can't see the slides online. Oh gosh, let's see here.

One more moment. Sorry guys, technology.

All right, so then, lastly, just a part of this is that once you benchmark a building you have to

1 produce a report in Portfolio Manager known as the Data
2 Verification Checklist. And then you have to disclose
3 that checklist to the prospective buyer, lessee or
4 lender at least 24 hours prior to a signature agreement.
5 And then you have to also submit the Data Verification
6 Checklist to the Energy Commission by e-mailing it to
7 that address. So, that's a quick compliance rundown.
8 COMMISSIONER MC ALLISTER: Dan, let me just ask
9 a question.
10 MR. JOHNSON: Sure.
11 COMMISSIONER MC ALLISTER: So, the slides will
12 be posted, right, or maybe already are, even, on the
13 website, just for --
14 MR. JOHNSON: They will.
15 COMMISSIONER MC ALLISTER: Okay, so anybody who
16 missed the first little chunk can check them out, but
17 the verbal description that you've given covers them
18 pretty well so far.
19 MR. JOHNSON: Yes.
20 COMMISSIONER MC ALLISTER: Thanks.
21 MR. JOHNSON: Okay, so just a quick rundown of
22 the outreach and education that I did last year.
23 We did webinars for both the IOUs and the POUs.
24 I did five workshops statewide for the real estate
25 industry.

1 Also, Bank of America in Los Angeles, the Los
2 Angeles Business Counsel, and OSHPD, which is the Office
3 of Statewide Health Planning and Development.
4 And then pretty much to tee up what today is all
5 about is this is just a graph of what we've received as
6 far as the reports.
7 And the top line is just sales. And I want to
8 definitely stress that AB 1103 covers sales, leases and
9 refinances. So, that is our compliance graphic for the
10 program so far since January 21st.
11 So with that, I'm going to turn over the
12 presentation to Mr. Andrew Burr, who works for the
13 Institute for Market Transformation. And he is going to
14 do a PowerPoint via WebEx so, yeah.
15 MR. BURR: Hi Daniel, can you hear me?
16 MR. JOHNSON: Yes, we can. So, just click --
17 MR. BURR: Can you see my screen?
18 MR. JOHNSON: You have to go and click "share my
19 desktop", which I didn't do earlier. There we go.
20 MR. BURR: Okay, can you see it?
21 MR. JOHNSON: Nope, still can't.
22 COMMISSIONER MC ALLISTER: So, maybe you need to
23 exit out of our presentation there.
24 MR. JOHNSON: There we go. You're all good to
25 go.

1 MR. BURR: Okay, thanks. Well, thank you to the
2 Energy Commission for having me speak today. I'm Andrew
3 Burr. I'm the Policy Director at the Institute for
4 Market Transformation. We're a nonprofit. We're based
5 in Washington, D.C.
6 It's about a hundred degrees here today. I hope
7 it's cooler where you all are.
8 We act as an advisor to city, states and the
9 Federal government on energy efficiency policy programs,
10 codes.
11 We also have staff in about ten cities around
12 the country, working within city government helping them
13 craft and implement energy-efficiency programs.
14 Most of that is through a new project that we're
15 running called the City Energy Project, which is joint
16 with the Natural Resources Defense Council.
17 What I want to do today is just give an overview
18 of the landscape on benchmarking disclosure policy.
19 You'll hear much more detail from some of the
20 presenters. I'll give some thoughts on what we see
21 changing and then, hopefully, tee up the other speakers.
22 This first graphic is the landscape of adopted
23 policies around the country. There are nine cities, one
24 county and two states that have adopted benchmarking
25 disclosure. California obviously was the first.

1 There's a bill in Cambridge, Massachusetts that
2 is in process. We expect that to pass.
3 There are a number of cities not on this map
4 that are seriously considering some sort of disclosure
5 policy. In North America they include Toronto and
6 Vancouver. In the U.S. it includes Ann Arbor, Michigan
7 and Portland, Oregon.
8 The yellow states on this map have had previous
9 legislative proposals for benchmarking disclosures that
10 did not pass.
11 The places I would draw your attention to are
12 Minneapolis and Chicago, two cities, both adopted last
13 year in the Midwest, which I think is a bellwether for
14 this type of policy moving off the coasts.
15 This next graph gives a little bit more
16 information on all these policies. There are a couple
17 of trends in here I'll draw your attention to.
18 The first is that about half of these adoptions
19 have occurred within the last 24 months. So, we see the
20 trend accelerating.
21 The second, if you look in the middle column,
22 benchmarking building type and size, you're going to see
23 that the cities have really coalesced around a building
24 size threshold that runs 25,000 square feet to 50,000
25 feet.

1 So, this is obviously very different than the
2 threshold that you all have in California. It's very
3 different than what was initially in place in Seattle
4 and what is currently in place in the State of
5 Washington.
6 What the cities have basically come to is that
7 they want to start with larger buildings, understanding
8 that these are the owners and operators that are more
9 savvy and in a better position to comply with this
10 stuff, before moving further down the market into
11 smaller buildings with much different ownership and
12 management profiles.
13 The third trend, this is the column on the
14 right, is you'll see that after 2010 there's been no
15 adoption that has been transacted-based. So, you're
16 really seeing a shift and a move into public disclosure,
17 where the market reports information to the city, or the
18 country, or the state and then that gets posted on a
19 public website.
20 This next slide, first of all, is only city and
21 county jurisdictions that have passed. These are IMT
22 estimates.
23 We are estimating that the numbers of properties
24 that have to benchmark annually now, under law, is about
25 5 billion feet.

1 According, again, to our estimates, if you add
2 California and Washington transaction-based
3 requirements, all properties that may need to comply,
4 you get up to about 11 billion feet.
5 So, these types of policies have gone from
6 something that was very boutique just a few years ago to
7 something that is affecting many of the largest real
8 estate markets around the country.
9 A couple words on policy goals. The first goal,
10 to reduce energy and carbon, and to create jobs is
11 really the top line goal that you hear most about.
12 And governments are trying to accomplish that by
13 strengthening market demand for energy efficiency,
14 building awareness with building owners and operators
15 about opportunities to improve efficiency.
16 The second goal, to expand energy transparency,
17 is very similar to the first goal and is a component of
18 the first goal.
19 But we've heard from some cities that the goal
20 is transparency in and of itself, which is different.
21 If you think about it as the goal of like a nutritional
22 label on food, the value there is simply to convey
23 information, and it's not tied to dependent outcomes,
24 such as decline in the obesity rate throughout the
25 country.

1 So, the second goal is related but can be
2 distinct from the first goal.
3 And the third is to make government smarter.
4 And I think everybody can agree nobody wants governments
5 crafting policy in areas that they know very little
6 about. Governments have, historically, known very
7 little about real estate markets, and even building
8 stocks, ownership profiles, things like that.
9 The information that is now being reported to
10 governments we think is going to help them design
11 policies that are much smarter, respond better to
12 conditions and, hopefully, allow governments to do more
13 efficiency with fewer taxpayer dollars.
14 A couple observations about what we see going
15 well and things that we think can be improved.
16 I think what you're going to hear from many of
17 the cities, later on today, is that compliance rates are
18 quite high in most places. I'll let them talk about the
19 reasons for that.
20 One reason I'll talk about, each of these cities
21 set up benchmarking compliance help centers, with actual
22 people there, where the market could call in and ask
23 questions about the regulation, could get help getting
24 started benchmarking.
25 And then centers, we think, have been a really

1 critical part of the success to date and the high
2 compliance rate.
3 In Seattle, 64 percent of their buildings that
4 were covered under their law called in to the help
5 center. Last year they received -- this help center
6 received more than 10,000 calls and e-mails requesting
7 assistance.
8 In Washington, D.C., 75 percent of the covered
9 buildings had a representative call the help center.
10 In Chicago, which just passed its first
11 reporting deadline, there have already been more than
12 500 market interactions that have gone to the help
13 center, e-mails, proactive outreach by the help center,
14 and inbound calls.
15 There is more and more emerging evidence that
16 the impact that benchmarking has and eventually what we
17 think the impact that disclosure will have.
18 The EPA ran a study on its set of benchmarked
19 buildings nationally and found a strong correlation
20 between benchmarking and annual decreases in energy
21 consumption. I think Leslie will probably talk more
22 about this.
23 Resources for the Future is a D.C. think tank,
24 and the Georgia Tech Public Policy School both ran
25 studies that projected that these ordinances would, in

fact, save energy.

The CPUC commissioned a study a couple of years ago that found a correlation between benchmarking and improved enrollment rates in the utility incentive and rebate programs, which we think is potentially a very consequential finding.

We're seeing more openness and appetite by utilities and regulators to consider data access solutions. I won't go into that a lot now.

And the last one is governments are beginning to analyze the data that they have coming to them, which we think is very positive.

The things that we think need to be improved are that data mobility, the benchmarking data that is being disclosed is not yet very mobile and it's not yet very visible.

So, cities, and states in some cases, are setting up websites.

What, really, I think the goal would be to make this information mobile and visible is to get it into existing information databases that the industry uses, such as CoStar.

The second, and this is kind of a byproduct of the mobility, is that we think that awareness by tenants is very low.

1 Ideally, the businesses and the residents in
2 multi-family buildings and commercial buildings are
3 using this information as part of the decision making
4 process. We're not really seeing that, yet.
5 Energy metrics can be a very tough thing to
6 convey well to markets.
7 I think the EPA metrics, including the 1 to 100
8 score are very good, but as these policies mature and as
9 we expect them to be impacting broader segments of the
10 market we need to be thinking about the best way to do
11 that.
12 And the last issue is that there are still major
13 issues, as you may hear later, with the energy data
14 access issue and utilities.
15 Very quickly on that, this graph gives you a
16 rundown of how several utilities that have data access
17 solutions have come to solutions.
18 So, where we see data access being supported by
19 utilities, they are aggregating multiple customer
20 accounts within a building together and giving that
21 information as a lump sum to the building owner or
22 manager, with the hope that it masks privacy and
23 confidentiality of any individual tenant.
24 But it gives the owner/manager enough to
25 conveniently gather the information they need to

benchmark which, of course, is tremendously, tremendously important.

COMMISSIONER MC ALLISTER: Andrew, can I ask a question? This is Andrew McAllister.

MR. BURR: Sure.

COMMISSIONER MC ALLISTER: Just a clarifying question. So, are all the programs that you have list there and that you've discussed in the map of the U.S. there, that you showed, are they whole building data? Is that the focus of the policy?

MR. BURR: They're all whole buildings, yes.

COMMISSIONER MC ALLISTER: Okay, thank you.

MR. BURR: So, this graph gives you two pieces of information, one, the account aggregation threshold that each utility is using.

We are seeing this from two accounts which is essentially no threshold up to five, and whether the utility has automated the upload of information into an owner's Portfolio Manager account, which I believe the California utilities have done, and several of these utilities listed here are doing.

And lastly, just a couple notes that I hope will be helpful perhaps later on in these conversations.

We do expect adoption trends will accelerate. There are about a dozen cities that are in some stage of

1 considering benchmarking disclosure policy in the U.S.
2 We will see resurgence, I think, of policy adoption at
3 the state level over the next 12 or 24 months.
4 We are, again, seeing more appetite by utilities
5 and regulators to get their heads around the data access
6 issue, and troubleshoot, and come up with solutions.
7 There have been policy positions by both the
8 Association of Regulatory Utility Commissioners and the
9 State Utility Consumer Advocates Association, both
10 encouraging regulators and utilities to come up with
11 solutions to get building owners better access to their
12 data.
13 Looking down the road, I do expect that there
14 will be some pretty significant changes to how
15 benchmarking disclosure policies are designed.
16 I think that the next tranche of cities and
17 states that looks at this will look at it with more
18 flexibility.
19 Meaning, if the goal of these things is to save
20 energy, there may be better designs to do that.
21 I think you're going to see cities give a lot of
22 consideration to SMART exemptions, opting people out of
23 the market disclosure if they have poor scores, in
24 return for enrolling in programs that will help them get
25 to savings, in exchange for enrolling in utility

1 incentive programs.

2 Basically, using benchmarking disclosure

3 policies to channel building owners that need help with

4 efficiency into programs that can give them that help.

5 And that's very different than how these policies have

6 been set up today.

7 I also think benchmarking compliance centers

8 will be undergoing a lot of changes over the next couple

9 of years.

10 Today they've been very effective in a very

11 narrow sense as compliance centers. They are a touch

12 point for all the buildings in these cities that need

13 the most help, so they're touch points for class B

14 buildings. They're touch points for buildings that

15 don't have management expertise to do the benchmarking

16 in-house, and the buildings that in general have less of

17 an idea of what their efficiency options are.

18 So, just to use these centers as a place to help

19 them comply with the benchmarking law I think is, in

20 some ways, a misallocation of resources.

21 And there are ways to tie in the help centers,

22 help get incentives in front of these owners, help get

23 them into other programs, help put financing programs

24 that the cities and states have crafted in front of

25 them, like PACE and On-Bill.

1 And the last thing I think is looking out, you
2 know, a number of years, the most disruptive change from
3 these laws I think will be the data that is being
4 generated, and given to the market, and to governments.
5 In New York, two and a half billion feet is
6 covered. In Chicago, a billion feet of space is
7 covered.
8 This is information at the building level on a
9 scale that the country just has not seen before.
10 So, I think as we keep going a lot of the focus
11 will be shifting to what can we do with this information
12 to make it powerful and to help accelerate energy
13 efficiency nationwide.
14 So, thank you. I hope this was helpful. last
15 thing I think is looking out, you know, a number of
16 years, the most disruptive change from these laws I
17 think will be the data that is being generated, and
18 given to the market, and to governments.
19 In New York, two and a half billion feet is
20 covered. In Chicago, a billion feet of space is
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23 scale that the country just has not seen before.
24 So, I think as we keep going a lot of the focus
25 will be shifting to what can we do with this information

to make it powerful and to help accelerate energy efficiency nationwide.

So, thank you. I hope this was helpful.

MR. JOHNSON: Thank you, Andrew.

Okay, so if you would just click "stop sharing", perfect.

So, the next presentation we're going to have -- that was --

COMMISSIONER MC ALLISTER: Hey, Dan, I wonder if we might have a couple of minutes for questions.

MR. JOHNSON: Sure.

COMMISSIONER MC ALLISTER: I guess he was supposed to end right about now, so maybe there's a chance for a couple of questions.

Andrew, are you still on the line?

MR. BURR: Yes.

COMMISSIONER MC ALLISTER: Hey, well, thanks a lot for your presentation, really appreciate it, and IMT's leadership, and it's great the initiative with NRDC, and we're all kind of -- I think we'll hear a little bit more about that from L.A.'s perspective, later, but really appreciate all the work that you guys have done.

Let's see, I guess I'm interested, we're all definitely interested in monitoring the impacts of these

1 policies, and sort of you listed a few resources that
2 have cropped up and a few studies that have been.
3 You know, I'm wondering if there are any
4 feelings, say in New York City or some of the larger
5 jurisdictions, about the economic impact and sort of the
6 measurable -- you know, what metrics are the ones that
7 seem to be the ones that have the most traction?
8 You know, I'm hopeful that, say in New York
9 City, we'll start to see the pipeline for energy-
10 efficiency projects or for building upgrades generally
11 sort of be primed by this information, and then the
12 economy will grow, and you'll have sort of job flow
13 that's measurably increased as a result of this.
14 I wonder if there's any evidence of that so far?
15 MR. BURR: There's limited evidence. You know,
16 I'd say, of course, anything that is market-based will
17 take some time to ramp up.
18 We ran a somewhat limited study in New York
19 City, looking at the attitudes of the building energy
20 services industry toward the entirety of the Greener
21 Greater Buildings Plan, which New York City passed,
22 which it's disclosure, plus audits, and
23 retrocommissioning, and other measures.
24 And we found a lot of optimism among that
25 sector. These are large S Cos., these are also smaller

1 companies, and they're also software companies that are,
2 you know, leveraging data in new ways.
3 I think it's important, if you're looking at
4 economic impacts, to be looking at the energy services
5 sector.
6 I think if this sector is growing, it's going to
7 be a proxy for the type of economic impacts that you
8 would expect.
9 And, of course, this sector has been very
10 excited about these types of policies, understanding
11 it's very difficult for them to sell efficiency in the
12 markets, you know, where building owners and managers
13 don't have a good understanding of the opportunities.
14 COMMISSIONER MC ALLISTER: Thanks. And that --
15 we're all dependent on -- you know, interested in
16 hearing as anything evolves. So, if you could let us --
17 sort of keep us in the loop on what happens in those
18 primary jurisdictions that would be great.
19 So, you mentioned these centers. And I'm
20 wondering, is there kind of a standard definition or a
21 standard approach that the different jurisdictions are
22 using? Sort of is it a call line? Is it a physical
23 place? What kind of staffing, I guess?
24 You know, I'm hearing from you that that seems
25 to be a key component of getting good compliance. You

1 know, providing good customer service, basically, and
2 potentially creativity utilizing the information that's
3 coming in to help people make better decisions.
4 I'm wondering if you can expand on that just a
5 touch.
6 MR. BURR: Yes, I would expect that each of the
7 cities will talk about their own help centers.
8 They have all felt that they've been, again, a
9 critical part of the success. And I think each of the
10 cities has felt some obligation that if they were going
11 to pass these regulations that they set up the
12 appropriate things to help owners comply.
13 These are staffed centers. They are mostly
14 communicating with the market through phone calls and e-
15 mails.
16 I know in Seattle they did set up -- they
17 scheduled time in computer labs around the city to help
18 owners or managers that did not have computers, which is
19 actually a problem that they ran into, especially when
20 they got down to around 20,000 feet for their building
21 threshold.
22 So, it's being done in a number of different
23 ways across jurisdictions.
24 It is a capital outlay. It's not huge. But I
25 think what the cities will say later on is that it has

generated huge return for them in terms of acceptance in the market for these laws and compliance rates.

COMMISSIONER MC ALLISTER: Okay, great.

Then, really, just one other question, you know, we were talking about a -- you know, not just one city, even a large city, but a whole state that's going to pretty soon have 40 million people in it, and a number of major, major metropolitan areas, but also a lot of rural areas. So, we're talking about something that's a little bit different.

So, you know, just keeping that in mind, I guess, it does up the ante a little bit. And it means that, you know, this idea of being flexible I think is even more important in a case like California versus, you know, an individual metropolitan area.

So, it would be helpful -- so, we have EPA and Leslie will be speaking here pretty soon. But I wanted to kind of -- you know, we're very interested in a bit of a two-way street, or at least building flexibility into the program such that we can -- yeah, as Commissioner Douglas said, decrease as much as possible the transaction costs of compliance for this, you know, very large market.

And I'm wondering sort of how you see the role of Portfolio Manager in these programs? You know,

1 what's the level of standardization around Portfolio
2 Manager in the suite that's out there already?
3 MR. BURR: All of the places that have adopted
4 are leveraging Portfolio Manager. It's, I think, under-
5 appreciated how much this has help that it's standard
6 across all of the laws, and that the tool that was
7 chosen by governments, Portfolio Manager, is -- you
8 know, it's free, a lot of the market knows how to use it
9 already, things that I think have been critical to the
10 success.
11 If you look at Europe, where this is required by
12 the commission, basically energy rating for all their
13 buildings, in the 26 or 28 member states, each one of
14 them has different schemes, different rating schemes,
15 different requirements, different tools.
16 So, what was intended to bring some
17 standardization across the European markets has almost
18 totally failed.
19 The owners and operators have to run different
20 tools and methodologies in different countries. You
21 cannot compare these things from country to country.
22 So, I think we've avoided a lot of that by
23 virtue of Portfolio Manager here. It's just been very,
24 very important.
25 COMMISSIONER MC ALLISTER: So, yeah, great and

I'm glad to hear that pretty much comprehensively people have seen the value and are using it.

And I guess I would -- so, finally, just following up on that idea, you know, we -- California's a big state, and it's got lots of people with a very diverse population, demographics, geography, et cetera.

Any ideas, just briefly, or in the future you can chime in offline about migrating from, you know, a city context, a more specific context say in, you know, a New York City or Chicago and even though New York is big, it's New York City, to a statewide effort, like our case here in California?

MR. BURR: Yeah, that's touch. I would consider options that would give implementation authority at more local levels. I don't know what they are, but there's no question that, you know, cities have been a nice contained environment.

City leadership, you know, there's a focus on picking up trash and removing snow in cities, and this has certainly helped, implementation for energy initiatives, like this.

I don't know what would be entailed there. So that would be one thing, looking at where the authority for implementation sits.

The other, last comment is each of the cities

1 has run analyses on their building stocks to help set
2 their thresholds. And where most of them have come out
3 is at what size building do we need to go down to, to
4 hit half or more of our total real estate footprint.
5 And for most cities that's been, you know,
6 between 25,000 and 50,000 feet.
7 So, there's been an emphasis on making this as
8 implementable as possible from the city administration
9 perspective, and also covering as much of the stock as
10 they can.
11 I don't know that California has done that. It
12 is much more difficult, certainly, at the state level,
13 but it's something I would consider doing.
14 COMMISSIONER MC ALLISTER: Well great. Well
15 thanks. I'll stop there, but thanks very much. I
16 really appreciate your helping us set the context.
17 And anybody else on the dais have any questions?
18 MR. STEVENS: This is Brian Stevens from the
19 PUC. A really quick question, I'm trying to understand
20 the bookends of what's going on out there in terms of
21 different jurisdictions.
22 Have any jurisdictions proposed single-family
23 benchmarking or disclosure?
24 MR. BURR: Yes, most of them have failed
25 politically.

MR. STEVENS: Yeah, I would imagine.

MR. BURR: The place that it is in effect is Austin, Texas. And they have a single-family audit requirement tied to the time of sale. This is for single-family homes. It has been in effect for a couple of years, now.

They also have a mandatory upgrade requirement for multi-family buildings of five units or more, if the multi-family building uses significantly more energy than the average multi-family building in the Austin Energy service territory.

So, those are probably the best examples of programs that are operational.

MR. STEVENS: Awesome, thank you.

COMMISSIONER MC ALLISTER: Okay, let's go back to the agenda. Thanks Dan.

MR. JOHNSON: All right. Thank you, Andrew.

MR. BURR: Thank you.

MR. JOHNSON: Yes. So, next we're going to have a presentation, we're joined by Leslie Cook and Tracy Narel from the United States Environmental Protection Agency. So, I'm going to turn it over to them.

All right, Leslie, are you there?

MS. COOK: Hi, I am here.

MR. JOHNSON: All right.

1 MS. COOK: And I'm getting my slides up and
2 ready to go. Okay, can you see my first slide?
3 MR. JOHNSON: Real quick, Leslie, I'm going to
4 invite Alice Liddell up.
5 MS. COOK: Yeah, thank you.
6 So, while Alice is coming up, folks, thank you
7 for having us on. We appreciate the Commission for
8 having EPA participate in today's workshop.
9 I'm Leslie Cook with the EPA Energy Star
10 Program. And within our Buildings team I do lead our
11 state and local work, and that would include working
12 with all the cities and states that include benchmarking
13 as part of their mandatory policies, as Andrew
14 discussed, but also more broadly in their lead-by-
15 example or voluntary programs.
16 Tracy Narel is also on the line. And Tracy is
17 responsible for our utility partnerships across the
18 country. So, of course, that includes those in
19 California.
20 And I think Alice has joined you at the front
21 there. Alice Liddell is -- I'm happy she can be there
22 in person with you today. She works at ICF
23 International in support of our Utility Partnership
24 Program at Energy Star. So, she'll be there as a
25 resource during this session, but also throughout the

rest of the day.

So, I'll go ahead and get started. I really wanted to join you today and, hopefully, go through some of the ins and outs of Energy Star and focusing in on our Portfolio Manager benchmarking took that is at the heart of today's topic, and in the context of California AB 1103.

And discuss about how some utilities around the country and, of course, there in California are leveraging Portfolio Manager in their programs.

First, I would like to thank you again for having us as part of this workshop today. We are a national voluntary program that is delivered through EPA.

And, really, the rationale of our program, which has been existence for over 20 years and we plan to stick around for 20 years and beyond, is that there is a huge cost-effective opportunity to reduce energy waste as a way to get to protecting our climate and our air quality.

And, of course, everyone who is implementing these low-cost strategies or cost-effective strategies are saving a lot of money along the way, and generating activity in the marketplace, and green jobs, as Andrew did a great job of covering.

1 Specifically, to the CNI sector, we're seeing
2 that up to a third of the energy use in these facilities
3 can be wasted. And so, narrowing down on existing
4 facilities and new facilities is a great way to target
5 the reduction of unnecessary greenhouse gas emissions
6 and energy costs.
7 So, Energy Star is a program for commercial and
8 industrial facilities. We've been around for over 15
9 years, now.
10 And really at the heart of the Energy Star
11 voluntary program is that managing energy with a
12 standardized measurement system for the buildings and
13 plants is a key strategy for successful energy
14 management, for asset management and for cost
15 management.
16 We do provide the Portfolio Manager tool as the
17 delivery mechanism for these standardized measurements,
18 and ways to set goals, and track your progress, and that
19 is at the heart of our program.
20 We're going to focus on that today. But I would
21 be missing an opportunity if I didn't highlight that we
22 have a lot of other resources available for no cost,
23 through the Energy Star Program, such as energy
24 management approaches all the way from top execs in an
25 organization, state, company and nonprofit all the way

1 down to -- or not down, but through energy managers, and
2 those that are working in the facilities, and tenants,
3 and occupants that are making energy decisions every
4 day.
5 We've got these guidance documents, these
6 educational materials and recognition. It's all
7 available because we want this information coming out of
8 the activity of benchmarking to not only be very easily
9 understandable, but actionable. And that's the heart of
10 our Energy Star Program.
11 So, I promised I would focus on Portfolio
12 Manager as the topic of today. And, really, Portfolio
13 Manager is both at the heart of the tool management tool
14 and also a metric calculator.
15 This is EPA's measurement tracking tool and
16 it's, again, cost-free, available online in a secure
17 environment. And it's available to benchmark and assess
18 properties of any type.
19 And Commissioner, you asked a question about
20 single-family homes. That's not really the focus of
21 Portfolio Manager. We do have a few folks across the
22 country using the tool to benchmark their homes. You're
23 welcome to.
24 But the interface is more designed for
25 commercial properties. And by that we mean, really, any

1 property that's not a single-family home or
2 institutional -- or, sorry, industrial, manufacturing
3 facilities. We've got tools for those different types
4 of buildings.
5 But Portfolio Manager is meant for those that
6 are covered under AB 1103.
7 And the tool enables you to track energy
8 intensity, energy cost, greenhouse gas emissions, and
9 water, if that's something that the user chooses to
10 track, which I know is of important in California, now.
11 And, you know, as a management took this really
12 is an asset that can be used to manage your whole
13 building energy and water consumption.
14 Understand where that consumption lies, not only
15 as compared to your own performance over time, as
16 building owners and managers are tracking their progress
17 towards meeting goals, but also as a way to compare
18 yourself to peers across the country. And that's
19 available for many building types through the 1 through
20 100 Energy Star score.
21 For all of these reasons, all of these functions
22 that are delivered through Portfolio Manager that we are
23 hearing that that is the reason why this is the tool
24 that has been chosen by the cities and states that have
25 existing benchmarking policies.

1 And the next slide shows a visual from our Data
2 Trend series. You know, I think another reason why
3 policymakers are choosing Portfolio Manager as the
4 platform to build upon -- build energy-efficiency
5 policies upon is that we are seeing, across the board,
6 as EPA and other organizations are doing some good
7 research into the connection between benchmarking and
8 then energy savings. We're seeing consistent
9 benchmarking is resulting in energy savings and improved
10 performance.
11 And, of course, there's a lot wrapped up here
12 and it's important to say what these graphs show and
13 what they don't show.
14 And what they do show is that over a class of
15 buildings, around 35,000 buildings actually had good,
16 consistent data from 2008 to 2011, showed a seven
17 percent savings over that whole period, so about a 2.4
18 percent savings per year.
19 And it showed a coordinating 6.0 increase. So
20 that is good. You know, the score is normalizing for
21 business activities. And there was a recession during
22 that time.
23 So, it was good for us to see in the research
24 that the energy use decrease corresponded with an Energy
25 Star score increase.

MR. STEVENS: Hey, Leslie, this is Brian Stevens. I have a quick clarifying question.

MS. COOK: Sure.

MR. STEVENS: So, are these the same buildings that are measured over time or are these different buildings?

MS. COOK: These are the same buildings.

MR. STEVENS: Okay, got it.

MS. COOK: So what we did is we isolated. There are over 300,000 buildings, actually, benchmarking in Portfolio Manager. We isolated these 35,000 buildings and did one study on them.

MR. STEVENS: Got it, thank you.

MS. COOK: Sure.

COMMISSIONER MC ALLISTER: Leslie, this is --

MS. COOK: Yes?

COMMISSIONER MC ALLISTER: This is Andrew McAllister.

So, just kind of a clarifying question, I guess. So, this is the subset that you were able to isolate that has, you know, longitudinal information that you were sort of confident in.

I guess I'm wondering, of the whole population of users which do you think, you know, what portion of that is sort of one-off uploads versus people actually

1 doing performance benchmarking over time, and maybe
2 working with their utilities, or whatever, to get their
3 data monthly or regularly into the tool?
4 MS. COOK: Sure. Well, I would say that a good
5 proportion of our benchmarking activity is repeat
6 performers or repeat users.
7 I don't have the number right off the top of my
8 head, but I can get that for you. I believe it is at
9 least over half.
10 COMMISSIONER MC ALLISTER: Okay.
11 MS. COOK: We see the same type of activity in
12 our Certified Buildings, which is available either as a
13 one-time deal, or something that organizations strive
14 for every year, or at some repeat time.
15 COMMISSIONER MC ALLISTER: Great, that would be
16 helpful.
17 MS. COOK: I would say that -- sure. And I
18 would say that any time where data availability is less
19 of a barrier, we would see probably a greater uptick in
20 repeat benchmarks. You know, removing that barrier
21 would help to decrease the time needed to continually
22 update your information.
23 Great, if there's nothing else right at this
24 moment for questions, before I move this from the slide,
25 there is a lot of other really great information in our

1 Data Trends Report series, available at the website
2 energystar.gov/datatrends.
3 This is just one graphic from one report and
4 there's a lot of good stuff there available for you.
5 So, we did refer to those 35,000 buildings that
6 were studied in that report. But I think it's good to
7 know, and Andrew mentioned that policymakers are
8 choosing this tool because a lot of the building owners
9 that they're targeting in jurisdictions are familiar
10 with Portfolio Manager because it has been adopted as
11 the energy standard.
12 And here are the numbers to support a statement
13 like that. As of last December, of 2013, the tool is
14 accessed by more than 70,000 accounts and that's
15 covering 325,000 buildings, and representing more than
16 30 billion square feet of commercial space.
17 And we're seeing that number grow pretty
18 exponentially each year.
19 You know, over time this has been the tool
20 that's adopted by leading commercial real estate,
21 healthcare, educational, governmental organizations
22 across the country.
23 And really, for the bulk of the history of
24 Energy Star's CNI Program all of that uptake was done
25 voluntary because these organizations have been adopting

1 energy management with Portfolio Manager as a best
2 practice.
3 And that's what led us to the point where I
4 believe that these governments, or states and locals are
5 now choosing the tool as a platform for their various
6 programs and policies.
7 And that -- there's a wide variety of the types
8 of programs and policies at state and local governments,
9 and the Federal government has incorporated benchmarking
10 into.
11 One of which, at the Federal level, is that
12 Portfolio Manager is required for use to track and
13 benchmark Federal properties. And, you know, the
14 reports coming out of that process are used to track the
15 progress towards how the Federal government is reaching
16 their set goals to become more energy efficient.
17 It's also the tool that's been selected by the
18 Canadian government as their platform, as they build an
19 Energy Star-like program to our north.
20 So, that's the national landscape. You know,
21 what is driving benchmarking right there in California,
22 of course we all know there's AB 1103, that's what we're
23 here to discuss today. That's the statewide mandate.
24 We also see there are other -- there's a local
25 ordinance in San Francisco that is driving benchmarking

in that market.

And you also have the CPUC benchmarking goals for the State of California.

That's very important and something we're very much wanting to continue to support. It's good to know that there are other voluntary drivers that are bringing customers, utility customers to Portfolio Manager.

And those are some of the great utility programs that we're seeing throughout California that support benchmarking and promote it as a best practice for customers, and integrate benchmarking into program design to get more bang for their buck.

We're also seeing, like we have for the past 15 years, continuing to pursue benchmarking as a best practice in general.

And also, seeking Energy Star certification, which is the EPA recognition for top performers. That is an activity that we see growing across the country and, certainly, in California.

The City of Los Angeles actually has the most Energy Star certified buildings of any city across the country.

And then, of course, those that are seeking recognition from industry associations. Many of those industry associations have put out their own programs to

1 support and promote energy efficiency, and benchmarking
2 is at the heart of those.
3 To give you a bit of a visualization of, you
4 know, all of the -- these are voluntary and mandatory
5 programs that are in place across the country that
6 specifically mention the use of Portfolio Manager.
7 And you can see there are lots and we're
8 constantly shading in states and adding cities.
9 So, with all of that driving the benchmarking
10 activities, utilities certainly have been and continue
11 to come to the table to see how this tool can be
12 incorporated into programs, and also to help customers
13 get the most out of this benchmarking activity by
14 understanding the information and then acting on it,
15 perhaps going back to their DSM programs, for instance.
16 So, you know, at the broad scale there are many
17 ways that these energy-efficiency programs can use
18 Portfolio Manager to encourage that improvement at the
19 whole building level and in a performance-based way.
20 You know, first, utilities can use Portfolio
21 Manager as an educational tool simply by sharing
22 information about Portfolio Manager with all their
23 customers, and they are providing links to their
24 websites.
25 And, great, we've got some examples on the

1 screen here from some utilities, PG&E, and New Jersey's
2 Clean Energy Program, and also Wisconsin's focus on
3 energy, and folding it into these educational programs
4 and outreach.
5 As a next step, utilities are and have come to
6 us to learn more about how they can, in the future, use
7 Portfolio Manager in various ways as they are assessing
8 building performance within their customer base to
9 identify the buildings that have significant energy
10 efficiency potential.
11 And this is really a great took to empower the
12 utilities so that they can make the best use of their
13 program resources.
14 And then, finally, utilities can develop
15 programs that integrate benchmarking. Go a big deeper
16 and integrate benchmarking as a key component of program
17 delivery. You know, providing that higher level of
18 support for customers that are interested in
19 benchmarking their facilities.
20 And, you know, to support benchmarking at the
21 greatest scale, some utilities have, as they've already
22 done in California and some across the country, they can
23 use Portfolio Manager Web Services to take it to scale
24 and allow their customers to request the download of
25 their energy data into their Portfolio Manager accounts.

COMMISSIONER MC ALLISTER: Leslie, can I ask a clarifying question on that last point?

MS. COOK: Yes.

COMMISSIONER MC ALLISTER: So, in a multi-tenant situation, say a building owner that wants whole-building data, that is -- that can be uploaded directly into Portfolio Manager; is that correct? I mean we've heard about --

MS. COOK: That is correct.

COMMISSIONER MC ALLISTER: Yeah, okay, so it doesn't have to be account by account, it can be whole building directly?

MS. COOK: Yeah, there are various ways, various paths to integrate Web Services. You know, the heart of -- this is a machine-to-machine communication. And the design of that interaction can be using whole-building energy information. It can be using -- well, let's say tenant-level information.

COMMISSIONER MC ALLISTER: Great, thanks.

MS. COOK: And furthermore, an account, Portfolio Manager is capable of allowing a user to have multiple utility providers using Web Services to import energy data. So, you know, you can have an electricity or natural gas provider, or even a water utility all providing information to your Web Services account.

1 COMMISSIONER MC ALLISTER: Oh, interesting,
2 okay. Thanks very much. I appreciate that.
3 MS. COOK: Uh-hum. Okay, so to try to remove
4 any mystery around, you know, what does it take to
5 benchmark a building in this tool, what you see on your
6 screen or there, in person, is what it takes.
7 And this is not, you know, a terribly complex
8 process using very difficult-to-obtain information. But
9 the idea here is that once a building owner or manager
10 has decided to benchmark, either voluntarily or let's
11 say that there was an AB 1103-triggered event, they have
12 the responsibility of entering in some specific
13 information about the property into Portfolio Manager.
14 So, I just wanted to clarify that it's the
15 building owner, or manager, or perhaps the service
16 provider that they've hired that established their
17 Portfolio Manager account, or just continue to keep that
18 account up to date.
19 This is something they've set up for themselves
20 and, you know, accessed themselves, and they are
21 responsible for keeping these, you know, general pieces
22 of information up to date, like the address, the number
23 of buildings on that facility property, and then also
24 the space use information.
25 So, that's important to note because that

information is known by the facility owner, or manager, or service provider and not necessarily by the utility provider. So, that's their responsibility.

And then over time, once that information or a building's profile is set up in their Portfolio Manager account, the other item, very critical item needed to benchmark a building is 12 consecutive months of energy consumption.

And this is representing all fuels consumed across the entire square footage of a property, so whole building, real data from utility bills.

And this is what is kept up to date over time. Certainly, you know, space use data such as hours of operation may be tweaked over time, here and there, as the operations of the building changes, but this over-time benchmarking activity really is the process of keeping the energy consumption and water consumption, if that's part of what the user's tracking, keeping that up to date.

And this is where a customer may call upon their utilities to provide that information to help the with their benchmarking activity.

So, we do have, and I'm going to breeze through the next couple of slides, but we have a very different options of using the tool. It's very flexible. We've

1 got different organizations at different scales using
2 the tools.
3 So, these options are necessary to help meet all
4 the needs of our users.
5 Single-building manual entry is the simplest
6 way. That people are just signing into their account,
7 they've got all the information they need. This is
8 generally how people will interface with Portfolio
9 Manager for a small-scale, perhaps one or a few
10 buildings at a time.
11 For those partners, those users that are
12 benchmarking and managing a larger number of properties,
13 we've got a bulk data upload option. This is done via
14 Excel spread sheets. And this allows the users to
15 create, populate and update meters and their meter
16 consumption data a bit more quickly in bulk.
17 So, you know, rather than entering each value
18 into the Portfolio Manager interface screen by screen,
19 the user can collect all the data points and fields into
20 a single spread sheet, and upload the spread sheet into
21 Portfolio Manager.
22 And this is really a time-saving feature for
23 these users, but it also presents an opportunity for
24 utilities to assist.
25 So, for instance, we've had -- we've had the

1 case where some customers could conceivably download a
2 pre-defined template for one or more of their properties
3 that they're benchmarking in Portfolio Manager. And
4 they could request that a utility fill in that energy
5 consumption data and return it to them.
6 Of it made more sense, the utility could provide
7 the energy data to a customer, upon their request, and
8 then they drop that energy information into their spread
9 sheet and upload it to the tool.
10 Either way, this is a good solution for bulk
11 data via spread sheets.
12 And Web Services is not necessary in this type
13 of transaction.
14 So, the third example you see there is the Web
15 Services, Portfolio Manager Web Services example.
16 And like I said before, this is a more direct
17 machine-to-machine pass to support customers' data
18 needs.
19 And Web Services is allowing for the direct
20 transfer of data from a utility's data system to the
21 customers building record or records in Portfolio
22 Manager.
23 So, you know, once a connection between the
24 utility and the customer is established through Web
25 Services, you know, agreed upon by each party, the

utility has the ability to then provide ongoing transfer of energy data each month.

And as part of that process, which can be customized, there is a way for utilities to put in place validation and terms and conditions for that agreement between the customer and the utility to put this service in place.

MR. STEVENS: Yeah, Leslie, a really quick clarifying question.

MS. COOK: Sure.

MR. STEVENS: For the Portfolio Manager Web Services does the owner of the building -- or is the owner of the building required to have a computer or access to technology, or is that all through the utility?

MS. COOK: Well, I would say someone would need to have access to technology to use Portfolio Manager.

MR. STEVENS: Okay.

MS. COOK: And perhaps if that building owner or operator does not need to be directly involved, they may hire a service provider to manage their Portfolio Manager account.

But because that responsibility of, you know, opening an account, keeping that building information up to date and maintained is on the user side, someone on

1 that end of that process needs a computer.

2 MR. STEVENS: Got it. Okay, I'm trying to think

3 about how a less-tech savvy or lower-income folks would

4 use the tool. So, thank you.

5 MS. COOK: Yeah, I would say if that's the user

6 case then perhaps they would find it more helpful to use

7 just the single-building, manual data management, you

8 know, option where they're just typing numbers into a

9 computer.

10 But again, they would need to have access to,

11 you know, a computer of some sort.

12 COMMISSIONER MC ALLISTER: Leslie, this is

13 Andrew McAllister.

14 Let's see, I guess I'm envisioning the scenario

15 where you've got an owner who needs to comply with 1103,

16 and that means whole building data. And I'm wondering

17 what the pathway or pathways are for getting that data

18 into Portfolio Manager.

19 You know is the Web Services utilizable for that

20 aggregated data upload or does the Web Services only

21 apply to account-by-account?

22 MS. COOK: I will do my best to cover this and

23 Tracy Narel may want to jump in if I leave something out

24 or get something wrong.

25 But in the most general sense Web Services can

1 import energy consumption information at the whole-
2 building aggregate level or at the tenant level.
3 So, you know, in terms of what the schema
4 supports, what the Energy Star Web Services supports,
5 that's a choice or those are two options.
6 You may even have, you know, a building owner
7 that is importing aggregate level information. Perhaps
8 they do a tenant outreach campaign and their tenant
9 decides to use the tool on their own to track their own
10 progress. And we like to see that and it's possible.
11 Tracy, do you have any input as to how this
12 is --
13 MR. NAREL: Well, I think you've covered it.
14 The Web Services absolutely can import aggregate data
15 that represents the consumption for an entire building.
16 I think tens of thousands of buildings are
17 routinely benchmarked using that type of aggregate,
18 single-value energy number for a building because a
19 number of our service and product providers who offer
20 this as a service in the marketplace, that's their
21 approach.
22 And we've also seen utility users of the Web
23 Services transmit aggregate data, as well.
24 So, currently all of the -- I mean all the major
25 IOUs, and SMUD, and LADWP all use our Web Services to

1 transmit data on behalf of their customers into
2 Portfolio Manager.
3 And in fact, you know, as a group the California
4 utilities were the first utility users of the Web
5 Services and, you know, kind of pioneered that putting
6 in place -- they're first generation systems as far back
7 as 2007.
8 So, there's quite a bit of experience in your
9 market already.
10 COMMISSIONER MC ALLISTER: Great, thank you.
11 MS. COOK: Good. Okay and I think that long
12 history of integrating Web Services into how they're
13 interacting with customers in California, I think we've
14 seen really good examples come out of California that
15 show the value of Web Services for utilities.
16 So, of course, there's great value for utility
17 customers in taking down the transactional costs, sort
18 of the barriers to accessing data.
19 There's a lot of benefits for utilities. And
20 again, a lot of these are coming out of California
21 experiences.
22 So, you know, it's great to provide a valuable
23 customer service and that's pretty obvious in this case.
24 It also allows utilities that are providing
25 these Web Services -- or are using Web Services to

1 provide energy data to engage their customers through
2 this new communication channel.
3 The third bullet I think is pretty important
4 here. From the utility's perspective, using Portfolio
5 Manager Web Services to provide a customer's energy data
6 into Portfolio Manager, that machine-to-machine
7 communication is a two-way street.
8 So, it allows the utility to access additional
9 Portfolio Manager information such as their whole-
10 building energy matrix, like weather normalized energy
11 intensity, the 1 through 100 Energy Star score about
12 these customers' buildings.
13 So, you know, it's allowing the utility to match
14 meters which have been in place, but may not have
15 necessarily been connected all up to a physical
16 facility.
17 So that, in and of itself, is a great value to a
18 utility and certainly a program manager of a DSM
19 program.
20 Looking across the broad spectrum of all the
21 customers in a market, they can use these Portfolio
22 Manager metrics that are coming back through the Web
23 Services to identify trends and performance level by
24 building type, look at how various operating
25 characteristics are driving energy use, perhaps in a

1 certain, particular market.

2 So, that's important to note. Of course, this

3 is a great way to motivate building managers or owners,

4 or the service providers that they're working with to

5 understand their building's performance level past,

6 present and future, and drive those motivated customers

7 to participate and drive up numbers in these local or

8 regional DSM programs.

9 And then over time, as Web Services are

10 deployed, you're helping your customers track their own

11 buildings. But then you're also, as a utility, able to

12 track customer building performance over time and

13 evaluate the effectiveness of the various programs.

14 Tracy noted that there are a number of utilities

15 across the country that are using Portfolio Manager Web

16 Services to support customer benchmarking.

17 Here's an up-to-date rundown as of June of this

18 year. And you see a number of utilities in California

19 that are part of this growing number of utilities using

20 Web Services.

21 It's good to know that we did have a tool -- we

22 had an upgrade of Portfolio Manager and that's to the

23 user interface and also to the Web Services schema in

24 July of 2013. And some -- and all the utilities that

25 were providing support to their customers by using Web

1 Services did have to go through the update with us. And
2 we are seeing a good adoption across the board of those
3 that had provided services pre- and post-update are
4 getting back online.
5 And some, like those few in California are
6 getting back online and we're seeing that process
7 getting underway and we're here to support that moving
8 ahead.
9 So, I will end just with a few links where you
10 can go to get some examples of how EPA does provide
11 support, for no cost, to all of the users of Portfolio
12 Manager at the user interface. You know, those building
13 owners, managers, service providers, but then also the
14 utility providers and other service providers that use
15 Web Services to connect their customers to Portfolio
16 Manager.
17 And that's just a few good, key links I wanted
18 to leave you all with today. And I think, if we have
19 time for questions, now, Tracy and I, and Alice, in the
20 room, are happy to stick around.
21 COMMISSIONER MC ALLISTER: Great, thank you very
22 much. I want to try to be brief here because we're a
23 little bit behind schedule by a few minutes, and staff
24 is looking nervously over at me.
25 But I really appreciate your presentation. I

1 mean, it's clear that Portfolio Manager is battle ready,
2 and ready for prime time, and all that. And it already
3 looks like probably over half of all the buildings in
4 the last chart there were in California, both in our
5 investor-owned utilities and in our large, publicly-
6 owned utilities. So, that's great.
7 And I just had a couple of follow-up questions.
8 You know, so it's terrific that, you know, Portfolio
9 Manager was upgraded and updated last year.
10 You know, I think it also caused a little bit of
11 trauma out here in California as we had this program
12 coming up and the tool went offline, and we sort of all
13 scrambled. And I know that at least one of our
14 utilities had to do a little bit of additional work
15 reprogramming with the new update, and sort of felt like
16 it caused a little bit of inefficiency for their
17 operations.
18 And so, you know, I guess my question really has
19 to do with sort of how -- you know, what's the
20 conversation between the EPA Energy Star team, or
21 Portfolio Manager team and the big users, you know,
22 California?
23 If we really are successful with 1103, this is
24 going to be a major uptick in uses and usage of the tool
25 and, certainly, we want to leverage that disclosure at

1 transaction to encourage and get people even more on
2 board, more and more buildings on board with regular
3 performance-oriented use of the tool.
4 So, we have a big stake in having the tool
5 evolve in a way that meets our needs.
6 And I wanted to kind of just put that out there
7 and see sort of what the process for, you know, making
8 sure that it's a predictable and usable product going
9 forward, and having that bilateral conversation happen.
10 MS. COOK: Sure, sure, so I would first start,
11 and I'm sure Tracy will want to chime in, to clarify
12 that the upgrade that happened in 2013 was really the
13 first overhaul of the interface and underlying software
14 in Web Services that EPA performed on Portfolio Manager.
15 We do not plan to, you know, have regular
16 changes to the tool at that scale.
17 You know, frankly, we had to keep the tool
18 modernized. It was in great need to be modernized and
19 streamlined. I think there were a lot of benefits for
20 the end-users on the user interface.
21 But also, at the end of the day, the new Web
22 Services that were put out, we certainly had a goal of
23 having those to be more scalable.
24 We also needed to do the upgrade to position the
25 tool in a way that we can maintain the service with the

1 growth that we project over time.

2 That was really kind of a one-time deal. And,

3 you know, the tool, we do enhancements over time and we

4 do these -- we call them releases, about twice a year,

5 and those are on a set schedule.

6 But that type of major overhaul is not something

7 that we project to do, you know, again.

8 COMMISSIONER MC ALLISTER: Great.

9 MS. COOK: And we do very much appreciate the

10 work that was required by the service providers and

11 utilities that needed to update their system along with

12 us, and I know there was -- you know, the agency knows

13 that there was an investment on their end to do that,

14 and we very much appreciate that.

15 Tracy, maybe you have something to add, maybe

16 perhaps on how communication flows from EPA to your

17 partners when, you know, the upgrade happened but also,

18 you know, over time as these other releases will be

19 coming.

20 MR. NAREL: Well, I think you've captured the

21 spirit of it. I mean just with respect to the use of

22 the Web Services, themselves, and that's sort of a

23 special group of Portfolio Manager users because it

24 does -- you know, to participate it does require

25 investment on, you know, the utility's end or the

service provider's end.

So, we have to be very sort of prudent about any changes we made because depending on the change it may require additional changes on the user's end.

So, I mean, you know, I think with respect to the major upgrade of last year, I mean that was I think the first time we had really rebuilt the tool to such a significant extent and don't have any plans for that.

What we do, and a lot of this is linked to the Web Services user needs, is we limit our what we call major upgrades to the Web Services to twice a year. So, basically, we're on a schedule, now, of sort of February and August.

And we do communicate as early as we can about what the scope of the changes will be. And then we release the system into a beta environment several weeks in advance of the changes going live, and have webinars and, you know, have a support mechanism in place to answer partners' questions so that they have time to adjust to the chances we're making. And we try to manage that with limiting those to periodic, twice-a-year releases.

COMMISSIONER MC ALLISTER: Great. So, why don't --

COMMISSIONER DOUGLAS: I'll just --

COMMISSIONER MC ALLISTER: Oh, go ahead.

COMMISSIONER DOUGLAS: Just on this point, I just wanted to break in, now, this is Commissioner Douglas.

You know, we very much are interested in working with this tool and using Energy Star Portfolio Manager. Obviously, it's called out in the statute. It's also a good way of ensuring, as much as possible, that there's uniformity in approach and not sort of idiosyncratic different platforms and requirements where they aren't needed.

But it is going to be important to us that -- it is important to us that implementation of this program be as smooth as possible.

And, you know, we see utilities and also building owners investing resources and time, frankly, into learning how to use this tool and make this the platform for this kind of work.

And so, we would just definitely welcome further conversation with you about communication and information flow so that we can make sure that everything goes smoothly on both of our ends.

MS. COOK: Absolutely. I mean we see that as a key role for EPA to play in the context like what you have with AB 1103.

1 And I think that would be inclusive of the
2 interaction and the tools we have in place to support
3 utilities, but then also your end-users.
4 And we have a lot of off-the-shelf training
5 resources. We’ve got new training resources coming.
6 And we look forward to kind of continuing to,
7 you know, engage with you on that front, too.
8 You know, we want this to be as actionable as
9 possible and that means keeping it as simple as
10 possible. And also, creating action is something we
11 want to do to help relay the value of this activity. So
12 it’s not just an activity to check the box and say I
13 complied, but using some of our Energy Star resources to
14 help people -- and local resources that you’ve got to
15 help people understand what their benchmarking results
16 mean and then how they can start to tap into EPA, or
17 local programs to improve their performance.
18 COMMISSIONER MC ALLISTER: Yeah, I think this is
19 super relevant for our climate action plans, and lots of
20 things that are happening at local jurisdictions, and so
21 we just want to get it right.
22 At the same time we don’t -- you know, we want
23 to encourage the -- a lot of the big cities seemed to
24 have settled on 25,000, 30,000 square feet is sort of
25 their limit for the first tranche, and to not have huge

numbers of buildings, but get much of the energy contained in their benchmarking programs.

Well, you know, you scale that up to California and you lower the limits, possibly. You know, right now they're at 10,000 square feet. So, that's a lot of activity.

And on the smaller end you will tend to have a higher, you know, proportion of less sophisticated users.

And so, really, we need to make their ability to comply, those building owners, you know, those smaller building owners that wear multiple hats and don't have a lot of time, you know, really, to streamline their implementation as much as possible.

MS. COOK: Absolutely. We're on the same page. We're seeing these programs bring in those types of customers or users where we hadn't, perhaps, seen them before. They weren't coming to us voluntarily.

So, we want to make their experience as pleasant and as informative as possible.

COMMISSIONER MC ALLISTER: Yes, absolutely.

MS. COOK: You're going to see some things coming out like short, YouTube clips that someone can say I want to do a certain task, I want to get into the training portal and watch what I need, and get out and

do what I need to do.

So, you'll see more of that type of resource coming from EPA.

COMMISSIONER MC ALLISTER: Great and that's terrific.

And I have one last question, are there any plans to sort of streamline or interface with some of the tools that DOE is developing, like the SEED and, you know, the Building Exchange data -- or the Building Energy Exchange Standard, for example, those sorts of tools to sort of leverage across multiple tools?

MS. COOK: Yes, so SEED, the software that I think was recently just launched out of a pilot phase, does have the ability to work with Portfolio Manager.

And the simplest way to explain it is that the output of Portfolio Manager for a program manager that has a lot of benchmarking results, that benchmarking report can be downloaded from Portfolio Manager and then uploaded into the SEED platform.

So, we have been working with DOE on that front.

COMMISSIONER MC ALLISTER: Great.

MS. COOK: On the Buildings Performance Database, a lot of the information in there is -- at least a portion of the information is coming from the Energy Star Certified Buildings, so there was some

interaction there to take those data points and get it into the BPD.

And then on the data exchange standard -- or sorry, the BEDES program -- I'm getting a lot of static. Sorry guys.

We are in regular conversations with the Department of Energy as, you know, some of the terms in the BEDES standard now -- or sorry, in the BEDES definitions, some of those are coming from Portfolio Manager. So, the intent there is to keep that consistent and keep that streamlined, and ensure that what is defined in Portfolio Manager is simply just lifted and set into BEDES.

Of course, there's a lot of things beyond Portfolio Manager in that system and we don't really need to interact on that front.

But where it overlaps with Portfolio Manager we are in coordination.

COMMISSIONER MC ALLISTER: Great, thank you.

Do you have a question, Brian?

MR. STEVENS: Yeah, I have two really quick questions and I'll be brief.

One question is could you elaborate on any licensing costs that the utilities must incur to use the Portfolio Manager software?

1 And then the second question is could you
2 elaborate on any sort of reports that the utilities can
3 access on participating customers? That's something you
4 touched on, on slide 11.
5 MS. COOK: Sure, I will simply clarify that
6 anything that is being access from EPA, any of our
7 schemas or supporting documentation that's available for
8 no cost.
9 Tracy, I'm going to put you on the spot, again,
10 and see if you have anything to add on this question.
11 MR. NAREL: No, that's exactly right there is no
12 licensing fee, you know, to use any of the schema or Web
13 Services we provide.
14 And the only costs are whatever the user of our
15 Web Services needs to incur to set up the system on
16 their end.
17 MR. STEVENS: Great. And then the other
18 question was on reports on customers to the utilities.
19 Could you elaborate on that, please?
20 MS. COOK: So, you mean what types of reports do
21 the utility --
22 MR. STEVENS: Yeah, what type of data is
23 included on those, or analysis that the utility is able
24 to access on participating customers?
25 MS. COOK: So, the Portfolio Manager metrics

that are calculated and available through this process would include key performance indicators, like total annual energy use for that facility at the building level; weather normalized site and source energy use, also weather normalized site and source energy use per square foot, so an EUI metric.

There's also the 1 through 100 Energy Star score that's available for many building types is another performance indicator that is, I think, quite valuable for a utility to have access to.

MR. STEVENS: Great, very good to know. Thank you.

COMMISSIONER MC ALLISTER: Thank you very much.

MR. NAREL: Yeah, the information's available in two ways. For any third party using the Web Services, you know, the full suite of metrics and data in Portfolio Manager is available through the Web Services.

But separate from that and I think maybe Leslie was talking about it is that, you know, all of that good information in the metrics and the underlying data can also be extracted from the tool through our reporting functionality which is, you know, separate from the Web Services.

It is a reporting functionality that is available to any Portfolio Manager user.

MR. STEVENS: Fantastic, thank you.

COMMISSIONER MC ALLISTER: Great, so we'll pass it back. Thanks very much for being willing and able to provide input, and really enjoyed your presentation. Thanks so much.

You know, I'll just speak for the Commission, for really both Commissions, but certainly for the Energy Commission that we value very much our partnership with EPA on a number of fronts and are really happy to be deepening this conversation about Portfolio Manager which, you know, clearly is a key tool for us going forward. So, thank you very much.

MS. COOK: Great. Thanks, my pleasure.

MR. NAREL: Thank you. You're very welcome.

MR. ASHUCKIAN: Okay, we're going to move on to Panel 1. Unfortunately, again due to timing we're running a little bit late.

We're not going to have a break this morning so feel free to stand up and stretch, if you need to, but we're going to go right into Panel 1.

We have Barry Hooper here from the San Francisco Department of the Environment.

And then on WebEx we have Jamie Ponce, Nikhil and Ted, from the City of Los Angeles.

And with that, Christine Collopy will be our

1 facilitator for this first panel.

2 MS. COLLOPY: Good morning. Thank you for your

3 attendance this morning, we really appreciate it.

4 We have a really exciting group of panelists who

5 are going to be presenting to us today.

6 And the name of this panel is the Disclosure

7 Programs and Local Jurisdictions in Other States.

8 The purpose of this panel is so that we can all

9 understand the policies and practices of these programs

10 that are happening across the nation.

11 And we've asked them to really speak about

12 describing their programs and what their best practices

13 are, successes, barriers and any other kind of

14 information about that.

15 So, we're going to go ahead. And we have Barry

16 Hooper in the room today, from the San Francisco

17 Department of the Environment.

18 Barry is going to stand behind the podium today

19 to advance his own slides and then we'll be able to have

20 some questions and answers after. Barry.

21 MR. HOOPER: Good morning. Thank you. I'm kind

22 of hands on with slides, myself.

23 Barry Hooper with the Department of Environment

24 in San Francisco, I'm glad to join you and talk about

25 the existing commercial buildings ordinance that's been

in effect for a few years in the City.

The ordinance was adopted, really, as a primary measure to better understand the performance of our building stock while motivating building owners to improve performance of buildings throughout the City.

We recognize that San Francisco is, at its essence, a city bounded on three sides by sea level water which faces substantial infrastructure, public health, resilience, and economic health issues with relation to climate change.

And so, dealing with energy efficiency and the performance of buildings is really critical to meeting those challenges.

And so in 2009, then Mayor Newsom convened a task force of stakeholders who were representative of decision making across the commercial real estate sector, particularly including Pacific Gas & Electric Company, the San Francisco Building Owners and Managers Association, Building Engineers and Owners and Managers, as well as USEP.

And those three parties I mentioned have been critical partners throughout the development, adoption and implementation of this ordinance.

And I really want to express my appreciation to all of them for a lot of great support over the years,

1 and to talk a bit about some of the areas of lessons
2 we've learned and also areas where we have some
3 challenges.
4 So, the fundamental observation of this task
5 force was data is the under-utilized resource to
6 motivate energy efficiency. We have codes, we have
7 incentives, we have substantial financing programs
8 available to us, and data was the tool that we were not
9 using systematically.
10 And so the ordinance, in essence, boils down to
11 the idea that every building owner should have some
12 basic information about how their building is performing
13 in the form of a benchmark, using Energy Star Portfolio
14 Manager, an action plan, and that's a term for an energy
15 audit delivered by a qualified professional, and there
16 would be some market transparency about how buildings
17 are performing over time and compared to each other.
18 Fundamentally, though, the energy efficiency
19 benefit of this type of program is voluntary. The
20 capital improvements, operational improvements, tenants'
21 actions, they're all fundamentally predicated on the
22 market having basic information about how buildings are
23 performing, having that on a convenient basis and then
24 taking advantage of the many resources that are
25 available from a lot of sides here in California.

1 I'm not going to go into this slide in a lot of
2 detail. But just for your reference, a little more
3 detail on the ordinance.
4 I'd just point out that at the bottom left we
5 talk about some of the exemptions from the benchmarking
6 requirement. And, of course, there are exemptions in
7 San Francisco for buildings that are vacant or brand-
8 new.
9 But also, we've been forced to have an exemption
10 for any building that's gone through a whole building
11 transaction or a change of any separately metered tenant
12 in the calendar year that the data -- for any particular
13 dataset.
14 And that's because, as a practical matter, there
15 isn't a mechanism to obtain energy use data from prior
16 tenants or prior owners.
17 And so, if it's fundamentally not possible for
18 someone to comply with our ordinance, we need to
19 recognize that and move on.
20 In San Francisco the ordinance affects buildings
21 down to 10,000 square feet. It affects both the private
22 sector and municipal facilities.
23 And the distribution of buildings really fall
24 into three size tranches from our point of view, of
25 large buildings that typically are professionally

1 manager of 50,000 square feet and larger; mid-sized
2 buildings, 25,000 to 50,000 square feet, which may have
3 some professional management but typically not on site.
4 And then the very diverse group of smaller buildings, of
5 10,000 to 25,000 square feet.
6 The floor area affected by the ordinance is
7 totally dominated by that smaller cohort of very large
8 buildings.
9 And the resources we need to put into outreach
10 are dominated by the 10,000 to 25,000 square foot
11 buildings.
12 COMMISSIONER MC ALLISTER: Hey, Barry, can I ask
13 a clarifying question?
14 MR. HOOPER: Yeah.
15 COMMISSIONER MC ALLISTER: So, the exemption
16 about when there's tenant turnover, does that mean that
17 the whole building no longer has to -- for like until a
18 year has passed for that building -- the whole building
19 no longer has to comply or just that that -- how does
20 that play out in practice I guess is my question.
21 MR. HOOPER: Sure. So, administratively, we've
22 issued exemptions for the entire building because there
23 is not the capacity to obtain whole building data.
24 And we have had a difference of perspective with
25 the regulatory approach the Commission has taken here

where the purpose of the ordinance is to understand how buildings are performing in practice. And Energy Star is really predicated on measured energy performance in practice.

And so, modeled energy use is counter to that idea. And so, in cases where that's not possible we recognize that and the building is exempted for that particular year.

That means that there's certain large facilities, such as shopping malls where, as a practical matter it's very rare that they're going to be able to benchmark the entire building under the current framework.

COMMISSIONER MC ALLISTER: Okay, so that was kind of what I was getting to. Any building at transaction that has had -- so, you know, where you've got high tenant turnover, you're basically not going to be covering that segment of the marketplace, more or less, or is that a fair statement?

MR. HOOPER: More or less. So, we do advise a building owner that a lease is an effective time to talk about this information and that they should begin to develop that relationship, and continue to maintain it, and many building owners do.

But if they haven't, there's really no going

1 back and fixing it right now.

2 COMMISSIONER MC ALLISTER: Okay, so if nine out

3 of ten tenants just say, you know, haven't turned over,

4 but one has, you didn't consider sort of going ahead and

5 sweeping the nine-tenths of the building, you know, or

6 whatever the square footage was for those nine into the

7 program?

8 MR. HOOPER: We do ask for a report from the

9 building owner to provide evidence that they have

10 described the building in Portfolio Manager but the

11 data, itself, is not treated as accurate.

12 COMMISSIONER MC ALLISTER: Okay, thanks.

13 MR. HOOPER: In terms of municipal facilities,

14 the San Francisco Public Utilities Commission, our

15 sister agency, is responsible for benchmarking them.

16 There have been two public reports that detail

17 energy performance building-by-building across the

18 City's own building stock, as well as the San Francisco

19 Unified School District.

20 Some great news is that this effort, and among

21 many others, has been helping to reduce carbon emissions

22 from the City's building stock consistently on a year-

23 over-year basis.

24 And this effort, as well as the tracking for

25 climate action reporting helped identify irregularities

in large portfolios of buildings, which I think you've seen in every city that's begun this process. There's information that can slip through the cracks if the information isn't highly organized and reviewed.

Looking at the private sector, compliance has been fairly good. We've taken a relatively lenient approach to compliance, viewing the program as primarily an educational effort.

So, we do provide written notice when a building owner is not in compliance. We provide them some assistance and support services, if we can help them.

And we do also make public who has complied and who has not.

On the front of audits, also San Francisco's probably the most -- has the most aggressive implementation timeline for an audit program, and so we've worked to be really, fundamentally lenient there as well. We recognize that once a building is in contract to complete an audit by a qualified service provider, we allot them sufficient time to complete that process.

We have not published benchmarking data for the private sector building stock. And one of the key reasons has been we took some time to work with the building owners to attain those levels of compliance.

1 And then, second, the energy usage data reported
2 is -- you know, turns out to be very flattering to
3 building owners and managers in the City, which is a
4 great thing. But it was so much so that it's been key
5 to really look at that information and to validate it.
6 As an example, Energy Star uses a 1 to 100 score
7 that's roughly a percentile to grade building energy
8 performance. And the median office Energy Star reported
9 in San Francisco, in 2011, was 86 on a scale of 1 to
10 100.
11 However, more than 90 percent of that floor area
12 has actually been through some form of validation,
13 either through Energy Star certification, preliminary
14 energy use analysis and retrocommissioning, or audits,
15 or lead for existing building certification.
16 So there is -- while we are looking at that
17 closely, there is not evidence of systematic error or
18 cheating at this point.
19 Some key lessons learned have been that these
20 types of programs really are a bit more of a marathon
21 than a sprint.
22 That we started out, and each city that's
23 implemented one of these programs has recognized that
24 their inventory of building stock had some limitations
25 and the program's been very helpful for understanding

1 just basic details about the presence and quantity of
2 buildings in the city.
3 And we've participated in a number of different
4 collaborations with peer cities across the country,
5 including Berkeley, San Jose and Oakland.
6 And, you know, this benchmarking guide that I'd
7 really recommend taking a peak at, that Berkeley led,
8 and we contributed to through a grant from the United
9 States -- excuse me, Urban Sustainability Director's
10 Network which details some of the common issues and
11 success methods for engaging office building owners in
12 the Class B market, and for buildings of 50,000 square
13 feet and less.
14 So, there are a number of issues that we're
15 working on in terms of communication and engagement that
16 definitely we recognize a lot of room for improvement
17 and a lot of great collaboration with the private
18 sector.
19 And on the other hand, data access remains, you
20 know, a substantial issue that we -- that was really why
21 we were motivated to participate in the CPUC's recent
22 proceeding.
23 And I appreciate the presence of Brian Stevens
24 today.
25 And we're really looking forward to

1 collaborating with the Energy Commission and State
2 regulators on addressing those issues so that the
3 information can be made available on a convenient basis.
4 One note of hope in that realm has been that in
5 addition to the educational resources that PG&E's
6 provided, the work they've done on making data available
7 electronically once there is tenant consent, they've
8 also joined this national effort led by the White House
9 and the U.S. Department of Energy called the Better
10 Buildings Energy Data Accelerator, where we both have
11 made a commitment. And each of the California IOUs have
12 made a public commitment to engage stakeholders and go
13 pilot whole building data aggregation within our
14 jurisdictions.
15 So that that process is ongoing and stakeholders
16 have been engaged. And I really appreciate the support
17 and effort of PG&E in working with us on that.
18 And I think a real key thread that I would
19 really like to emphasize with you is that whole building
20 energy data aggregation is necessary not merely for
21 compliance, but also for the basic idea underlying it of
22 data energy management.
23 And then I would just point out that the last
24 two bullets on this slide are my personal observations,
25 professional observations, and do not necessarily

1 represent PG&E's perspective on this.

2 But it is pretty clear that we won't solve this

3 problem merely by talking about it with one another and

4 that some explicit support and direction from our State

5 regulators is critical.

6 And, you know, really appreciate that in --

7 recognizing the Energy Commission's authority on the

8 issue, CPUC really called on the Commission to address

9 energy data access for benchmarking.

10 Because today's focus is on benchmarking, I'm

11 going to join the panel and leave the rest of my

12 slides -- cut them off.

13 But I'd be glad to talk about the other elements

14 of our program, which do include financing, using the

15 audits for project development, and a number of other

16 efforts to both take to the State as fundamental, but

17 also use it to motivate energy efficiency investment and

18 improvement.

19 So, thank you.

20 COMMISSIONER MC ALLISTER: Thanks Barry.

21 MS. COLLOPY: Thanks so much, Barry.

22 Commissioner, do you have a question?

23 COMMISSIONER MC ALLISTER: You know, I just want

24 to actually get -- quickly, sort of could you sort of

25 describe the -- I mean I guess we're all talking about

1 transaction costs and we've talked about it a little bit
2 in the previous panels, you know, how we can make it
3 easy for compliance from the building owner perspective
4 within the context of 1103.
5 Now, San Francisco is a major city that has a
6 policy and is trying to implement it. And I guess, you
7 know, the transaction costs there are also an issue.
8 You know, local jurisdictions, as we all know, are under
9 the gun and have small budgets and, you know, we're
10 coming out of a recession and sort of we're all dealing
11 with the constraints that we have at the local level, as
12 well as the State level.
13 So, could you maybe give us a sense of how --
14 you know, your transaction costs in sort of running this
15 program and where you spend a lot of time and energy
16 kind of making -- you know, linking up the dots and
17 making it all work?
18 MR. HOOPER: Sure. We've devoted, on average,
19 about one and a half FTE to the program since its design
20 period began.
21 And I definitely see how we could do better with
22 a little bit greater investment.
23 We've been able to maintain that level of effort
24 through support of some City resources, foundation
25 support, working with IMT, and also just by leveraging

1 the many other information tools and resources that are
2 out there.
3 And I did want to lean on that, I mean PG&E has
4 been manifestly helpful. EPA's been critical. The U.S.
5 Department of Energy has done, you know, a great deal of
6 work in helping us work with other cities across the
7 country and be able to learn lessons that we'll hear
8 from some of the other panelists.
9 So, it can be a little difficult to accurately
10 answer that question because a lot of what we do is
11 attempting to leverage the different programs and
12 resources.
13 COMMISSIONER MC ALLISTER: Right okay. I guess
14 I'm thinking more on just the data front, trying to get
15 kind of sign off and things like that.
16 MR. HOOPER: Yeah.
17 COMMISSIONER MC ALLISTER: How big of a barrier
18 is that in compared to all the other issues that you
19 have to deal with in sort of just making the program
20 run?
21 MR. HOOPER: Sure. I mean it's a substantial
22 barrier. It is the most frequent item that we talk with
23 building owners and managers about. And particularly
24 for buildings between 10,000 and 25,000 square feet
25 it's -- while Portfolio Manager is as simple of a tool

as one could imagine for condensing a lot of engineering information, it's still -- when the City has a requirement and Portfolio Manager is an EPA-managed program, and then the data needs to flow from the utilities, you have three parties working with the building owner.

And it's very easy for them to not understand which of them is the limiting factor in a given transaction.

And so, we often have to troubleshoot and we can't just stop at one particular boundary and say that's one other party's problem. We need to actually walk them through the process and provide direct customer service.

And I think that PG&E's also recognized that they've provided ongoing support to anybody who's been through one of their classes.

Nonetheless, the level of effort necessary to assemble the data is observably different than when I talk with my peers in New York, Chicago, Boston and other cities because there is no building data access option in California.

COMMISSIONER MC ALLISTER: Great, okay, so I think that probably is -- likely, I think, going to be an ongoing theme. But I want to let the agenda move on.

I really appreciate all your effort in facilitating and greasing the wheels of that whole program, and really showing leadership at a city level. Thanks for being here.

MR. HOOPER: Glad to be here.

MS. COLLOPY: Great, thank you. Thanks, Barry.

Next up in our lineup is Jaime Ponce from Chicago C40. And, Jaime, are you on the line?

MR. PONCE: I am, Christine, thank you.

MS. COLLOPY: No worries. I think we're just trying to get your PowerPoint up.

MR. JOHNSON: Yeah, he should be able to --

MS. COLLOPY: He's been given presentation rights, okay great. So, if you could just share your desktop? Great, we can see you. Thank you.

MR. PONCE: Terrific. Well, thank you very much, Christine, Commissioner Douglas, Commissioner McAllister and other members of the Commission, and the public.

Is everyone able to hear me all right?

MS. COLLOPY: Yes, thank you.

MR. PONCE: Okay, terrific. Very glad to join this discussion and particularly to hear from allies like Leslie and Tracy at the US EPA, and Andrew at the City Energy Project

1 And also city colleagues, like Barry Nikhil and
2 Ted.
3 By way of introduction, again my name is Jaime
4 Ponce. I'm the Chicago City Director for the C40 City's
5 Climate Leadership Group, which is a global network of
6 more than 70 cities around the world whose mayors and
7 senior officials are working together to reduce
8 greenhouse gas emissions and climate risk in the world's
9 megacities.
10 Related to the work that the City of Chicago is
11 doing under Mayor Emanuel, my position is based full
12 time in Chicago where I really support the City in
13 advancing the City of Chicago's sustainability agenda,
14 including energy efficiency, which drives nearly 71
15 percent of the City of Chicago's greenhouse gas
16 emissions, and supporting general partner outreach,
17 including our energy benchmarking and disclosure
18 efforts.
19 So, in Chicago energy benchmarking and
20 transparency really takes root in the City's broad goals
21 to make Chicago more competitive, livable, and
22 sustainable.
23 In the immediate term that strategy, that vision
24 really takes shape in Sustainable Chicago 2015, Mayor
25 Emanuel's three-year sustainability action agenda that

1 focuses on seven themes, 24 goals and 100 actions that
2 all link back to those goals of competitiveness,
3 livability and sustainability in our City.
4 Among those seven themes, the plan leads with
5 economic development and job creation and is followed
6 quickly by energy efficiency and clean energy, which are
7 critical pieces of Chicago's economy and environment.
8 This three-year sustainable Chicago 2015 action
9 agenda draws on and builds from the long-term Chicago
10 Climate Action Plan, which sets Kyoto protocol, style,
11 greenhouse gas emission targets of 25 percent reduction
12 by 2020, 80 percent by 2050 below 1990 levels.
13 And it lays out specific focus areas and
14 strategies in buildings, energy, transportation, waste
15 and adaptation.
16 This quote on screen, from Mayor Emanuel, really
17 sums up the economic and environmental focus of
18 Chicago's sustainability vision.
19 And these are the words with which he leads
20 Sustainable Chicago 2015 in saying that "A sustainable
21 Chicago is a city that spends less on energy use with
22 each passing year, that creates good paying jobs in up
23 and coming industries, that responsibly maintains and
24 upgrades its infrastructure, and ensures that every
25 Chicagoan has the opportunity to live a healthy, active

lifestyle".

This quote not only sums up the Mayor and the City of Chicago's goals related to sustainability in general, it really sets the frame for energy benchmarking and transparency.

So, when the City set out to pass what would become the Chicago Energy Benchmarking ordinance, there was really an emphasis on the economic and environmental opportunity.

Again, Chicago's building energy use represents more than 70 percent of total greenhouse gas emissions. And at the same time, Chicago residents and businesses together spend more than $3 billion dollars a year on building energy costs.

So, this is really too big an economic and environmental opportunity to pass up.

When the City looked to use policy levers to drive awareness and transparency around big building energy use, it was important to focus in a very intentional way on our largest buildings that, as Andrew started out, have the capacity, the wherewithal and the ability to track and take action on energy performance.

But these -- our largest buildings also represent the greatest energy use citywide.

So, our ordinance focuses on approximately 3,000

1 non-industrial buildings, larger than 50,000 square
2 feet. That's far less than one percent of Chicago's
3 total building stock, but those buildings represent
4 nearly 20 percent of total building energy use.
5 You can see on the pie chart, on the screen,
6 about 60 percent of these covered buildings are
7 commercial or primarily commercial buildings. About a
8 quarter are residential. And about 15 percent are
9 public or municipal buildings, including public schools.
10 Tracy and Leslie from EPA spoke about the energy
11 performance improvement correlation related to
12 benchmarking.
13 When we run the numbers in Chicago, just a five
14 percent energy reduction, which is less than even EPA
15 saw in its studies over time, could yield real
16 greenhouse emission reductions and cost savings in
17 Chicago.
18 So last year the Mayor and City Council passed
19 an ordinance that really focuses on opening the market
20 for that energy-efficiency opportunity.
21 Our ordinance has three primary pieces. One,
22 asking buildings, large buildings bigger than 50,000
23 square feet, in the sectors that I highlighted are asked
24 to track whole building energy use, to report to the
25 City annually and, uniquely in Chicago, to have their

1 data, their reported benchmarking data verified every
2 three years by a recognized in-house or third-party
3 professional.
4 And I'm happy to speak to that a little further
5 if there are questions.
6 And, importantly, Chicago has had the
7 opportunity to learn from cities like San Francisco and
8 New York, to draw on the lessons from the State of
9 California, the State of Washington and other
10 jurisdictions' energy benchmarking policies.
11 So, we've looked to both align with and build
12 upon those policies, while tailoring a solution that's
13 appropriate for Chicago's real estate market.
14 At the beginning of last month, on June 1st of
15 2014, we marked the first reporting deadline under the
16 ordinance in less than nine months from its passage
17 date.
18 So, we've been on an aggressive time frame. The
19 Mayor introduced the ordinance at City Council at about
20 this time last year. The City Council adopted the
21 ordinance, passed it into our Municipal Code in
22 September of 2013, which really kicked off a rulemaking
23 and partner engagement process in a very public facing
24 way.
25 This past March we notified buildings and we've

had terrific compliance responsiveness on this first reporting deadline.

Since we've only just reached that first deadline we're in the process of crunching data, we're following up with buildings on any questions about their data. And the City will be reporting later this year on aggregate building energy performance, as well as trends over time.

But what we've learned so far and some of the really promising outcomes to date from this ordinance include very strong initial compliance.

The City will soon be releasing the official compliance numbers, but it's far surpassed our hopes and targets across not just Chicago, but other cities as well.

And in large part we credit that compliance and engagement to a great deal of outreach and support through the City and partners.

Andrew, earlier, talked about the Chicago Energy Benchmarking Help Center which has had well over 500 inbound interactions with covered buildings and the real estate industry since that help center went live full time in March.

We've had more than 375 participants participate in training sessions since February.

1 Related to data availability, both Chicago's
2 electric and natural gas utilities have made whole
3 building data available to covered buildings to enable
4 compliance. So that no covered building in Chicago has
5 had to go door to door trying to compile tenant or other
6 occupants' energy use.
7 We had early compliance by all of the covered
8 municipal buildings.
9 And all of this has really been made possible by
10 a broad partnership. We had more than 85 real estate,
11 public interest, energy, environmental, labor
12 organizations that supported the ordinance really based
13 on those goals of economic savings, in terms of energy
14 use reduction, energy -- well, job creation through
15 energy performance improvement at covered buildings over
16 time. And, of course, the environmental benefits of
17 reduced energy use reduction and corresponding
18 greenhouse gas emissions reduction.
19 COMMISSIONER MC ALLISTER: Yeah, Jaime, can I
20 ask a clarifying question there, on that slide?
21 This is Commissioner McAllister. Let's see, on
22 the whole building, availability of whole building
23 electricity and natural gas data, could you describe
24 sort of -- I think the chart that Andrew showed earlier
25 had your limit at two customers per building.

1 But could you just describe sort of, you know,
2 how you arrived at the conditions around that and what
3 those conditions are?
4 MR. PONCE: Sure. It was a little higher than
5 that. It's actually four accounts.
6 COMMISSIONER MC ALLISTER: Thanks.
7 MR. PONCE: So, building owners or managers are
8 able to request, directly from the utilities, access to
9 whole building, aggregate monthly energy use by fuel
10 type, so electricity or natural gas.
11 As long as there are four or more accounts
12 within a building, the utilities can provide that
13 information, those 12 magic numbers that allow the
14 buildings to benchmark in Portfolio Manager directly.
15 When there are three or fewer accounts in a
16 covered building, those buildings actually have to get
17 those three or fewer tenants, or occupants, or account
18 holders to sign a release form to enable our utilities
19 to release those 12 magic numbers for electricity or
20 natural gas to the building manager or owner, and that
21 enables compliance.
22 COMMISSIONER MC ALLISTER: Have you heard
23 anything from the marketplace and from complying
24 buildings about that being a barrier, or a problem, or
25 impacting compliance negatively in any way?

1 MR. PONCE: It's actually rolled out quite well.
2 When we were having public discussion and public input
3 over the ordinance during the legislative process this
4 was certainly a concern. I mean it is, potentially, a
5 time requirement of buildings if they have to collect
6 tenant or occupant utility bills in order to comply.
7 Fortunately, ComEd, the electricity utility in
8 Chicago, has had an automated process in place for
9 several years.
10 People's Gas, our natural gas distributor in
11 Chicago has been able to provide similar enabling data
12 for all of the buildings that were covered by the
13 ordinance.
14 So, we're in the process of evaluating that.
15 The automated systems certainly evolve over time. But
16 initial feedback from the market has been very strong
17 and that utility data is one of the key enablers of our
18 compliance rate.
19 COMMISSIONER MC ALLISTER: Great, thanks.
20 MR. PONCE: So, we've all talked about phased
21 implementation over time. This past June we had our
22 first reporting deadline and that applied to
23 nonresidential buildings larger than a quarter of a
24 million square feet.
25 Next year, in 2015, we'll be bringing online

1 nonresidential buildings larger than 50,000 square feet,
2 as large as the city's largest residential buildings,
3 250,000 square feet and larger.
4 And again, according to Chicago's ordinance, in
5 the first year in which buildings are covered they
6 benchmark the data, they have it professionally verified
7 and they report to the City. The verification happens
8 every three years and the ordinance authorizes the City
9 of Chicago to disclose individual building performance
10 information after the second year of reporting.
11 And we've spoken to some of the covered building
12 support, these key enablers, including a comprehensive
13 website and guidance materials.
14 Those are all available to the public at
15 cityofchicago.org/energybenchmarking. Once again,
16 utility aggregation of the energy data was very
17 important to give covered buildings the data that they
18 need to easily comply using the Portfolio Manager tool.
19 We have had a full time staffed phone and e-mail
20 help center, as well as weekly trainings. And in
21 Chicago we delivered those weekly trainings through more
22 than 15 in-person and web-based sessions facilitated by
23 professionals in the industry.
24 For the data verification requirement in
25 Chicago, the City identified an expanded pool of

1 recognized data verifiers, including State-licensed
2 architects and engineers, building energy technologies
3 program graduates from the City Colleges of Chicago, as
4 well as our local building operator certifications
5 training, and ASHRAE's building energy assessment
6 professionals, AEE's certified energy manager
7 credential.
8 So, rather than creating a new credential, the
9 City vetted, engaged, and then eventually approved these
10 credentials as producing recognized data verifiers.
11 COMMISSIONER MC ALLISTER: Could you give us
12 a --
13 MR. PONCE: And then we were also able to offer,
14 through pro bono volunteers, data verification support
15 for buildings in financial need.
16 That, again, didn't have a recognized data
17 verifier on staff and weren't necessarily prepared or
18 able to engage one from outside.
19 COMMISSIONER MC ALLISTER: Who paid for the data
20 verification? Could you give us a sense of the scale
21 and sort of, you know, was that funded through the
22 ordinance or what's the funding of all that process?
23 MR. PONCE: So, data verification was the
24 responsibility, is the responsibility of the covered
25 buildings themselves.

1 That data verification takes the form of the
2 Energy Star Portfolio Manager Data Verification
3 Checklist that we discussed earlier.
4 COMMISSIONER MC ALLISTER: Got it, thanks.
5 MR. PONCE: And it basically means walking --
6 that a recognized data verifier needs to walk through
7 that checklist and attest to its accuracy in cooperation
8 or collaboration with the building management ownership.
9 We do allow in-house staff. So, if a building
10 has a licensed architect, or a professional engineer, or
11 a building operator certification, or a city college's
12 energy technologies program grad on staff they could do
13 that, so there wouldn't be any out-of-pocket incremental
14 costs associated with that.
15 Some covered buildings chose to go outside or
16 worked with private service providers to deliver that
17 data verification.
18 COMMISSIONER MC ALLISTER: Great, thanks.
19 MR. PONCE: And I'm happy to take other
20 questions. On screen, now, I've put up the website for
21 our City energy benchmarking information and background,
22 as well as the link to the ordinance, and the rules and
23 regulations.
24 The City of Chicago's sustainability website,
25 broadly, has all of the contact information for C40.

COMMISSIONER MC ALLISTER: Great. That looks a very well-conceived and well-implemented program. Really, congratulations.

MR. PONCE: Thank you very much. It hasn't been done in isolation. Again, I can't emphasize enough the local partnership here in the Chicago real estate market, with our energy organizations and also at a national level looking through city organizations, like the City Energy Project, like the C40, drawing on expertise from EPA and many other partners who have allowed this to really be an accelerated implementation looking to great energy efficiency impact ahead.

MS. COLLOPY: Great, thank you so much, Jaime, for your presentation today.

I just want to remind everyone that we will be putting all of these presentations on the AB 1103 website for you to refer back to.

We will also be sending out a notice of our list serve. So, if you'd like to stay in touch with the AB 1103 program, please join the Energy Commission's list serve. It is called AB 1103.

Okay, great, we are now going to move on to our next presenter, Nikhil Nadkarni from the City of Boston. Are you on the phone?

MR. NADKARNI: Yes. Can everyone hear me?

MS. COLLOPY: We can hear you. And I believe you just need to turn over -- push share. There we go. Okay, and if you can expand that a little bit? There you go, great.

Thank you, we can see and hear you.

MR. NADKARNI: Okay, sounds good. Hi everyone, my name's Nikhil Nadkarni with the City of Boston Environment Department.

I'm the Climate and Buildings Program Manager, in which role I oversee implementation of our Building Energy Reporting and Disclosure Ordinance.

So, thank you, Commissioners, for inviting me to speak today. And thanks to everyone who's attending.

So, the Building Energy Reporting and Disclosure Ordinance was developed from recommendations of our Climate Action Leadership Committee and Community Advisor Committee in 2010.

These were two stakeholder groups that were formed to identify strategies for Boston to reach a 25 percent reduction in greenhouse gas emissions by 2020.

From their recommendations, the ordinance was developed and enacted in May 2013.

Regulations were subsequently developed and passed in December of last year, with input from a stakeholder advisory committee, you know, comprised of

1 building owners in the residential, commercial and
2 institutional sectors.
3 So, what's required by this ordinance? So,
4 owners of large buildings are required annually to
5 report their energy and water use, and greenhouse gas
6 emissions using Portfolio Manager.
7 The City will start to make this information
8 publicly available on our website starting next year.
9 And buildings are also required to conduct an
10 energy assessment or upgrade action every five years.
11 And we have a number of exemptions for highly
12 efficient buildings and buildings that are making
13 significant progress on energy efficiency.
14 So, you know, like we've seen with other cities,
15 we have a phase-in schedule. Last year, the City of
16 Boston led by example, disclosing on all of its
17 municipal buildings.
18 This year nonresidential buildings over 50,000
19 square feet are required to report.
20 And next year this extends to residential
21 buildings of the same size.
22 And in 2016 and 2017 we move to full
23 implementation, which is all buildings in Boston above
24 35,000 square feet or 35 units will be required to
25 report.

The annual reporting deadline is May 15th. This year, in the first year of implementation, some additional flexibility was introduced. And extension until September 15th was implemented.

And at full rollout this encompasses about 2,100 buildings. And, you know, like we've spoken, like we've heard about in terms of identifying the largest buildings and, therefore, largest points of energy use, reporting in Boston encompasses about 2.4 percent in the number of buildings, but over 40 percent of the built square footage.

COMMISSIONER MC ALLISTER: And Nikhil, this is Commissioner McAllister.

MR. NADKARNI: Yes.

COMMISSIONER MC ALLISTER: Just a quick question. So, I assume the limits of 50,000 and 35,000 are based on some kind of an analysis. Was there a significant tranche of buildings between those two limits and that's the basis for the difference?

MR. NADKARNI: Well, initially we -- you know, as the ordinance, as initially proposed, went down to 25,000 square feet. And at that point, you know, there was some discussion with the real estate community and 35,000 was a compromise level.

And I can tell you, you know, between 25,000 and

35,000 square feet that sort of the economy of scale was disappearing.

COMMISSIONER MC ALLISTER: Right.

MR. NADKARNI: That a larger number of buildings would have to report but, you know, not that much was won in terms of square footage.

Between 50,000 and 35,000 square feet, you know, that's just something that was kind of developed in line with what other cities were doing.

COMMISSIONER MC ALLISTER: Okay.

MR. NADKARNI: But definitely the bulk of buildings -- for example, out of those 2,100 buildings in Boston, half of them are reporting just this year. Which is to say, you know, nonresidential buildings over 50,000 square feet are about 1,050 buildings.

COMMISSIONER MC ALLISTER: Okay. Okay great, thanks.

MR. NADKARNI: So, yeah, we are definitely getting, you know, sort of the largest buildings and sort of the largest -- effectively, a majority of those buildings in the first year.

So, to make this process easy for building owners, the utilities here have developed whole building data services and this includes NSTAR, our electricity, National Grid, our gas utility, and Veolia, the steam

1 utility.

2 Under their data services, owners receive whole
3 building data, whole building energy use totals upon
4 request, without needing to ask tenants for energy
5 bills.

6 The data is aggregated at the building level and
7 provided in a format that can be uploaded into Portfolio
8 Manager.

9 And, you know, these data services really draw
10 on a strong existing partnership between the City and
11 the utilities. Renew Boston, dating back to 2009, is
12 the City's partnership with National Grid and NSTAR on
13 coordinating the City's energy efficiency interests and
14 the utilities' energy efficiency programming. You know,
15 they're really tracking the outreach.

16 And in 2011 a memorandum was signed, which
17 placed a full time utility program manager as a liaison
18 at City Hall to coordinate all of these efforts.

19 And, you know, based on that, the previous work,
20 both the utilities and the City felt that these whole
21 building data services would be a strong service and
22 touch point in getting building owners interested in the
23 energy efficiency offerings that the utilities and the
24 City were working on.

25 So, let me just give you a quick look at what

1 the whole building data services look like here.
2 So, this is a portal that NSTAR has developed,
3 the electric utility. So, you know, you create the log
4 in. Once you're logged in you find the building that
5 you want whole building data for.
6 The next step is the portal identifies all of
7 the units, you know, effectively the meters that are
8 associated with that service address.
9 And if you have additional units that haven't
10 been automatically populated, let's say you have a
11 second entrance to the building and it has a separate
12 address, or around the corner or whatever, you know,
13 you're able to find those units and add them in.
14 And, you know, equivalently, if there is a meter
15 associated with the building that you believe shouldn't
16 be associated with it, you can delete that meter.
17 You then verify that you are the building owner
18 by providing the account number and meter for the common
19 space.
20 And after this process NSTAR sends you the Excel
21 file of your whole building energy data for 2013.
22 National Grid has a very similar service. They,
23 however, handle the tenant and meter compilation behind
24 the scenes. So, building owners can contact them either
25 by e-mail, or their 1-800 number, provide the same

1 information for owner verification and the data is sent
2 to them by e-mail.
3 There are a couple of exemptions, exceptions,
4 you know, similar to what we just heard from Jaime.
5 Buildings that have three or fewer tenants or where the
6 tenant -- or where there's one tenant using the majority
7 of energy use in the building.
8 Tenants sign off, as required, to use those data
9 services.
10 Additionally, buildings that do not have a
11 common meter in the building have a separate
12 authorization form.
13 And both NSTAR and National Grid have
14 collaborated to create one set of forms that can be used
15 for either data service.
16 From the City, you know, we've made the Water
17 Informational Resources available, a step-by-step guide
18 to help to answer questions as people are going through
19 the process, as well as weekly office hours.
20 We've conducted extensive outreach through
21 stakeholder engagement, direct mailings. And over the
22 past few months the City EPA Region 1 staff, as well as,
23 you know, utility staff from NSTAR and National Grid, we
24 conducted workshops with local real estate and
25 stakeholder groups to really walk people through the

1 process of completing their report in Portfolio Manager.
2 In general, we've had very close coordination
3 between the City and the utilities. And the feedback
4 from the building owners has indicated this has been a
5 very seamless and successful process, including the
6 whole building data services that they've been using.
7 And so just to conclude, we expect that there
8 will be a number of positive impacts as a result of
9 Boston's energy reporting ordinance, echoing what we've
10 heard from Barry and Jaime.
11 Building owners will be able to identify
12 inefficient buildings, make comparisons to peer
13 buildings in Boston, and better market buildings that
14 are highly efficient.
15 And we've heard from members of the real estate
16 community that this new access to whole building data
17 has been extremely useful to them in a way -- you know,
18 they didn't have access to this information before.
19 We've heard that the process has been very
20 useful to owners. They're eager to see how they compare
21 to other buildings in Boston.
22 For residents, we value that this process and
23 especially disclosure will help residents be better
24 engaged in understanding the energy efficiency of the
25 buildings that they live and work in.

1 And, finally, you know, this data will help
2 shape Renew Boston and the other efficiency programs
3 that we do by better targeting the program incentives
4 that we offer.
5 So, thanks again and happy to take any
6 questions, you know, today, or by e-mail or phone.
7 MS. COLLOPY: Thank you so much.
8 Commissioner, did you have any questions?
9 COMMISSIONER MC ALLISTER: No, I think in the
10 interest of time management, I'll pass on specific
11 questions.
12 But I really -- a few themes seem to be emerging
13 with respect to the motivations locally and some of the
14 challenges, but also kind of standard approaches to
15 meeting those challenges. So that's interesting to
16 hear. It gives us a good idea of sort of what's worked
17 and we really appreciate you, in Boston, being another
18 major data point for helping us work through these
19 issues as we consider scaling up, you know, to a large,
20 statewide kind of approach.
21 So, thanks very much.
22 MS. COLLOPY: Thank you, Nikhil.
23 MR. NADKARNI: Thank you.
24 MS. COLLOPY: Just we're going to be going to
25 our last panelist on here and then we will be having any

1 questions from Commissioner, or from Brian from the PUC.
2 And then we're going to be opening the room up to
3 questions. So, we will be taking questions over here at
4 the podium or at the -- what do we call that, a podium.
5 And then we'll be going out to lunch.
6 So, the last panelist for Panel 1 is Ted
7 Bardacke, from the Office of Los Angeles Mayor Eric
8 Garcetti.
9 Welcome. Welcome, Ted. I believe you have
10 talking points for us.
11 MR. BARDACKE: Yeah, hi. Good morning, almost
12 afternoon. Can everyone hear me okay?
13 MS. COLLOPY: Yes, thank you.
14 MR. BARDACKE: Okay. Thanks for the opportunity
15 to participate in the panel. It's good to see what our
16 fellow cities are doing around the country because we
17 are about to embark on an effort to develop a local
18 benchmarking and disclosure ordinance, similar to what
19 you've just heard from San Francisco, Chicago, Boston.
20 And I wanted to do two things today. One, talk
21 a little bit about why we're thinking about it. And
22 then, because sort of the framing of today is somewhat
23 around 1103, talk a little bit about, as we go into our
24 ordinance development process where issues revealed by
25 the implementation of 1103 sort of highlight some

1 challenges that we will face here, locally.

2 So, the first is why are we thinking about this?

3 And there's a number of sort of confluence of issues

4 that are coming together.

5 The first is the Mayor has a goal of by 2020,

6 since we own our own utility we have an interesting

7 relationship here, but to have our local utility, the

8 Department of Water and Power, get 15 percent of its

9 energy resources through efficiency programs.

10 And David Jacot, who runs the Efficiency

11 Solutions for the utility, will be talking on the panel

12 later this afternoon.

13 But, essentially, this means that we want to

14 look at our power needs projections in 2020 and get 15

15 percent of those resources from efficiency.

16 And to do that we need, really, to make a

17 connection between the buildings that need efficiency

18 upgrades, and the programs and incentives that exist at

19 the Department of Water and Power.

20 And we do see somewhat of a disconnect right now

21 and we need to feel -- we need to, through an ordinance,

22 build a bridge from the buildings that need to help to

23 the help that exists.

24 And one key area where there's an opportunity

25 here is through data and data transparency.

1 And, you know, the other speakers have talked a
2 lot about how they see data transparency as potentially
3 transformational.
4 And I just wanted to sort of up that a little
5 bit by saying that for us, we are on a big data
6 transparency kick in Los Angeles in general.
7 We've, last month, released an open data portal.
8 The Mayor's second executive directive was all about
9 open data. The City has released over 1,400 datasets
10 that were previously privately held by departments now
11 out into the marketplace. And anyone can go onto
12 data.lacity.org and use, and do research, and develop
13 apps, and do a whole host of things with data that was
14 previously privately held by the City, and now is public
15 and out there in the marketplace.
16 And so, part of it is the idea that open data
17 access drives innovation across a range of sectors, not
18 just energy although, clearly, energy is one of the
19 important ones.
20 Two other quick things about why we will start
21 pursuing this. One is that we've been very successful
22 so far in seeing voluntary measures or voluntary
23 commitments to energy use benchmarking efforts in the
24 City. We have a very, very successful Better Buildings
25 Challenge, L.A. Bette Buildings Challenge.

We've got over 30 million square feet, approaching I think even 40 million square feet of owners who have voluntarily committed to actions that will reduce their energy use by 20 percent by 2020.

So, we're seeing, you know, real leaders in the marketplace as paving the way for a regulatory approach.

And then, finally, we here in Los Angeles and our Mayor very much pride ourselves on collaboration with other big cities across the nation and the world.

We're active members in C40. We're participants in the City Energy Project and really believe that.

But also, here at the local level, you know, we are one of 88 cities in L.A. County. And we know that there are a number of smaller cities in the county that also are interested in benchmarking and disclosure ordinances.

And we have property owners that own buildings across multiple jurisdictions in the county. And feeling like if we can get this right that it will open up the opportunities for some of our neighbors to have a platform through which they can do local ordinances, as well.

So, we feel a great deal of responsibility in terms of following what some of our national leaders are doing, but also in setting the stage for what some of

1 the local parties can do.

2 So, how does this relate to 1103? There are

3 three things that are really important for us as we

4 embark on this initiative development process that

5 relate to 1103.

6 The first is around thresholds. The second is

7 on data access. And the third is on compliance.

8 Regarding thresholds, as we've done our initial

9 analysis of energy use across the building stock, we

10 realized that to hit a significant amount of energy use

11 in the City we're probably going to have to have

12 thresholds that are -- reporting thresholds that are

13 lower than some of the cities that you've just heard

14 from.

15 We're not going to go as low as 1103 does, but

16 we are going to start to hit buildings that will have

17 less sophisticated owners and a higher need for

18 education, and outreach and training than many of the

19 folks who have larger buildings who, when we talk to

20 them, they're like, yeah, disclosure, whatever, we can

21 do that.

22 So, the issue of 1103 and how it's addressing

23 those smaller buildings is really important to us to

24 understand some of the challenges that we expect to

25 face.

The second issue is around data access. And, you know, we know folks who have really found complying with the San Francisco ordinance very, very time consuming and because of the data access issues, and tenant permission.

And that whole issue, for us, really needs some resolution across the utility industry for us to feel comfortable that we're setting our own building owners up for success.

We have the Department of Water and Power and David will talk about it a little bit more this afternoon.

We have a bit of streamlined approach that's somewhat easier than I believe the IOUs have set up, but probably not as streamlined as we need to be, and certainly not as streamlined as what we've heard from Chicago, and Boston, and what I know New York has as well.

So, to the extent that data access at the State level is bound up in the discussion about how 1103 is doing, we really welcome that discussion.

I think the other thing that's important about data access is we also recognize that to hit the amount of energy use that we'd like to hit here in L.A., we are going to have to make a run at multi-family buildings.

1 And the issue then, again, about whole building
2 data access in multi-family buildings is huge. And to
3 think about in a 200-unit apartment building having to
4 go get meter numbers and tenant approval for each one of
5 those units is, frankly, just not practical.
6 And if we really want this to have the success
7 in inspiring people to act, something around whole
8 building data needs to be streamlined.
9 The third area that we really are thinking a lot
10 about, spurred on by what we're seeing in 1103, is
11 compliance.
12 You know, we've heard from cities that
13 compliance rates on their local ordinances are pretty
14 high so far, and think that folks are responding.
15 However, we know anecdotally, from 1103, that
16 that's not been the case statewide. Just, again,
17 anecdotally I believe David will report that since 1103
18 has been in force less than 10 buildings, or right
19 around 10 buildings have approached the utility for
20 1103-compliant data downloads.
21 And we know that there have been thousands, if
22 not tens of thousands of transactions in L.A. County.
23 We're about half of L.A. County, so you can just do the
24 quick math.
25 And I don't say this to sort of criticize the

1 1103 thing, more to say that word gets around quick
2 about whether you really have to comply with new laws or
3 ordinances.
4 And so we, on the local side, are really going
5 to have to make sure that we have a robust compliance
6 mechanism in place to be able to track it, as well as
7 figure out how to notify people, and what that
8 compliance mechanism is going to be on the back end.
9 And to the extent, again, in the Commission's
10 implementation of 1103 that you start to have a robust
11 compliance mechanism in place that will make our job
12 easier.
13 So, I'll stop there and, you know, participate
14 in any questions.
15 COMMISSIONER MC ALLISTER: Hey, Ted thanks very
16 much. This is Andrew McAllister. I really appreciate
17 you being here.
18 And, you know, of course, as one of the few big
19 dog jurisdictions, probably the biggest in the State,
20 you know, we really want to make sure we support what
21 L.A. wants to do, and the direction you want to go. And
22 I think, you know, your sort of call for a robust,
23 incredible program is something we're very much hearing.
24 So, I want to just thank you for being here and
25 certainly to Mayor Garcetti for his vision of where L.A.

1 wants to go.

2 And I know you've got a really robust set of

3 collaborators there across the university and, you know,

4 your agencies within the City and with your utility

5 there.

6 So, thanks for being here and if you could stay

7 on the line that would be great.

8 MR. BARDACKE: Sure.

9 COMMISSIONER MC ALLISTER: I wanted to just

10 quickly give Bob Raymer, from the CBIA a chance because

11 he's got to go. And we're going to have public comment

12 a little bit later, but I'm going to just treat Bob

13 special because he has to leave.

14 MR. RAYMER: Thank you, Commissioner and staff.

15 Bob Raymer with the California Building Industry

16 Association and if I could, through the chair, ask

17 Boston and Chicago if they had any real issues in the

18 beginning of their programs with the utilities and the

19 need for privacy versus the ability to get this

20 information and allow its distribution.

21 How did they get over that rather significant

22 hurdle? We're still dealing with that here in

23 California.

24 So, if there's any quick response from that,

25 that would be very helpful.

MS. COLLOPY: So, I'm going to go ahead and start with Jaime Ponce from Chicago C40 and then, Nikhil, after that you can go ahead and chime in.

MR. PONCE: Hi, this is Jaime. I am on the line, but I had a little trouble hearing the last question.

MR. RAYMER: Okay. In particular, I'm interested in understanding how your jurisdiction and the development of your program dealt with a desire by the utility, if there was a desire, I'm assuming there was, to maintain user privacy of billing information, as opposed to getting it into a process that would allow its relatively free distribution to those interested parties.

I mean, was that an issue in Chicago?

MR. PONCE: You know, it -- thank you for repeating. It hasn't been a critical issue here in large part because we have had a precedent within our utility service territories for providing whole building data.

As it relates to billing information, there really is a distinction between whole building energy consumption by fuel type and billing information because they're really not the same thing because buildings generally consume energy at a building level with common

1 systems that drive heating, ventilation, air
2 conditioning, and other building systems.
3 I mean that really is distinct everywhere from
4 individual billing data.
5 The privacy and aggregation thresholds that are
6 in place ensure that it's not easy to single out any
7 individual utility customer. Because, again, building
8 benchmarking as it's been brought into policy force in
9 our cities is at the whole building level versus
10 individual tenants.
11 And in cases where individual tenants represent
12 a big piece of the whole building's consumption there's
13 permission required.
14 But again, at least thus far in Chicago's
15 implementation, since we've focused on large buildings,
16 that hasn't been a critical issue.
17 MR. RAYER: Boston?
18 MR. NADKARNI: Yeah, this is Nikhil in Boston.
19 So, when we were developing our ordinance we spoke with
20 the utilities. And as I think I mentioned earlier, both
21 NSTAR and National Grid viewed this as a service that
22 they were ready to provide their customers.
23 This past fall, when we were discussing the
24 details of it, one of the utilities said that they would
25 want a threshold of ten accounts or higher for providing

1 whole building data. And that was something that their
2 legal team had advised them that below ten tenants
3 there's a risk of, you know, private data being shared.
4 The other utility said three. And so, we
5 basically facilitated a conversation saying can you both
6 agree on the number, ideally being three and that's
7 where it wound up.
8 So, it wasn't a, I would say, major issue. If
9 it had been ten or higher it would have been, you know,
10 a more pressing concern. But the conversation between
11 their respective legal teams sort of came down to a more
12 workable number.
13 MR. RAYMER: Well, thank you.
14 As far as the industry in general, I know that
15 this afternoon's session with various industry reps,
16 Matthew Hargrove will be representing CPP and BOMA, I
17 believe. And he'll speak to some of the specific
18 efficiencies that might be applied to this.
19 But it seems to me of the development of the
20 approval of the legislation, actually both pieces of the
21 legislation, and with the development and implementation
22 of the regulations more often than not we're seeing
23 people file the statement that they can't get the
24 information. They tried, but they couldn't get it
25 within a period of time, which is not the type of

compliance that the CEC is seeking.

And so, having been a student of regulations for a very long time, there's a lot to be said for getting the parties together, not necessarily in a smoke-filled room. But to find out what would be that level of comfort for the utilities, in particular to sort of make this work what is their minimum needs or whatever.

And I'd be very interested in finding that out because we want to make this work on the commercial sector. Because, quite frankly, a big chunk of this could be used in the residential sector, which I'm assuming is going to ultimately be one of the next steps.

And quite frankly, given the level of efficiency that's going into new residential units, whether it's single-family or multi-family, there's a lot to be said for being able to show a potential homebuyer or renter, you know, here is where you're at in this facility. However, look at this one that's 30 to 40 years old, make the choice.

And it would be good to have some apples and apples that you can kind of judge. And this helps.

There's a huge marketing bonanza here that we can use to actually provide some value for these energy efficiency and renewable upgrades that we're doing now.

1 And it helps us -- getting this off and rolling
2 is key to having a successful program for AB 1103.
3 So, to the extent that we can help, we look
4 forward to doing that.
5 Right now I think, so to speak the ball is sort
6 of in the utilities' court. I'd love to hear how we
7 could do this and keep them comfortable so that their
8 privacy concerns, which may well be justified, aren't
9 violated.
10 So with that, thank you for giving me the
11 opportunity to speak.
12 COMMISSIONER MC ALLISTER: Absolutely. Thanks
13 for being here.
14 MS. COLLOPY: Great, thank you. So, we are
15 going to round out Panel 1 with any further questions
16 from you, and then we're going to open it up to the
17 room. We are then going to open it up to the web.
18 For those on the web, if you do not have access
19 to speak, then please go ahead and put any questions you
20 might have in the chat and we can read those aloud for
21 you.
22 Brian?
23 COMMISSIONER MC ALLISTER: So, yeah, Brian.
24 MR. STEVENS: A really quick question for Ted at
25 the City of L.A. So, you touched on this data

1 initiative that's going on with the City. And I can say
2 from the CPUC we've been very impressed with what we've
3 seen, especially what's coming out of LADWP in
4 collaboration with UCLA.
5 So, you're saying that the big push is to get as
6 much transparency as possible with data.
7 What has been the cost to the City to make that
8 happen in terms of energy and what has been the burden
9 on IT infrastructure?
10 MR. BARDACKE: So, there's two areas here. One
11 is, you know, on the utility side providing the data to
12 the California Center for -- I can't remember what they
13 call it.
14 MR. STEVENS: The Environment and --
15 MR. BARDACKE: Yeah, yeah, the Institute of the
16 Environment at UCLA to be able to do that.
17 That cost has really -- you know, that was
18 basically a data dump to the university and then the
19 university has sort of borne the cost of -- I don't want
20 to say cleaning up the data, but linking that to
21 particular parcels and that kind of thing. So, I can't
22 really speak to that.
23 The City, for all of this sort of portal and
24 data stuff, the City bought a license to an off-the-
25 shelf portal called -- run by a company called Socrata,

which is based in Seattle.

And they have basically a way that any department can put in its data and then it becomes public, and then can be manipulated by the public as well, either on that portal, itself, or by -- it can be downloaded.

I don't know the cost of that contract, but I do know that it was not as expensive as you would think.

MR. STEVENS: Great. Thank you so much. I appreciate that you are serving as a model for how the rest of California should be.

MR. BARDACKE: Thank you.

COMMISSIONER MC ALLISTER: I guess, you know, we're a little bit behind here and I want to definitely open it up for public comment, if we can, and I think that's where we are, right?

MS. COLLOPY: That is.

COMMISSIONER MC ALLISTER: It looks like we have a few candidates here in the room, so maybe I'll leave it to you, Christine, to sort of tee them up.

MS. COLLOPY: Okay, I'll go ahead and facilitate that.

I know a few people have put in blue cards and I think Dave Ashuckian has those.

Otherwise, after we do that, we'll just be

having folks come up here, so to come up to the podium. Dave, do you have them?

MR. ASHUCKIAN: We're going to start with our first blue card for Jody London. And then after Jody will be Neal from the City of Berkeley.

MS. LONDON: Hi, I'm Jody London. I'm here today on behalf of the Local Government Sustainable Energy Coalition.

The local governments are extremely interested -- we're a statewide organization and we represent many of the leading local governments that are working on implementation of these and related programs.

And they're extremely interested in being able to have access to this data. We've been very engaged in the process that occurred at the CPUC and we're now excited to be here at the CEC to work with you all.

In the conversation this morning, I just wanted to observe, I really appreciated the speakers who came back and said what is it that's going to help customers participate and what are the barriers to customer participation. I think that's really important.

Also, in the preparation that we did as a group several of our members were asking, wanting to make sure, and we'll put this in our written comments as well, that the CEC is using some of the data that we

1 believe you have access to already. I'm not a technical
2 expert, so I can follow up with the staff later about
3 what those are about what is current usage, what's
4 current participation?
5 We heard some of that today and, frankly, as a
6 citizen of California it's pretty disappointing.
7 So, you know, I think anything you can do to
8 make it easier for building owners and their tenants to
9 participate is going to make it easier for the State to
10 get to its goals around having people have this data.
11 And others have spoken to the value of that, so
12 I'll leave that to the rest of them. Thank you.
13 COMMISSIONER MC ALLISTER: Thanks Jody.
14 MR. ASHUCKIAN: After Neal we'll have Tony
15 Andreoni.
16 MR. DE SNOO: Neal DeSnoo with the City of
17 Berkeley.
18 First, I want to applaud the Commission for
19 taking on this issue and asserting your authority to
20 access the data issues and I think it's very important.
21 I'd like to make three points. One is to
22 reemphasize the importance of this issue. The second is
23 to reflect on where we are relative to that. And the
24 third is to kind of give some suggestions on what we
25 need to do.

1 And the first is -- this is really important
2 because we know that codes and standards, which is an
3 important part of our portfolio is not going to affect
4 the building stock, the existing building stock very
5 quickly. It's going to take a long time for that to
6 have an effect.
7 The second is that our other major tool, that is
8 rebates, we can't afford to apply enough rebates to the
9 existing building stock to help it to achieve our goals,
10 our AB 32 goals in California.
11 So, that leaves us with this third tool as a
12 major lever in the existing building stock. So, it's
13 important.
14 And then I reflect back as to where we are.
15 Thirty years ago I was working with the City of Chicago
16 and we looked to California for leadership on this
17 issue. And we brought in Ralph Cavanaugh and he helped
18 us put together a plan.
19 And I'm really happy to see Chicago doing so
20 well, but I'm also a little dismayed that we're now in
21 the game of catch up. So, we can get there. We need to
22 get there. We haven't lost it, but we're not -- we're
23 no longer number one. Maybe we were 30 years ago.
24 Thank you, Chicago, for doing so well.
25 The third point is what do we need to do? We

need to really get access to these multi-tenant buildings. 1103 doesn't really get us there. They are a major portion of the stock. The data issue is critical to this.

So, those thresholds for aggregated data are the key issue.

The second kind of reflects what Jody mentioned is making the systems and the support available for this really easy, and having that done on a statewide basis.

It's very expensive for local governments to all run their individual help centers. It would be nice to have some common platforms at the State level so that support -- so that this could be easy and we could all plug into it.

And also allow local governments to use their programs to plug into a statewide system. Even if it's not required at a statewide level, allow our reporting requirements to roll up at the statewide level so we're not all keeping separate databases. Thank you.

COMMISSIONER MC ALLISTER: Thanks for being here, Neal.

MR. ASHUCKIAN: Tony, and then after Tony it will be Marika.

MR. ANDREONI: Thank you. Good morning, almost afternoon, Commissioners.

(Audio interruption)

MR. ANDREONI: I swear it wasn't me.

I'm Tony Andreoni with the California Municipal Utilities Association. And CMUA has been a strong supporter and very happy to assist in many of the utility-related programs at the Energy Commission, which includes AB 1103.

And we're also working very closely with you all on Prop 39 implementation and trying to determine what type of data, and how it's going to be provided to the Energy Commission.

As I was listening to many of the speakers before me, the presenters, it dawned on me that some of the issues that were mentioned have been discussed before.

But I do want to make one major point and that is, you know, related more towards the privacy and the owner of the data.

I know some of the folks that are on the panel this afternoon, SMUD and LADWP, will probably be able to talk a little bit more about their programs.

But many of our members on the medium and smaller utility side not only has challenges in trying to deal with some of the web-related data aspects of working with Portfolio Manager, and we have been working

with staff in a recent AB 1103 webinar on understanding and trying to deal with some of those challenges.

But I would just throw out that it probably would be great if the Energy Commission can work with the stakeholders in trying to figure out the privacy issue. Is there any conflicting requirements to the Government Code that makes it a little bit more challenging on providing the information?

Is there a keeper of making sure that that information is not hacked and that privacy is not a problem?

And I think if there's some type of clarification on the data on the privacy. I think many of the codes, at least what I've read through Government Code sections, make it clear that this data should be shared.

But I think the ownership of the data and making sure that that information is not somehow invaded by --

COMMISSIONER MC ALLISTER: Are you talking about privacy or security?

MR. ANDREONI: Security is really the focus.

COMMISSIONER MC ALLISTER: Okay.

MR. ANDREONI: Once that data is submitted to the Portfolio Manager, if it can be provided to them through a web base, that's great. Some of our members

1 don't have that ability.

2 But obviously, once that information is there,

3 if that information were to be hacked and then somehow

4 released, that would be an issue, and just making sure

5 that there's some chain of custody associated with that

6 information.

7 Many of our members are still struggling on

8 getting the information to the owner of the data, which

9 is their customer. How that then trickles down to

10 making sure that that information's available.

11 Again, we want to work with the Energy

12 Commission to make sure that's a little more seamless.

13 But it's still a little foggy and it would be great to

14 have more dialogue on that.

15 COMMISSIONER MC ALLISTER: Great, thanks.

16 Thanks for being here.

17 MR. ANDREONI: Thank you.

18 MR. ASHUCKIAN: Marika?

19 MS. ERDELY: I think it's great that we're

20 having this meeting. I'm Marika Erdely and I'm the

21 founder and CEO of Green Economy, and we are a service

22 provider of the AB 1103 reports. We've probably

23 completed about 125 of them since the beginning of this

24 year.

25 And I personally have been presenting in front

of -- probably 35 times in front of commercial real estate brokers, attorneys, whoever would like to hear what's going on with AB 1103. So, I have a very good pulse of what's wrong with this law and what's not happening.

And I have been calling Daniel, Joe, I mean everyone, I'm sure, knows who I am.

First off, I'd like to really ask the question, and it's mind-boggling to me, has it not dropped to 5,000 square feet as of July 1?

Someone sent an e-mail to me, one of the brokers that I deal with. I look on the website, it still says it's dropping to 5,000 July 1. I have received no e-mail, even though I'm on the list serve.

So, I'd like to first have an answer on are we down to 5,000 square feet or are we still at 10,000?

And if we didn't drop, why did we not get notified?

COMMISSIONER MC ALLISTER: It's a great question. Let's see, I'm going to defer to staff after I just give a high level comment.

We projected, so we scheduled this workshop, acknowledging issues that we're digging into the -- we opened a new OII at the last business meeting and we've been projecting public comments at that business

meeting.

I directed staff to look at delaying the 5,000 square foot provision of the current regulations. It looks like -- the reason I asked them to look at it is that it looks like there is a process we have to go through and it may include emergency regulations to delay that, the implementation of that.

So, we're projecting that that's our plan and we're just looking at best how to do it.

Not suspending enforcement of the program at its current level, but delaying the implement for one year of the 5,000 square foot.

So, the reason that that didn't go out formally on the list serve is that that is not a formal determination, yet.

And I'm going to defer to legal on that or staff on this.

But your question is a very good question. You know, we sort of saw that compliance was low, realized for many stakeholders that this program is not seeing the compliance that we would like and really, you know, got ourselves into high gear to schedule this workshop and open an OII.

So, those are the two concrete things we've done to date. But this is the next one in the hopper.

MS. ERDELY: I guess I don't understand why you would delay it if you're trying to get more people involved.

My phone has been ringing more because people think it's going to be 5,000, and they're scared and they want to participate.

Versus if you delay it, you're going to have less action. I really do feel that, being a person in the field dealing with this issue.

COMMISSIONER MC ALLISTER: So, I understand that, but if we have a program that's not functional in its current terms and we're about to triple, quadruple the number of people who have to comply, then that doesn't add up, so that's the underlying motivation.

And so if it's unclear for people who are relatively sophisticated and who are having a hard time complying, maybe you're able to make it not be hard for them.

But across the State we're seeing very little compliance, as you saw from the graphic.

So, anyway, I want to defer to maybe Galen or Dan.

MR. LEMEI: Yeah, sure. This is Galen Lemei. I am a staff counsel for the California Energy Commission working on this program.

We have received direction to work on delaying the extension to 5,000 square feet. And I've personally been working on a package for emergency regulations that is currently undergoing review.

As of today, as a legal matter, there is an obligation to 5,000 square feet, but the staff is working on amending that.

MS. ERDELY: I disagree with that completely as someone who's in the field doing this.

One thing that I think would really help is if we could redesign the report. I think the report is very poorly designed report. Those boxes, every single time I send the report out and I even have an explanation in the e-mail, I even have an attachment that says this is what's going on in the report, ignore the boxes, ignore the professional signature on the last page. If we could just -- I would be very happy, I've already offered my services to help redesign the report.

Why is the EUI section -- it doesn't even say EUI. And I asked the Energy -- the EPA and they said you have to speak to California, the CEC to see if they could redesign their report.

The information, if you want people to comply and actually use the information, it needs to be in a format that's usable.

1 Right now that report is really -- I think it's
2 a terrible report.
3 COMMISSIONER MC ALLISTER: Well, so I would
4 welcome you to submit written comments and be as
5 concrete as you can about what that report, from your
6 perspective, ought to include. And, you know, this is
7 what this OII is for to receive comments.
8 You know, substantive and sort solutions-
9 oriented are definitely things that we would like to
10 see.
11 And, you know, that's what this OII is for. I
12 think it's highly likely that we will end up, you know,
13 discussing very concretely what any changes to the
14 regulations might look like as a result of this order,
15 this information gathering rulemaking. We'll make that
16 decision in due course, but we're moving really quickly.
17 On the CEC's time frame, you know, having picked
18 this up we're moving very quickly and we'll continue to
19 do so.
20 So, I really appreciate your engagement on this
21 and giving us the sort of boots-on-the-ground
22 perspective.
23 MS. ERDELY: Okay and then I don't understand
24 what's going on with the enforcement of this law and
25 you're saying that people aren't following it.

All you would have to do is find a couple of those sales that have actually occurred and that weren't complied with, and send them a letter and get everybody moving. That's all you have to do.

Because the brokers, I speak to the brokers and many times they call me and I give them the information, and then they don't call me back. And I call them and they say, oh, the building owner decided they don't need to do it because they're never going to get caught, anyway.

So, if you actually caught a couple of the people and made a big deal about it, you wouldn't have a compliance issue and you wouldn't have to drop it down to 5,000 square feet and spend time doing emergency legislation for something that -- if the ball is rolling, you're going to stop the ball right now by reducing it, by waiting another year instead of actually looking at enforcement actions because that's where the ball should be.

What do we do to get the word out there with the commercial real estate brokers that, look, this is going to be enforced, you need to follow it, it's the law.

COMMISSIONER MC ALLISTER: So, maybe Galen, you could comment on enforcement?

MR. LEMEI: Well, the Energy Commission has been

1 actively monitoring compliance with the program. There
2 have been a number of barriers to compliance identified
3 and the purpose of this OII is just to focus on
4 overcoming those barriers.
5 In terms of enforcement of the program in its
6 current form, I think that a lot of our efforts have
7 been focused on achieving compliance.
8 And, certainly, the possibility of pursuing more
9 aggressive enforcement is under consideration and on the
10 table. I think that, yeah, that's also under
11 consideration.
12 COMMISSIONER MC ALLISTER: Let me just add, I
13 mean if we were to gather up a bunch of -- you know, 95
14 or 98 percent of the noncompliant buildings that
15 transact -- of the transactions that don't comply and
16 refer that to the Attorney General for enforcement,
17 they're going to come back to us and say this program --
18 everybody's saying this program's really difficult to
19 comply with so, you know, fix the program.
20 So, you know, I appreciate your perspective but
21 that's exactly why we're here. So, I'd appreciate your
22 submitting comments that have some substantive fixes for
23 what you're seeing out there in the actual compliance
24 and sort of reducing transaction costs, and that kind of
25 thing we're talking, making it usable for people.

1 MS. ERDELY: Okay, the only problem I have in
2 complying with this law is the fact that LADWP's data
3 will not connect with Energy Star. That's the only
4 problem.
5 We've gone to the tenants, we've done malls,
6 we've got the authorizations for Edison and gas from all
7 the individual mall tenants, submitted them. Southern
8 California Edison, Razi over there does an excellent
9 job.
10 There's no reason for compliance problems.
11 We've been able to do every single one of our buildings.
12 The problem has been I've got like three
13 buildings right now sitting on my desk and they're LADWP
14 buildings and they're not downloading, and we can't even
15 get the data.
16 Send $10 with this form. No, we need this form.
17 We need that form. That's your compliance issue.
18 Other than that, I don't see any other problems
19 with compliance. What are the other problems that
20 people are bringing up because I'd like to know what
21 those are.
22 COMMISSIONER MC ALLISTER: Great. So I
23 appreciate that. That's terrific input to know that
24 you're finding it not be as difficult as many, many
25 people. But, you know, the record is built from all the

stakeholders and so we've -- you know, that's what we're trying to do is build that record, so I appreciate it.

MS. ERDELY: Well, because the software, when it was upgraded, became much more complicated. The EPA Energy Star software became much more complicated after the upgrade than before the upgrade. And so, probably people are confused on using it.

But other than the software what are the -- I'm just trying to understand why we wouldn't be focusing on -- you know, if you say the Attorney General's going to come back, what are the other problems that people are having? I'd like to understand what that is because it's --

COMMISSIONER MC ALLISTER: Well, I'm sure staff can work with you on that but, yeah, thanks very much.

Do we have any more blue cards?

MR. ASHUCKIAN: Yeah, Chris Warner, PG&E.

MR. WARNER: Thank you. I'm Chris Warner from PG&E and I think you'll be happy to hear --

(Audio interruption)

COMMISSIONER MC ALLISTER: That must not have been for us.

MR. WARNER: I'll try and go ahead. I don't want to stand between you and lunch.

COMMISSIONER MC ALLISTER: Yeah, go for it.

1 MR. WARNER: Chris Warner at PG&E. And I really
2 appreciate and I think you've done a really good job
3 putting the right people in the room together here to
4 talk through these issues.
5 And I know we'll have more to discuss later this
6 afternoon on rolling up our sleeves on the data access
7 and privacy issues.
8 But I actually had a couple of questions for the
9 Chicago and Boston representatives because I think
10 they've been very helpful in terms of their programs.
11 They really relate to the data aggregation
12 standards by the utilities in their areas.
13 My understanding and they can correct me if I'm
14 wrong, is that the Chicago and Boston ordinances
15 actually do mandate that each individual tenant in a
16 covered building provide and report their individually
17 metered energy usage data as part of the program.
18 So, in terms of there being a tenant obligation
19 to report their own energy usage, those ordinances do
20 actually require that and in fact directly regulate the
21 tenants, and in fact provide -- if the tenants don't
22 provide that data, those tenants, themselves, are
23 subject to enforcement.
24 My first question for Chicago and Boston is if
25 the tenants in your areas have an obligation to report

1 their individually metered data to their landlords, why
2 is there any aggregation standard required at all?
3 Why isn't it just a matter of the utilities
4 understanding that the tenants have an obligation to
5 report their individually metered data, and then that
6 data is just reported to Energy Star Portfolio on behalf
7 of the landlords?
8 So, maybe if Jaime and Nikhil can respond on
9 that? Yeah, maybe Nikhil and maybe we can follow up
10 with Jaime.
11 MS. COLLOPY: Yeah, it sounds like Jaime has
12 dropped off the line, but Nikhil, you're on the call?
13 MR. NADKARNI: Yeah. So, it's a good question,
14 yeah. You're correct in the understanding of our
15 regulations in that tenants are required to provide
16 this, nonresidential tenants are required to provide
17 this information as requested.
18 In practice, a few building owners have come
19 forward this year, saying, you know, my tenant hasn't
20 signed off on the authorization form and I'm in a
21 building that has three tenants.
22 And, you know, we've intervened on their behalf
23 and said to the tenant, look, this is a required and
24 potentially finable violation.
25 So that said, it's a good point that given that

it's mandatory here why don't utilities just aggregate at any level.

You know, fundamentally, it's that we don't have any authority over utilities as a city. All of our utilities are state level and, you know, that's something that we have sort of spoken with our state counterparts about.

But the utility legal teams felt that this was the level of aggregation that they felt comfortable with. And beyond that it was for the city to make sure that the requirements on the tenant was enforced by the city.

MR. WARNER: And if I might make a comment and just a follow-up question on that.

And by the way, I appreciate that Brian and Jeanne are here because I think part of the CPUC effort on this whole privacy data access balance has been a multi-year effort to try to really provide specific technical guidance on where that balance is.

And so, as one who's participated over the last five years in that CPUC effort that, I think, has been a very good, very extensive effort.

And by the way I would not suggest, since I am an attorney, that attorneys be the ones to decide what the right aggregation standard is. It's more of a

1 technical, factual issue, I think.

2 But to that point, to the extent that Boston or

3 Chicago have an aggregation standard from their

4 utilities or from their utilities commission that's at,

5 let's say, four, then what percentage of building stock

6 in Boston, for example, is then not covered by that

7 utility aggregation?

8 So, in other words, how much of that additional

9 building stock do you have to go to the individual

10 tenants to get the data?

11 MR. NADKARNI: So far it's been a very minor

12 issue. A thousand buildings are required to report this

13 year. About half of those buildings have. And that

14 only two buildings said that they were having issues

15 with tenant sign off.

16 MR. WARNER: So, but how many buildings are

17 actually covered by the utility aggregation without

18 having to go to the tenants at all?

19 MR. NADKARNI: That is something I don't know

20 off the top of my head. That's something that our

21 utility counterparts would know. But I don't believe

22 it's a -- you know, I believe the number that is covered

23 without tenant sign off is pretty high.

24 Because at this point, you know, it's pretty

25 large numbers of tenants in the buildings that are

reporting.

MR. WARNER: Well, thanks very much.

MR. NADKARNI: Sure.

MR. WARNER: And again, I think certainly PG&E and the other utilities are available to hopefully roll up our sleeves this afternoon and talk a little bit more about that data access issue, but thanks for the opportunity.

MR. ASHUCKIAN: We have one more comment and then we need to move on. Tim Cahill, with Charles C. Bell, Incorporated.

MR. CAHILL: Good morning. Thank you very much, Commissioner for this opportunity. I've learned a lot this morning.

But I'd like to make a couple of comments. I'm from the private sector. I'm President and General Counsel for Charles C. Bell Company, a private commercial real estate owner.

And as you indicated, this is a transactional based, it's sale, lease and financing.

The problem that I'm concerned about is where we have to report data from -- that are tenants. And most of our tenants have individually metered suites. So, all of the tenants contract directly with SMUD and PG&E. We are strangers to their contract, but yet we have to

1 report if we're going to sell the building, or finance
2 it, or if we have a single tenant.
3 And the difficulty with that can be immense. I
4 mean we have in our leases that they're supposed to
5 require certain things -- they're supposed to cooperate.
6 But in point of fact, if they do not we're left
7 in a bind because there isn't really a good legal remedy
8 or is there time.
9 So, if you take the circumstance of a sale or a
10 finance that takes place -- can take place in a very
11 rapid time frame, 30, 60, 90 days.
12 If a tenant decides not to comply, what do you
13 do?
14 Well, I heard this morning about this concept of
15 whole building data, which I think is a great
16 opportunity.
17 But in a single-tenant building or if you have a
18 limited number of tenants that don't fall within that
19 whole building data, then what is a landlord, an owner
20 to do? Does he lose the sale? Does he lose the
21 financing?
22 If he loses the financing, does his building
23 then go into default? What does he do?
24 He can't necessarily go and get a quick legal
25 remedy.

1 So, I would ask that you consider some sort of
2 exemption or work around. I don't know what the answer
3 is.
4 COMMISSIONER MC ALLISTER: There is a work
5 around that's in statute, or that's in our current regs
6 that Dave can tell you about. There are exemptions for
7 this already.
8 MR. CAHILL: Well, good I'm glad to hear that
9 and I'll look at that more clearly.
10 But the whole building data system seems to me
11 to make a whole lot of sense. You know, just as long as
12 you're sensitive to the real problem, real life problem
13 of how do you get something done when you've got a
14 tenant that is not going to comply.
15 COMMISSIONER MC ALLISTER: So, certainly, you
16 know, your concern is something that we -- it's not the
17 first time we've heard them.
18 Now, there is a modeling option, there's a --
19 anyway, why don't Dave or Galen, you talk to that.
20 MR. ASHUCKIAN: Yeah, under the current
21 regulations there's what we call safe harbor provisions
22 which allows for either estimates or approximated, or
23 looking at the benchmarking information on the Energy
24 Portfolio Manager to provide information on a like type
25 building with similar size tenants.

1 So, that is already in statute. That's already
2 in our regulations. So, if you cannot get the actual
3 data, you can provide that estimated information.
4 COMMISSIONER MC ALLISTER: And just to be clear,
5 you know, part of the goal here is to decrease the need
6 for that estimation so that we do actually get relevant,
7 real building information at the whole building level
8 because that's the kind of information that the
9 marketplace can use to make better decisions.
10 The modeled, average estimated data is not that
11 kind of data.
12 So, it's really, you know, a second best in our
13 view, but it is there and it's in our regulations. And
14 it's perfectly -- it's certainly meant not to get in the
15 way of your transaction.
16 MR. CAHILL: That's good. The only comment I'd
17 make about the estimated is sometimes you may not know
18 what that is. But if you can go to the EPA, that may be
19 it.
20 MR. ASHUCKIAN: Well, again, the regulations
21 provide for providing the best information that you can
22 acquire at the time. And there's also a caveat in there
23 that you have to disclose to the party that that
24 information is estimated and not actual data, so that
25 they are aware that that information is not necessarily

accurate.

MR. CAHILL: Great. Well, thank you.

MS. COLLOPY: So we are going to break for lunch, I promise.

We are going to take a few questions, however, from the folks on the web. Thank you for being patient on the web.

So, you can raise your hand and we can take you off mute or you can go ahead and key your question into comments. And I know Dave has one question from the web, now.

MR. ASHUCKIAN: Yeah, we do have a chat room question from Cecilia Jackson and it's a similar issue. "How will noncompliance of 1103 be implemented and can compliance be done retroactively? If so, how?"

I will just take a shot at this. Again, with noncompliance the current practice is that if we receive information regarding noncompliance, we will follow up on that information.

And then retroactively, again, certainly anybody can benchmark their building at any time, whether it's for 1103 or not.

The regulations provide for that to be handled at the time of the transaction. But, certainly, the buyer -- or the seller can provide that information to

1 the buyer, you know, after the fact.

2 COMMISSIONER MC ALLISTER: And I want to just

3 sort of highlight the fact that we heard from most of

4 the jurisdictions, explicitly, that this morning

5 presented. You know, the goal is that their sort of

6 enforcement regime is relatively light-handed and it's

7 because they -- this is something that's in everybody's

8 best interest to do. The reason of the policy is that

9 it's good and it opens up from transparency and, you

10 know, we've heard from everybody that that's the goal.

11 So, the idea is not to create a punitive regime,

12 but actually help the local jurisdictions implement this

13 in a way that helps them with the climate action

14 planning and grow partnerships with their real estate

15 industries, and get this information out there.

16 So, certainly, you know, we have to look at how

17 we're going to get increased compliance. But, you know,

18 we definitely have a problem here in California with

19 respect to even though -- really, just with the

20 remarkably low compliance rates, and really across the

21 State.

22 And so, we've got to figure out how to make the

23 program more usable, more customer friendly, lower

24 transaction costs, but at the same time be very clear

25 that the expectation is there that people comply.

And, you know, hopefully at the end of this process we end up with that, with that proper balance.

MS. COLLOPY: Great, thank you.

It doesn't look like we have any other questions on the web so we are going to break for a one-hour lunch.

Just to remind everyone that this is -- the notice for this workshop has -- you know, it's posted on the website and the public comment period for this workshop runs until July 21st, which is a Monday so, just reminding folks that we welcome all of your comments for this workshop.

Okay, so with that we're going to break and thank you so much for your participation this morning.

COMMISSIONER MC ALLISTER: So, when are we coming back, now?

MS. COLLOPY: One hour, which will take us to 1:20, so less than an hour, so 1:20 we're going to come back.

COMMISSIONER MC ALLISTER: Everybody back at 1:20.

(Off the record at 12:23 p.m.)

(On the record at 1:28 p.m.)

MR. JOHNSON: Okay, everybody welcome back. I hope everyone had a good lunch.

1 So, now, we're going to get into our second
2 panel which is going to be, let's see here, the AB 1103
3 Impact on Building Owners and the Real Estate Industry.
4 So the purpose, obviously, understanding
5 building owner and real estate industry experiences with
6 AB 1103, including utility company cooperation, barriers
7 to compliance and suggestions for improvements.
8 So today on our panel, I'd like to introduce, we
9 have Jennifer Svec from the California Association of
10 Realtors.
11 We have Matthew Hargrove who's from the
12 California Business Properties Association.
13 We have Sara Neff, and she's on WebEx, and she
14 is from Kilroy Realty Corporation.
15 And lastly, we have Fran Inman and she is with
16 Majestic Realty.
17 So, I guess we'll start with Jennifer, if you'd
18 like to say some words.
19 MS. SVEC: Thank you for the opportunity to
20 present today to the Commission, we really appreciate
21 being here.
22 With regards to AB 1103, the California
23 Association of Realtors represents 162,000 realtors
24 statewide. A subsection of our membership does
25 represent commercial properties. However, generally we

1 do work on the smaller property side for transactions,
2 sort of the mom and pops.
3 With regards to time of sale requirements there
4 has always been an opposition as they do not effectively
5 reach the goals intended.
6 We believe that benchmarking of this nature
7 should be done across the board for all commercial
8 buildings, regardless of sale, lease or refinance.
9 Inspections and disclosures being required upon
10 entering into a contract is another problematic issue
11 that we have in this particular regulation.
12 AB 1103 requires upon execution that you provide
13 the benchmarking information. This is opposite or
14 adverse to how our transactions generally run where our
15 disclosures are done throughout the process, after the
16 execution of the contract.
17 So our NHDs and things of that nature are
18 provided after you have a willing buyer and willing
19 seller agree on a price and start to move forward for
20 their inspection process.
21 Generally speaking, the concept that we are
22 working on is a fallback position right now, where we
23 are giving our best guess on what the energy consumption
24 is of these buildings as opposed to actually getting the
25 aggregated data from the utilities.

From our perspective, no data is better than bad data.

We've got a problem on the residential side where people aren't trusting what's happening and the same thing is going to happen on the commercial side if we continue to use best guess as we move forward.

We hope to be a constructive participant. We're happy to answer any questions.

I know Mr. Hargrove and some of his members have more insights as to how it works within the large commercial structures as they have already been working within this program.

COMMISSIONER MC ALLISTER: I would just invite -- and so, you know, thanks for being here, really, for all of you. And I know it's post-lunch and, you know, hopefully we'll all -- you know, we all got some caffeine over lunch and I'm sure it will be an invigorating panel though, so --

But I think, you know, we have statute that is what it is. We have to get it working and it needs to -- you know, at the same time I think we'd all like it to lay the groundwork for some of the ideas you brought up, which is to do it right, and better, and more expansively, and more targeted in a way that building owners and operators can use. So, I appreciate

1 that.

2 I just wanted to point out that this -- you

3 know, I think we've heard many times that time of sale,

4 you know, you don't think it works. And I think there's

5 kind of an existing conversation going on, on that

6 issue.

7 But you know, AB 1103 is what it is and we need

8 to sort of work it out in a way that the marketplace

9 causes, I think, the least amount of trauma, really, in

10 the marketplace, but also helps us move towards our

11 long-term goals.

12 So, that's the idea and I think I heard you're

13 on board with that and I'm appreciative of your being

14 here.

15 MS. SVEC: Yeah, we're actually in complete

16 agreement with you, Commissioner. We would just like to

17 see an expansion so that it's just -- it's not just

18 focused on that one particular point.

19 MR. JOHNSON: Do you have anything else? Any

20 other questions?

21 Okay, we're going to move on, then, to Matthew

22 Hargrove.

23 MR. HARGROVE: Thank you for having me here

24 today. I'm Matthew Hargrove. I'm with the California

25 Business Properties Association. We're a commercial

1 real estate association active in legislative and
2 regulatory affairs on behalf of our members, in
3 Sacramento.
4 We represent all the major national commercial
5 real estate groups, including the International Council
6 of Shopping Centers, NAOP, and BOMA. We represent BOMA
7 California here in California, as well as six other
8 smaller associations all focused on commercial real
9 estate.
10 So, I'm here today to speak from that
11 perspective. But as you know, commercial real estate is
12 very broad.
13 We have buildings, everything from very large
14 warehouse distribution centers to very shiny, brand-new
15 Class A office buildings.
16 And that's part of the issue with this law and
17 with this regulation is that it's trying to cover those
18 two buildings and everything in between.
19 And we've known for a long time that this
20 approach is -- it has issues with being able to do that.
21 I think I'm probably the only person in the room
22 that was at the very first Policy Committee of AB 1103.
23 Attended all the policy committees, everything in the
24 legislature, was part of the negotiations and have been
25 part of all the stakeholder processes since then.

1 So, if you'll excuse me going through a little
2 bit of history, I think part of why we're here
3 discussing some of the issues that we're discussing
4 today have to do with the implementing legislation and
5 some of the thought that was behind that implementing
6 legislation.
7 And with all due respect to the conversation
8 that happened just previous, I think a key to making
9 this work in California is going back and revisiting
10 that authorizing legislation.
11 I think that as the bill went through the
12 Legislature it was portrayed as something that was going
13 to be very simple to do, that building owners were just
14 basically going to have to press a couple buttons, do
15 Energy Star and everyone was going to be happy and
16 everyone was going to be more informed.
17 I think, as we've seen today from the local
18 jurisdictions that are implementing similar programs,
19 it's much, much more complicated than that.
20 And I think after seven years of having
21 information on this and understanding how much more
22 difficult this program is, and really where the State
23 wants to go with this program, this program that we've
24 talked about today is not just a simple benchmarking
25 disclosure program.

I mean, all the local programs we've heard from today are really much more than that. And the State of California, as we should, I think, want to have a statewide program that is much bigger than just putting numbers in Energy Star, providing that in a transaction and having it be a disclosure.

So, we're very supportive of working with you on doing that. But I do think that the two key pieces in the legislation that are the cause for us being here today, that we should seriously consider revisiting, are the fact that it is mandated that all buildings be part of this process.

Not a single local government program that was here today, that talked about their programs have every single building as being part of their programs.

In fact, the numbers from Chicago was less than one percent. Boston is less than 2.4 percent of all their buildings are part of the program.

And we understand, again, as part of the conversation of why we wanted all buildings in the legislation, but we've seen that it really doesn't work.

And you really do have a point of diminishing returns on this as you move down, we all know that.

So, we believe that that is a way forward is looking at that, going back to the authorizing

1 legislation, and that is a key tweak that needs to be
2 made.
3 Additionally, we do think that this being keyed
4 with the transaction does not deliver the State with an
5 advanced program that moves the ball forward in terms of
6 energy efficiency.
7 What you're doing by having the program -- and
8 again, these are things that we discussed as the bill
9 was moving through the Legislature. But at the time,
10 input from the real estate community was not welcomed
11 with open arms.
12 So, we actually predicted some of these issues
13 seven years ago, as the legislation was moving through.
14 But by keying this on your transactional issues
15 what you're doing is you're putting building owners,
16 managers, title agents, real estate agents in a real
17 pickle in terms of trying to be able to do an economic
18 transaction and then all of the sudden you have to, by
19 State law, deal with this particular disclosure.
20 Instead of having a program, like some of these
21 local programs, where it's a knowable, predictable
22 yearly disclosure or I think San Francisco you have to
23 do it once every year, we have in the past supported
24 legislation on -- there's been issues with water
25 efficiency where we, as an industry, did believe that it

was much more efficacious for the State to say you have a deadline. Industry, you have a deadline, a few years out in the future and by then all the buildings of this type of cohort need to comply with that deadline. And then, on a yearly basis after that there's checkups on that.

So, we do think that revisiting the legislation is key.

If we're not going to do that, then I think that a lot of these issues that we're struggling over are going to be unresolvable. I mean, there's very big issues here that are difficult, especially with the statewide implementation.

As we heard today from the local programs that are doing this successfully, in most cases they're dealing with one electrical entity, one gas entity.

Being a California native, hearing a steam entity was kind of interesting to me.

But, you know, the local program, San Francisco, having to just deal with one energy provider makes it much easier for them to implement the program.

What you're having to deal with on the State level, you know how difficult it is.

And we're getting feedback from some of our members on this that in some areas this is no problem.

1 It's very easy to do. Complying with 1103 is, you know,
2 no big deal at all.
3 In other areas, depending on the luck of the
4 draw, or the area you're in, or which utility you're
5 dealing with we're getting feedback, everything from my
6 local utility has never heard of 1103, to they've heard
7 of it but they won't give us any information, to the
8 biggest issue that a lot of our members have is that
9 some utilities are requiring that they go get sign-off
10 from their tenants.
11 And that is not the way we read the law. We
12 understand it's not the way the Energy Commission reads
13 the law. And it makes it very, very difficult for
14 compliance.
15 So, when we hear, earlier someone testified,
16 asking the Energy Commission to get out there and start
17 really pushing compliance and going after companies,
18 that's something that we think is a little bit premature
19 at this point because there are significant hurdles for
20 companies being able to comply.
21 Even companies that fully want to comply and
22 have energy staff on board, there are certain things out
23 there that are making it difficult.
24 As the regulations were moving through, the
25 Energy Commission and International Council of Shopping

1 Centers pulled together a group of individuals to talk
2 with your staff about how to apply this in the shopping
3 mall setting.
4 Now, there's a lot of shopping malls that can do
5 this very easily. But there's a lot of things that can
6 go wrong as you're moving through this process, or you
7 might not be able to do within a 30-day escrow process
8 that makes it difficult to comply.
9 And you get very simple questions with this on
10 what is a building in that type of setting, where you
11 have a series of buildings that may or may not be
12 connected in a mall situation.
13 And I think having that legislation that says
14 "all buildings must be part of this" just exacerbates
15 that type of problem that there's a lot of different
16 types of real estate out there.
17 And I'm wrapping up. But seven years' working
18 on this there's a lot to talk about.
19 And again, we're supportive of this. We
20 ultimately were supportive of the piece of legislation
21 that came out and went to Governor Schwarzenegger's
22 desk.
23 We do see a lot of value in benchmarking,
24 sharing that information and having a program that
25 facilitates that.

1 Unfortunately, the way it's rolled out in
2 California we went from being the first state in the
3 nation to having such a law, to being a little bit
4 behind the ball in terms of implementing it.
5 The issue that was asked three times this
6 morning of the local groups that were implementing
7 successful programs were, basically, what's the cost to
8 implement this? What's the type of staff you have?
9 And we never heard a clear answer this morning.
10 But I think that that is key, that I think that these
11 local programs, especially San Francisco, have
12 appropriate staffing and have dedicated resources and
13 incentives to their local community to make this program
14 work.
15 Unfortunately, with 1103 at the State level, and
16 this goes back to that implementing legislation, is as
17 the bill moved through the Legislature the Energy
18 Commission told the Legislature that the bill could be
19 implemented out of existing resources, and that allowed
20 the bill to skip a couple of fiscal committees.
21 And I think that we've seen that this program
22 takes some fiscal resources, especially statewide. Just
23 the legal bills, alone, for the Energy Commission on
24 dealing on this have to have been through the roof.
25 So, as part of going back to the Legislature and

tweaking with this authorization, we would stand side by side with the PUC and the Energy Commission asking for some resources to implement this.

We think it's an important program and one that the State should dedicate some monies to.

I think I'll leave it at that. Again, we want to be helpful. There are serious implementing issues. And I know after me are some real life building owners and folks who have been through this process that can get to the nitty-gritty.

One thing that I'm happy about hearing today, at this meeting, is that instead of talking about the generalities today, we are kind of starting to get into the weeds and the actual implementation issues of this.

And I think that it's clear that there's uneven implementation throughout the State of California depending on what area you're in, and that is making it difficult for compliance.

And we want to see a hundred percent compliance and looking forward to working with you on that.

So, thank you for having me here today.

COMMISSIONER MC ALLISTER: Thanks Matt, I appreciate it.

And we'll -- before we move on I just really have a kind of a -- well, an invitation and a clarifying

1 question.

2 So, certainly, on the threshold issue I think we

3 heard different things this morning. And it seems like

4 analysis of the building stock to figure out, you know,

5 square footage versus number of buildings, and kind of

6 like figuring out what that population looks like.

7 I know we've done some analysis here at the

8 Commission, but from your perspective it would be nice

9 to have sort of a little bit of an assessment of where

10 the buildings with the most bang for buck actually are,

11 you know, thresholds of different impacts versus sort of

12 transaction costs.

13 I guess that's sort of my suggestion that it

14 would be helpful to hear from you guys. I mean you may

15 already have it developed, you know, multiple times over

16 the course of this whole proceeding but -- go ahead.

17 MR. HARGROVE: So, actually, very early on this

18 process, as we were moving towards the implementation of

19 this and before we got to the stepped implementation

20 that we currently have now, our suggestion was to rely

21 on Energy Star.

22 The whole program is focused on Energy Star.

23 Energy Star is something that everyone agreed on was

24 kind of the common language to make this happen.

25 And at the time Energy Star was -- Energy Star

1 can do it now. Their staff can very easily tell you the
2 types of buildings and thresholds that their program is
3 going to work best for.
4 So, our suggestion early on in this program
5 before we got, again, to the step process was for the
6 first few years of the program -- because we thought
7 California could have come out the year after this bill
8 was passed and had a program up and running, but it
9 would have been focused on 15 to 20 percent of the
10 buildings that Energy Star at the time was really
11 focused on.
12 But California let the perfect be the enemy of
13 the good at that time. And kind of instead of moving
14 forward incrementally and focusing on that, and relying
15 on Energy Star, at one point the regulations had an
16 entirely different energy program written into it, in
17 addition to Energy Star, as well as the focus was
18 really, really on making sure that every single building
19 down to your 50 square foot shed out on somebody's
20 property was a piece of this.
21 Because that's what the implementing legislation
22 said and it was taken very literally.
23 So we would say, and still, is let's look
24 towards Energy Star and we think that they have,
25 probably, some good guidance on how to make that happen.

1 COMMISSIONER MC ALLISTER: And then on the
2 legislative front, I mean I kind of think if there is a
3 push on legislation it's going to be about disclosure,
4 generally. It's probably not going to be 1103, per se.
5 So, that may -- that's not the conversation
6 today and it's for another day I think, but we have an
7 existing statute and existing regulations that it's
8 really our obligation to try to make work. So, I think
9 that's really why we're here today.
10 But I appreciate the perspective and the
11 historical perspective on this and, you know, how the
12 State more broadly speaking might best move forward.
13 So, appreciate your expertise on that front.
14 MR. HARGROVE: If I could just add onto my last
15 answer, too, the focus of the regulations, too, has
16 treated all buildings exactly the same.
17 And there really needs to be a recognition that
18 there are different building types.
19 Under this type of a regime, a Class A office
20 building is much easier, and many of them are already
21 doing this, than is an older industrial building.
22 And the other issue that goes along with that,
23 that you heard from earlier, is because there's no
24 exemptions in the law or in the regulations.
25 We do hit that issue of not having 12 months' of

actual data in order to be able to Energy Star buildings.

So, especially in those multi-tenant situations, you just see a lot of folks who say, well, I can't get an Energy Star score what do I do? Well, you default to safe harbor then.

And then you get folks saying, especially folks who know Energy Star, they say, well, if I'm putting in bad data that means I'm skewing all the numbers.

So, we know that you recognize that that's an issue and that is a short-term fix, that safe harbor. But that is something that really needs to be addressed. Is California getting good data out of this if you're forcing every single building type to do this on every single transaction?

Some buildings might transact three times in a single year. Others might not transact for 20 years.

Thank you.

MR. JOHNSON: Thank you, Matt.

All right, so next we're going to move on to Sara Neff. Sara, are you there?

MS. NEFF: Yes, I'm here.

MR. JOHNSON: All right, go ahead.

MS. NEFF: Can everybody hear me?

MR. JOHNSON: Yes.

MS. NEFF: Great. Hi, my name is Sara Neff. I am the Vice-President of Sustainability at Kilroy Realty. And I think I may be the first person to talk today who has actually complied with AB 1103 in some buildings.

(Laughter)

MS. NEFF: Kilroy Realty is a Class A commercial office building owner. We own about 13 million square feet between San Diego and Seattle, the great bulk of which is in California.

Then I'm the full time sustainability person, so I, in wearing the hat that we're dealing with today, deal with making all of our buildings more energy efficient.

So, the energy usage of my buildings is, you know, more or less my full time job and it's something that I focus on all the time.

And I have complied with AB 1103 I believe six times at this point. And so, I will go through what my experience has been with that.

I also want to say that I also comply with the benchmarking ordinances in Seattle and San Francisco.

And so, you know, how has AB 1103 been for me? And I want to say that I am probably the person for whom AB 1103 would be the easiest. I'm a full time person.

I'm already here. I already deal with energy. I'm not learning this for the first time and I'm very conversant in Energy Star.

That said, it did take a while to figure it out. There are things about this regulation that don't make a ton of sense because it's sort of a square peg/round hole issue.

But I will say that, you know, now it's something that we at Kilroy, at least, are comfortable with.

So, what has been my experience? Well, the painful part has been scrambling to get data for buildings for which we don't have the energy usage. This is something that has come up on this call. I'm sorry, it's a call for me, but a meeting for you and it's come up a lot today.

You know, those buildings are -- those buildings happen to be in San Diego. San Diego Gas & Electric has made it incredibly clear that anything for which we do not have a signed letter of authorization we are not getting the data for.

Those letters of authorization are pretty intense looking. They say right at the top, you know, this is a legal form, you must read it. And that tends to be kind of scary for tenants.

1 So, the times we've had to comply in San Diego
2 have involved begging our tenants for the data, more or
3 less.
4 But my asset managers, because we're Class A,
5 even with triple net tenants have a good, you know, sort
6 of hands-on relationship with them. And so, that kind
7 of ask wasn't so big of a deal for us.
8 COMMISSIONER MC ALLISTER: Sara, can I jump in
9 and just ask a clarifying question?
10 MS. NEFF: Yes.
11 COMMISSIONER MC ALLISTER: This is Commissioner
12 McAllister.
13 MS. NEFF: Sure.
14 COMMISSIONER MC ALLISTER: In those cases has
15 there been -- are those buildings with lots of tenants,
16 with a few tenants, variable? What's been the kind of
17 types of tenants?
18 MS. NEFF: It was variable. I think each of
19 those buildings has three tenants. But again, it was
20 the poor property manager and not me who had to go --
21 who had to go after the data.
22 Yeah, I think in that case it was two buildings,
23 each of which had two tenants in it.
24 COMMISSIONER MC ALLISTER: Okay, thanks.
25 MS. NEFF: So, you know, yeah, that had to

1 happen.

2 There's a little bit of silliness. You know,

3 for example, and we had a whole building lease, like on

4 January 6th -- I may be the first person who actually

5 complied with AB 1103 because I did it on January 6th.

6 But that was a building that had been vacant for

7 two years and so though we complied with AB 1103, I'm

8 not quite sure what good that did anybody. I think

9 there should be exemption made for vacant buildings.

10 And then there are some surmountable technical

11 issues with it. I mean this has come up before, but the

12 data verification checklist is confusing.

13 Now, my legal team gets why there are all these

14 blank checkboxes, but that has caused some confusion.

15 And the other thing, and I realize this is a

16 small technical error, but right now my experience and

17 the experience of everybody I know who has complied is

18 that you send your data to the California Energy

19 Commission and you get no response.

20 It's just sent out into the ether and so we just

21 save the copies of the sent e-mail, but we don't get

22 anything back.

23 The only time I ever got anything back was when

24 we actually did it incorrectly. There were some dates

25 issues. And then I got a response within an hour

1 saying, uh-hum, you did this wrong. And so then we
2 fixed it and sent it in, and then got nothing.
3 (Laughter)
4 MS. NEFF: But that's okay, we're now ready
5 to -- we're now able to comply.
6 So, we have never received a response to an AB
7 1103 disclosure from the other party in our transaction.
8 The buyers of the buildings and the lessee has never
9 asked a single question about this data.
10 And I think that's because of the issues that
11 have been brought up previously where, you know, if the
12 goal was to make this actionable information for a
13 transaction, the fact that you can't provide it more
14 than 30 days in advance and, in fact, usually provide it
15 about 24 hours in advance doesn't really make a ton of
16 sense.
17 I mean those who are doing due diligence and
18 care about energy usage have asked about the energy
19 usage of their buildings months in advance and those who
20 don't care are not going to do much about it.
21 So, maybe the idea is that later on then they,
22 you know, have some -- have at least the foundation to
23 make decisions on the energy usage of their buildings.
24 But as far as influencing the transaction, the timing is
25 such that that won't happen.

1 So, the major barrier, and this has come up a
2 lot, is just getting this utility data. Everything else
3 is solvable.
4 But, you know, these work-arounds more or less
5 make the compliance somewhat meaningless.
6 But, you know, really it's just this utility
7 data issue. And we are solving this at Kilroy, again,
8 because we're very proactive Class A, highly sustainable
9 office owners, you know, we -- we were part of the
10 inaugural class of real estate owners to join the Green
11 Lease Leaders program this year. We were part of the
12 first 14.
13 And so, we now have language incorporated into
14 our leases that require tenants to give us this data.
15 This is the one thing that I get pushback on.
16 Of all the things we require in our leases, I would say
17 this is what the lawyers come back and say the
18 tenants -- or at least the tenant brokers really
19 dislike.
20 And I'm not quite sure, to be honest, where
21 that's coming from. And I think maybe with more comfort
22 with the law we'll see less of that, but that is
23 something that I do get quite a bit pushback when we
24 have -- when we do our leasing.
25 And so just, you know, the -- and then the

1 square peg/round hole issues are just that the data
2 verification checklist, it just wasn't designed with AB
3 1103 in mind.
4 And I know some people, during the meeting, have
5 offered their forms that they have created. I really
6 would really endorse that idea.
7 The other problem with the data verification
8 checklist that hasn't been brought up, yet, is that it
9 contains additional information that's irrelevant to AB
10 1103, but that can cause transaction issues.
11 You know, meter start dates and end dates can
12 get touchy in sort of a contentious transaction of,
13 okay, why am I paying for this meter when it started on
14 this date and you actually said it started on this date?
15 And that's unfortunate because, you know, that
16 information isn't relevant to AB 1103 but because of AB
17 1103 that information, then, becomes part of the legal
18 transaction that is taking place.
19 So there are just -- the data verification
20 checklist is an issue. And so, we highly recommend
21 aligning.
22 And then the other issues is sometimes, as we've
23 also mentioned, AB 1103 wants information differently
24 than how Energy Star collects it.
25 Again, I have it quite easy. But say we have,

1 you know, buildings joined by a central plant that
2 aren't sub-metered and that becomes very difficult.
3 And so, you know, overall our experience has
4 been -- you know, we've figured it out. It has taken
5 some training.
6 I teach AB 1103 compliance workshops here in Los
7 Angeles for the Building Owners and Managers
8 Association. So, I have the easiest, I think, time of
9 it. And there are still some issues but we think
10 they're solvable.
11 And we think it's really important, you know, we
12 who sort of are on the forefront of sustainability
13 really want other owners to have to pay attention as
14 much as we have. We've put a lot of time, and
15 resources, and energy into understanding the consumption
16 of our buildings. And we feel that, you know, if other
17 owners had to do the same, our buildings would seem even
18 more competitive.
19 So, we were in favor of this but -- and some of
20 the implementation issues are really solvable.
21 I mean, right now what I'm saying, to echo
22 what's been said earlier, is that because this law isn't
23 being enforced those who can comply, like me, are. And
24 those who have difficulty complying more or less are
25 not.

1 And I think that's going to be an ongoing trend
2 until some compliance -- until some enforcement happens.
3 So, we -- I'm going to echo Matt's statements
4 that, you know, it just depends on your asset type.
5 But yes, for office, the barriers are
6 surmountable with the exception of utility data. I
7 don't know really what we would have done if my property
8 managers hadn't been able to convince the tenants to
9 hand the data over.
10 And I can also just -- I want to take a brief
11 second to talk about what it's like to comply in Seattle
12 and San Francisco.
13 Both places make it very easy. In Seattle there
14 isn't a form at all, you just share your data in
15 Portfolio Manager with the City, and then you basically
16 check in with them yearly to say, hey, are we still in
17 compliance?
18 And that works quite well because it's -- what
19 Energy Star Portfolio Manager does well is, you know --
20 I mean the sharing portion is difficult, but once that's
21 set up then the data does go back and forth.
22 In San Francisco there's a form. That also
23 works well. I would say that in San Francisco we've had
24 some problems with the link that allows that form to
25 show up being not provided correctly, and then the link

1 doesn't show up. And then it's hard to realize that it
2 hasn't show up, so it just looks like the form isn't
3 available and then the deadline has passed.
4 That's a little bit confusing but just believe
5 me that to comply you have to click on a link and then a
6 form shows up and it's straight forward.
7 But if you don't have the link or the link is
8 outdated then the form doesn't show up at all.
9 But those two are fairly straight forward and I
10 think both those systems work really well. And we'd
11 love to see something like that happen with AB 1103 so
12 it's still within Energy Star, but not this other form
13 that causes some problems.
14 And I'm happy to answer any other questions
15 about our compliance, either with AB 1103 or the cities,
16 or energy usage in our buildings.
17 COMMISSIONER MC ALLISTER: Well, thank you very
18 much, Sara.
19 So, just to clarify, so Seattle it sounds like
20 you set up through the web tool and get ongoing
21 reporting --
22 MS. NEFF: Yes.
23 COMMISSIONER MC ALLISTER: -- between the
24 building and the city and then you're sort of -- it's on
25 autopilot after that. Is that a correct statement?

MS. NEFF: That's correct.

COMMISSIONER MC ALLISTER: Okay, so that's actually more along the lines of performance benchmarking, you know, ongoing reporting versus kind of a one time.

MS. NEFF: Yes, that's correct. You're only checking in about it once a year.

So, for example, you know, if I complied in April and then I didn't input any more data, I wouldn't be out of compliance, you know, until the following April. They're not checking to make sure that you're uploading the data every month or every four months.

But yes, in theory, they could access the data if it is being inputted on my side, any time they needed it.

COMMISSIONER MC ALLISTER: Okay, interesting. Okay, well, it sounds like there are a couple of opportunities for us to circle with Energy Star but, you know, depending on how things shake out on other issues.

But anyway, I wanted to offer anybody on the dais here who wants to ask a question?

I find it incredibly refreshing to have a real-world practitioner tell us their blow-by-blow because it's a little reality check and helps us figure out how to provide better customer serve and design programs

1 that actually work out there in the world. So, I think,
2 yeah, that's kind of job one at this point.
3 So, anyway, thanks for being on the panel and
4 hope you can stay on and answer questions.
5 MS. NEFF: Thank you so much for having me.
6 MR. STEVENS: Really quickly, this is Brian
7 Stevens. I work for one of the State agencies, the
8 Public Utilities Commission.
9 MS. NEFF: Uh-hum.
10 MR. STEVENS: And I'm very compelled by your
11 anecdote here. I work for the President of that
12 Commission and I'm going to share your story. And if
13 it's okay, Sara, could I contact you next week and
14 follow up a little bit more?
15 MS. NEFF: Sure, absolutely.
16 MR. STEVENS: Great, thank you so much.
17 COMMISSIONER DOUGLAS: Well, I just wanted to
18 say briefly, this is not a question but I share the
19 sentiment that it is really refreshing to hear real-
20 world experiences both from within California and from
21 outside of California.
22 So that we're as informed as we can be about how
23 to make this program work as well as it possibly can
24 and, therefore, what changes we need to be considering
25 in California's approach in order to make this as

1 effective as possible. So, we're hearing some good
2 ideas. We'll be no doubt hearing more throughout the
3 day and then, hopefully, subsequent to the workshop.
4 This is really helpful.
5 MS. NEFF: Yes. And I just want to say I can't
6 possibly emphasize enough the utility portion. That's,
7 to me, just a major sticking point.
8 And in speaking to my utilities, you know, I
9 have a very -- I like to think a very good relationship
10 with my utilities. I mean my SCE utility rep was here
11 this morning and, you know, we were having another face-
12 to-face meeting.
13 But, you know, they're quite -- I mean we'll
14 hear from the utilities later. But they've been placed
15 into quite a bind in terms of, you know, wanting --
16 knowing that we, as landlords, need to comply with this
17 law and then also having, you know, I would say
18 legitimate concerns on their other legal side with the
19 liabilities.
20 And so, you know, right now the utilities, when
21 I -- I do quite a bit of speaking to utilities. And the
22 sentiment I get is, boy, those customers, they sure are
23 in a bind, but there's not a ton of -- there's not a ton
24 of, I would say, motivation to be the agent of change
25 because they're more or less bound not to be able to be

1 that agent of change.

2 And in a situation where, you know, the

3 customer, in this case me, doesn't have the legal right

4 to access particular data.

5 So, I just can't say enough that that really

6 needs to get addressed. And the rest of the technical,

7 you know, auto compliance, you know, square peg/round

8 hole things, I think those can get solved very quickly.

9 So, I have faith in my government that it will be.

10 COMMISSIONER MC ALLISTER: Well, that's terrific

11 to hear. You know, we're here to serve, right.

12 MS. NEFF: Yeah.

13 COMMISSIONER MC ALLISTER: So, I guess I do want

14 to -- you know, could you highlight the differences,

15 again, between Seattle and AB 1103, I guess in terms of

16 those sensitivities with respect to what the particular

17 position the utility represents that it is into you?

18 MS. NEFF: Well, I'm not a super great person to

19 speak to that because none of my buildings in Seattle or

20 San Francisco are triple-net which means that in all of

21 those buildings I, the landlord, have the data.

22 I will say that I really love Barry Hooper's

23 team. And I will say that the City of San Francisco

24 is -- does a really good job of being cognizant and

25 understanding of issues with compliance in buildings,

and of being understanding.

For example, if you have a building under construction obviously it can't comply with the ordinance.

If you have a building that, you know, they have an auditing requirement, well, I got the building audited two years ago. Oh, okay, then we know when to push your timeline.

So, I would say that -- I mean it's not a big team over there, but they really do get a lot done and it's kudos to them.

So, yeah, my experience -- the utility portion of my experience does not overlap with my -- it just happens to be luck of the draw that I don't have triple-net buildings in those areas. And in fact, my fee structures are actually pretty straight forward.

I will say that in Seattle I do deal with having, you know, steam coming from one utility and power coming from another utility, and having to integrate those two.

And I haven't had to deal with it with AB 1103, but I do live in fear of having -- if we sell a building where it's SCE as the broader power with SoCal Gas, because the Semper Utilities haven't figured -- haven't gotten automated benchmarking back online, yet. So,

that makes -- it just slows things down. They will give you your data if you ask for it, but there's not currently a way for us to get it online.

Although, I'm heartened by these 25 buildings that apparently do get their data automatically again and I'm hoping it to be buildings like, you know, whatever, 26 through 40 would be great.

(Laughter)

MS. NEFF: So, let me know. So, yeah, it doesn't really affect me.

I will say that in Seattle they do make a big effort to do a lot of training and provide automated benchmarking so that it's easy.

COMMISSIONER MC ALLISTER: Great, thanks very much.

MR. JOHNSON: Hi, Sara, this is Daniel Johnson. I was just going to tell you that we do have a confirmation message for when people submit to AB 1103 report. It was briefly not functioning, though. And I know you've complied six times, so maybe it was during that period.

But if you want to test it, send an e-mail to it and you should get something back.

MS. NEFF: Oh, I will try that, thank you.

MR. JOHNSON: Okay. All right, so thank you so

1 much.

2 Next is going to be Fran Inman with Majestic

3 Realty.

4 MS. INMAN: Good afternoon and thank you for

5 letting me share our story, as well.

6 I, like Matthew, have been in the trenches on

7 this one since it was across the street and being

8 considered.

9 So, I think what's important for all of us today

10 is really compliance with the benefit, or compliance --

11 I said compliance with the cause, initially, and I think

12 compliance with the benefit is really, really important.

13 As Commissioner McAllister mentioned earlier, it

14 was really are we getting information that people can

15 make informed decisions on at the proper time? And I

16 think that's so very important for all of this.

17 So, a little bit of background on Majestic. Our

18 model is a little different. We're privately held

19 portfolio builders. We have 70 million square feet in

20 our portfolio today across the United States, but nearly

21 40 million of that is in California.

22 So that is comprised, today, of 258 buildings.

23 And we are different in that we have a full

24 integration of services that we all report to the same

25 chairman.

1 So, I think we have a little advantage in terms
2 of we do our in-house property management, we do our own
3 construction and design. So, we live with those
4 properties and then we own them for the long term. So,
5 we're certainly motivated.
6 Our company has been committed to energy
7 efficiency. A little different from Sara's model, we
8 don't have a sustainability officer. Our model is more
9 it's all of our responsibility, so it's a little bit
10 different approach.
11 But I think they're both important.
12 So, we have a wide range of asset types. So,
13 the comments that you've heard earlier on the Class A
14 office buildings, I would say that has generally been
15 our experience as well that, to date, when I checked
16 with our team in advance of this workshop, we've done
17 about 50. Our reporting has involved 50 different
18 buildings. So, that's kind of where we are in our
19 journey.
20 And not being in compliance wasn't an option for
21 us. So, we have been on this journey with you all. We
22 suffered through the hiccups of the Energy Star software
23 update. I think we actually did some of our work a
24 couple of times.
25 And then, also, because we do have different

1 asset classes we have very, very different leases and,
2 therefore, different relationships with our utility
3 partners.
4 So, clearly, on the Class A where we have the
5 information, where those operate on a full-service gross
6 lease, so we have very timely information.
7 On another aside, earlier this week I was
8 listening to NPR about the malware software that is able
9 to tap in and get real-time energy usage. And it was
10 just a little ironic to me that we all know there's some
11 bad buys out there, as we struggle to get good
12 information in a timely manner.
13 So, that's kind of the world that we live in.
14 So, on our industrial warehouse distribution is
15 really where the core of our holdings are and those
16 operate on a triple-net lease, so that has been the
17 challenge.
18 So, initially, when we started this we thought,
19 okay, we'll just put all of our buildings in. We don't
20 sell on a general basis, so we knew that our triggering
21 mechanisms were going to be move outs or if we were
22 refinancing.
23 And we do have loan expiration reports that we
24 get and we also get move out reports.
25 But we initially said we're just going out. We

1 went out with letters to our tenants and started that
2 journey.
3 Well, it kind of fell on deaf ears for us, so
4 that didn't work. And so we had to go to plan B.
5 And so, we began working with our move out
6 reports and our loan expiration reports just to make
7 sure.
8 So today we're right at about 50 buildings that
9 we have completed or are in the process of being
10 completed as we speak.
11 So, the journey that we were on, and our
12 utilities, we have several but they'll remain anonymous
13 because I'd like to have the power on when we get back.
14 But we've had the same kind of challenge.
15 MR. STEVENS: I can assure you it will be on.
16 (Laughter)
17 MS. INMAN: I don't know, we just did Southern
18 California grid reliability meetings last week, so we're
19 hoping Mother Nature will be kind to us in Southern Cal.
20 But anyway, so we reached out to our tenants.
21 We don't have all the space data information,
22 necessarily. We've been in business since 1948, so some
23 of our buildings are a little older. Some are newer.
24 So, clearly, we operate from the landlord
25 perspective. And depending on, you know, when that

building was built and what information we have deemed important to have in our software, at our fingertips wasn't always in alignment.

So, we had to dig around a little bit to find out the hours of operation that the tenant was using. And it changes because, remember, most of our large buildings will be warehouse distribution centers and the hours of operation can change with diversions of cargo, or seasonality, whatever.

So, we had to reach out to our tenants. And it really was labor-intensive in terms of phone call, e-mail or whatever it would take is basically what we did.

Like I say, we were advantaged because we do our own property management and we're all in the same building, so it was a little easier for us, perhaps, to communicate than if someone had outsourced that service. I can imagine that it's compounded.

But anyway, so we reached out to our tenants and found the information we needed to build our records and to the Energy Star.

We heard this morning discussion about that and I really would encourage us -- I think having one platform, when you're in multiple markets, is really one of the things we did get right.

And even though it hasn't been a hundred percent

1 perfect, I think that it is what we want to do. We
2 definitely don't want to have everybody inventing their
3 own different mechanism. So, Energy Star has worked.
4 We found the information and then reached out to
5 our utility partners and ran into the challenge of we're
6 not party to their agreement. It's the tenant, for the
7 most part, that has the utility agreement. So, we were
8 told that we had to get releases.
9 We found a wide range of responses from our
10 tenants. Some on-site managers had no problem, but
11 others it became a process and it took longer than we
12 would have hoped for in terms of that form to get up
13 through their corporate culture and back.
14 And then what happened with us, we did that only
15 to be told that wasn't the right form. So, we actually
16 did it twice. So, call us slow learners or whatever.
17 But at least for our 50 projects that are in
18 compliance today we have found a way. I don't think
19 that's necessarily been an efficient operation in terms
20 of resource utilization. I think if we put more of our
21 energy into really figuring out how we can reduce
22 consumption, it would be better than the journey.
23 But whenever you start something it's a little
24 more of a challenge. But I think we do -- I'm
25 interested to hear from our utility partners later today

1 where we can find that common ground.

2 So, when I hear about some automatically being

3 transferred in just with the landlord release of

4 compliance, I think that would be definitely a step in

5 the right direction.

6 COMMISSIONER DOUGLAS: Can I ask --

7 COMMISSIONER MC ALLISTER: Fran, can I -- oh, go

8 ahead.

9 COMMISSIONER DOUGLAS: Yeah, we both have

10 clarification here.

11 MS. INMAN: Okay.

12 COMMISSIONER DOUGLAS: When you said that it

13 took maybe longer than you might have hoped or desired

14 for this form to make it through, you know, the approval

15 process, or the tenants, different layers of management,

16 can you give us a time range around that? You know, is

17 there an average? What was the longest? You know, what

18 was the range more or less?

19 MS. INMAN: You know, it was everything from

20 immediate signature to weeks. And then because we could

21 not lose a deal because we hadn't complied, we then

22 would put more pressure onto, you know, do we have to

23 have our attorney call, help them understand what the

24 law is, more background information on why we're asking.

25 That it wasn't a Majestic, something that we were trying

1 to do on our own, that we were trying to be in
2 compliance.
3 So, it varies. You know, we have tenants in
4 buildings anywhere from maybe 10,000 square feet, a
5 couple of old buildings, up to, you know, a million
6 three in one building. So, you get all range of
7 business types, and operations, and levels of
8 sophistication.
9 And I want to agree with Sara, I think it was
10 Sara's comment, that when the form, the release form
11 starts out "this is a legal document", it automatically
12 sends the other side to rally their team to make sure
13 that, you know, they are comfortable signing that.
14 So, we got them, but it just wasn't efficient.
15 MS. NEFF: Yeah, that was me. Yeah, I would say
16 it's the legal team that's the least likely to hand over
17 the tenant energy information. Usually, the asset
18 manager or the tenant, you know, office coordinator
19 doesn't mind and this is not considered particularly
20 sensitive information for most tenants.
21 But as soon as you, you know, necessarily get
22 the legal team involved that's when life becomes much,
23 much more difficult.
24 COMMISSIONER MC ALLISTER: I had a question just
25 as to how you manage your properties. Is Portfolio

1 Manager something you already use to do benchmarking and
2 kind of analyze your properties to help you to know
3 where to make investments, or do you have other tools,
4 or what?
5 MS. INMAN: We use that for our Class A
6 buildings, where we are in the position to make the
7 energy consumption decision.
8 But I would say that, generally speaking, the
9 Energy Star, if the tenant is interested, and we do have
10 major -- you know, we have one of our tenants that's in
11 several different buildings, probably totaling 5 million
12 square feet. And we have worked with them to get their
13 building rated to the gold level on Energy Star.
14 But it was driven, primarily, by the tenant's
15 decision because as a landlord, at least in the
16 warehouse distribution facilities, those are concrete,
17 tilt-up buildings.
18 I mean what we actually have control over after
19 they're built is minimal. I mean we own it, but we're
20 not -- the tenant improvement decisions, usually those
21 are negotiated early on and then the tenant actually
22 specs.
23 Now, we do on our side, typically our new
24 construction qualifies for Section 179(d), energy tax
25 credits as it relates to the lighting and the HVAC to

1 the extent that we are actually making that payment.
2 And that's where it gets into each lease is a little bit
3 different.
4 But with that information, when we're working
5 with our tenants we definitely make them aware.
6 And in that particular ruling, anything larger
7 than 160,000 square feet, it's been our experience, are
8 good candidates to quality for those tax credits.
9 So, you know, it really all depends, but it
10 needs to be a partnership with the tenant.
11 So, I think, you know, in really thinking about
12 how to make this better and more effective, I think we
13 heard earlier it's the timing of information, getting to
14 the right decision maker at the right time.
15 And while we have complied, we have not been
16 asked by a lender to show this form. But with that
17 said, there are so many forms that all of us sign when
18 we do any transaction today, you know, I'm not sure how
19 valuable that really is.
20 Because we've heard earlier that so much of
21 those negotiations are done in advance of the actual
22 time that we go through the signature blocks and do all
23 of that.
24 I think that getting the information to the
25 tenants about their operations, we did have one tenant

that's in one of our campuses, that is on a modified lease, and they came to us because they were way over the BOMA standards in terms of a building of that type and what it should be.

So, we offered to come help them, if they were interested in doing an energy audit. And what we found, the primary driver had to do with their collective bargaining agreement.

And we had an office with 500 employees that had 86 refrigerators, and a fan at every desk, and a cup holder at every desk, and I forget how many microwaves, but it was a comfort clause.

So, I think we have to look where we have misaligned objectives, sometimes, and really have the good discussions at the right time to be able to change our behavior.

But that building still has that agreement and that's, you know, how it has to operate at least for now.

So, I think in terms of the big message here for us is not all asset types. We need to really be sensitive to the fact that it cannot be a one-size-fits-all. And the more we do that, the less beneficial our activities are and that takes away from the real objection, in my opinion, which is reducing our energy

consumption.

And then I was also thinking about, because I spend a lot of time on transportation issues in my other job, as we push to alternative fuel vehicles we will inherently have some of our energy utility, electricity use go up at some of our buildings as we try to plug in some vehicles there.

So, I think we'll have to have a way to accommodate for that and certainly not penalize anyone who is doing that. But we will have some increased energy usage.

So, I think the thing for business, for all of us, is really just that economic balance and making sure that the efforts we're putting forth actually give us the intended outcome or the ability to have the intended outcome.

And, certainly, having benchmarking we all understand that, you know, that's kind of how we measure success. But we've got to make sure that our timing is right and to the right folks who can make the changes.

Thank you.

COMMISSIONER MC ALLISTER: Thanks very much, appreciate you being here.

MR. JOHNSON: Thank you, Fran.

We're going to move on to our next panel.

COMMISSIONER MC ALLISTER: Do you have any questions or --

MR. JOHNSON: Any questions? No. Questions? Comments?

MR. HARGROVE: Commissioner Douglas, you said you like to see real comments. We surveyed our members and have compiled six pages worth of raw comments. And they are raw, some of them.

We debated whether or not to submit them but I mean, I think after this conversation, especially your comments that you'd like to see some direct from some folks, we will submit these for the record. And I think you'll find them interesting to read, especially from some of the smaller companies that are kind of learning about this as they're trying to refinance their building.

COMMISSIONER DOUGLAS: Thanks. I would look forward to seeing that.

MR. ASHUCKIAN: Before the panelists leave, we have potential comments and questions from the audience.

MS. CLINTON: Yes, so I'm Jeanne Clinton. I'm at the Public Utilities Commission as an energy efficiency advisor and also advise the Governor's Office.

I'm struck by hearing from all four panelists

that perhaps there's room for improvement in constraints between the way the statute was enacted and sort of the realities of the real estate marketplace and how it works, and just timing of decisions and that sort of thing.

And I'm just curious, I'm not asking on behalf of the Energy Commission or the PUC, I'm just asking in my curiosity mode.

Would you -- what would you advise the Energy Commission to do in terms of how much effort to put into improving and streamlining 1103 as the statute exists today, and/or how much effort to put into modifying the statute based on maybe some of the experiences that cities around the U.S. have had?

MR. HARGROVE: I think you have to deal with 1103 because it's on the books. But I think, not to be flippant, what could easily be done is 1103 basically be repealed and all this be done under the authority of 758.

It seems that under AB 758, which is the existing Building Energy Efficiency Program, I know that's not the full title. But this type of program fits exactly within that. It was contemplated. 758 was built off of 1103 functioning properly.

And we've posited that 758's never going to work

1 well if 1103 isn't working well because of some of the
2 issues that we've talked about today.
3 But also just because folks are wondering, if
4 the State can't implement the benchmarking program, how
5 is it going to get into some of the more sophisticated
6 programs?
7 So, I mean I think just as a legislative person
8 that is kind of the easy way to do this. Though I know
9 that actually repealing a law would make people's heads
10 spin, but I think that the CEC has the authority under
11 your existing energy efficiency authority, and under
12 what was given to you under 758 to do what San Francisco
13 is doing, statewide easily.
14 COMMISSIONER MC ALLISTER: So, great question
15 and terrific answer.
16 So, as the lead on energy efficiency and AB 758,
17 you know, I think your point is extremely well taken. I
18 mean 758, I think people think it probably endows us
19 with direct kind of mandate to do things than it
20 actually does. It's pretty broad.
21 And, of course, the resource issue is always
22 there.
23 But, you know, I think what you stated I think
24 is exactly where most of us are which is that, you know,
25 this is a small step in the direction of disclosure.

We've got to get it to work before we can expand it.

Now, if there's one version of that is that we learn from this and we figure out what to do going forward. And then whatever that entails, that's what we try to do.

And so, I don't think it's necessarily a linear through 1103, got to work perfectly, and then figure out what comes next.

But as you say, you know, this is on the books so I think we have to take it seriously and implement it. And take advantage of the learning to have a discussion among the parties and the Legislature, if we think there is a legislative role there, you know, through the Natural Resources Agency, and all of the parties to such a discussion.

So, I appreciate your injecting that perspective a little bit long term.

MS. INMAN: I would just --

MS. NEFF: This is -- oh, sorry, go on.

COMMISSIONER MC ALLISTER: So, go ahead, Fran, and then --

MS. INMAN: Oh, I just wanted to add that I think not all stakeholders are equal in terms of helping us move the needle.

And I certainly think we need some tiering and

if I were in charge of energy, which I am definitely not --

COMMISSIONER MC ALLISTER: Neither am I.

MS. INMAN: I think we have lots of folks in charge, yeah.

I think that, you know, looking at some of the top tier, and I would work my way through. So, to have the same reporting requirements for, you know, a tenant that has a million three versus 9,000 square feet, to me, I'm wasting some energy there, and no pun intended, in terms of being able to move the needle.

So, some of our businesses require more and we've been, you know, at the table all along with this saying, you know, we've got identical buildings that, from a landlord perspective our buildings are identical.

However, one tenant's a manufacturer and one is dry storage, they're going to have different energy uses.

So, in terms of really being able to make improvements, anything I can help that manufacturer be more efficient I think is a better investment for all of us that just, you know, the dry storage.

But we've got conflicting objectives sometimes where, you know, with our ports we try to extend the hours so we can use those big assets more efficiently.

Well, that means some of our warehouses are open longer hours and, therefore, turn on more lights. And, you know, it's a different operation if I'm running two shifts than if I'm running one shift, so I think holistic.

COMMISSIONER MC ALLISTER: Disclosure. I mean, that's a great point but disclosure -- you know, a good benchmarking tool doesn't -- you know, if it knows that you've got two shifts instead of one, or something, it's going to put it in context and, hopefully, you know the analytical tools that are available and that you use are going to speak to that.

MS. INMAN: Well, but it depends on how long you have two shifts. And, you know, was your information really reflective of what you're doing at that moment in time? I don't know. You know, but it gets back to some of the timing issues, too.

COMMISSIONER MC ALLISTER: Yeah.

MS. INMAN: But I think it's -- my biggest wish would be that we look in some kind of a tiering manner so that we can have the biggest impact.

COMMISSIONER MC ALLISTER: Great, thanks very much.

So, Jennifer, you had something to say?

MS. SVEC: I just wanted to kind of note what

1 realtors are good at is we're good at disclosure. The
2 problem is we have to have the right information to
3 disclose to prospective buyers, lessees, or if we're
4 doing a refinance to the banks.
5 I think it's vitally important that while we're
6 not trying to look at the comprehensive program, I think
7 what Matt's point is, is incorporating it into AB 758 to
8 create that comprehensive look at the program so that we
9 have that information available at whatever point the
10 transaction starts.
11 Obviously, in commercial properties it actually
12 starts before the execution of the contract, whereas in
13 residential properties they start doing those
14 disclosures after the execution of the original
15 contract.
16 And so we're looking at a variety of
17 opportunities here. I think we also have the problem
18 that we see in multi-family with the split incentives.
19 And we're having a hard time finding a way to reconcile
20 that both in multi-family as well as in the commercial
21 properties in finding a way to get the owners and the
22 tenants to be able to sit on the same page.
23 And so some it's an educational component, which
24 I'm happy to see the Energy Commission is starting to
25 make much headway on. And I'm seeing commercials and

radio ads on a fairly regular basis about Energy Upgrade California.

I think pushing more of the education both for our tenants, both on the commercial side and the multi-family side, will be vitally important to our making success in disclosures across the board whether it's at time of sale, or if it's at some other point in a building's lifecycle.

COMMISSIONER MC ALLISTER: Great, thanks.

MS. NEFF: And this is Sara. I just wanted to say, A that I did send the test e-mail to the AB 1103 e-mail address and I did get a response. So, clearly, things are getting fixed.

MR. JOHNSON: All right.

MS. NEFF: And which gives me hope that some of the other technical glitches, and especially this square peg/round hole data verification checklist thing could also get solved.

So, I realize we may have sort of larger endemic issues. And if it's, you know, do we adopt a tier approach? Do we wait for 758? I'm on the 758 panel committee and I'm concerned that that law is so broad that we wouldn't -- I'm not sure that this would get solved under 758, either.

COMMISSIONER MC ALLISTER: I appreciate that

1 manifestation of faith in our process. No, I'm kidding.
2 MS. NEFF: Listen, I'm in the process. I'm on
3 the calls. And it's great and it's wonderful, but it's
4 not going to -- I think we need the data now. So, I'm
5 not sure that waiting for 758 to sort of coalesce is --
6 or mature is maybe the right -- or at least 758 would
7 have to come together I think a lot faster than I think
8 it's ready to.
9 But I think within like by the end of this week
10 we could solve, you know, the issue with the form and,
11 you know, that kind of thing.
12 So, I think that in the short term there are
13 problems that are solvable. And then, you know, whether
14 or not we then go back legislation I think is something
15 to deal with.
16 Also, on the enforcement side, I think a clear,
17 easy fix is enforcing it for the one percent that's the
18 20 percent, and then figuring out the rest of it later.
19 COMMISSIONER MC ALLISTER: Thanks.
20 MR. ASHUCKIAN: Do we have any other public
21 questions, comments for this panel?
22 Go ahead and state your name, yeah.
23 MR. SCHMALZEL: My name is Bill Schmalzel with
24 Cooper Rhodes. I've heard a couple comments about how
25 hard it is to get the --

1 MR. ASHUCKIAN: The microphone, there's a
2 button.
3 MR. SCHMALZEL: My name is Bill Schmalzel, with
4 Cooper Rhodes.
5 I've heard a couple of comments on how hard it
6 is to get the triple-net tenants' utility information.
7 Being in the benchmarking for about three, four years,
8 it was my understanding that you can get an aggregate
9 number from the utility companies through the house
10 meter account number. Has that changed?
11 And maybe when the utilities come up they could
12 speak to that. But I didn't know there was still a gap
13 between -- I thought you could bypass the tenants and go
14 directly to the --
15 MS. NEFF: No, that's only if you have a certain
16 amount of tenants. So, I believe -- and I think every
17 utility interprets it differently, but it's like 15/15
18 or 15/40. Like you have to have 15 or more tenants and
19 no one tenant can have more than 40 percent of the space
20 and then you can have the aggregate. But I certainly
21 don't have any buildings like that.
22 MR. HARGROVE: And this is the part of my
23 comment earlier, it's being unequally applied throughout
24 the State. With some utilities it's no problem, they'll
25 give you all the information you need for the building.

1 With other utilities it's much more difficult
2 based on privacy issues.
3 And so, that's one of the issues we're having is
4 unequal application of what we understand the law and
5 the regulations to be.
6 MS. NEFF: And that's correct. I am
7 experiencing that gap currently and I would be happy to,
8 you know, provide what that correspondence with the
9 utility looks like when you're trying to get data for
10 which you don't have the right permissions for it.
11 MR. ASHUCKIAN: That might be a great segue to
12 our next panel, which are the utilities.
13 So, Panelist Cheri Davis from the Sacramento
14 Municipal Utility District, Manual Alvarez from SoCal
15 Edison, Laura Mogilner from PG&E, Janisse Martinez from
16 San Diego Gas & Electric, and David Jacot from LADWP.
17 COMMISSIONER MC ALLISTER: I want to welcome our
18 panelists and say thanks to our previous panel. Really
19 appreciate everybody taking the time to be here today
20 and for your ongoing and long-term participation in this
21 discussion.
22 MR. ASHUCKIAN: Well, we've heard a lot today
23 about some of the challenges with the utilities
24 providing data and the unequal treatment of the
25 regulation by different utilities.

A question that I'm also going to want to hear from the utilities is kind of furthering the comment that was made about the potential for a date certain, across-the-board benching requirement. If we were to adopt something of that nature, would that create a significant challenge for utilities in that, you know, right now there's a very small number of transactions that are occurring compared to the total number of buildings in the State.

And if we were to say, again by date certain, either by a certain size or by time, if all buildings had to be benchmarked would that create significant opposition by the utilities saying, you know, they cannot provide that level of data.

So, that's a question that I think it would be interesting to hear from you guys on.

So with that, Cheri, would you like to start off?

MS. DAVIS: Sure. So, my name is Cheri Davis and I'm a Principal Demand Side Specialist at SMUD, and the definition of that means I plan energy efficiency programs.

So, I'll start with the first question, what has been our experience complying with AB 1103.

So, first I'll address it from an IT

1 perspective. And I'd like state that SMUD really was on
2 the bleeding edge because we had a lot of State -- we
3 have a lot of State buildings in our territory and they
4 needed to be benchmarked, so we really had to get a
5 system in place.
6 We were actually the first California utility to
7 implement true automated benchmarking.
8 Then as we all know, Portfolio Manager went
9 through an upgrade and IT spent a lot of time
10 integrating our SAP system with Portfolio Manager,
11 again, in fact redesigning SMUD's system in response to
12 the recent upgrade is estimated to have taken over 2,000
13 hours of IT staff time.
14 And that was just for the upgrade, so imagine
15 how many hours were spent on the initial coding way back
16 when.
17 Another aspect of our experience is customers
18 require a lot of hand holding. Most of our customers
19 don't understand the regulations. They don't understand
20 Portfolio Manager.
21 We recently established a program manager
22 position to manage customer inquiries, web page content,
23 and our contract for Portfolio Manager training. And
24 that's helped out quite a bit because our key accounts
25 representatives were being bombarded with questions that

they couldn't answer.

The EPA site upgrade posed considerable challenges for utility compliance with AB 1103. During the upgrade, utilities were not allowed to access the user interface for testing.

This created a number of problems. The first of which is it prevented the utility from testing the customer experience before it actually went live. So, we didn't know what the customers were going to see.

And then because we couldn't -- we didn't have the user interface, testing the data transfer system was very complicated and required a great deal of time.

I'm going to take the next three questions out of order because it just makes more sense to me.

So, the next question, do you treat utility data requests for energy performance benchmarking differently than utility data requests for AB 1103 compliance?

Yes, we do treat it differently. The user has a choice of signing up for either continuous monthly data or a one-time data transfer for purposes of complying with AB 1103, which provides a snapshot of their energy usage.

A user requesting continuous monthly data must provide an account number and a location number for each meter in the building, which is pretty standard.

1 A user requesting single-use data need only
2 provide one meter number for the entire building.
3 SMUD compiles the data from all meters at that
4 specific address and sends the aggregated energy usage
5 to Portfolio Manager.
6 If the building is on a corner and they have two
7 addresses, then they have to provide a meter
8 corresponding to each address.
9 So, we are an example of a utility that is not
10 making a distinction between one tenant, two tenants, 20
11 tenants. They provide one meter number and we are
12 providing the data to EPA.
13 And under California Government Code section
14 6254.16, the utility is -- I don't know if it's
15 obligated or allowed to provide energy usage data to
16 another government agency when it's necessary. So, that
17 is our interpretation that we are following.
18 So that really answers the next question, in
19 what circumstances, if any, are you requiring tenant
20 consent?
21 We're really not requiring tenant consent. If
22 they're doing the one-time data for purposes of
23 disclosure, it's aggregated at the property address and
24 no tenant consent whatsoever is required.
25 If the user is requesting continuous data,

again, they have to provide the account number and the location number for each meter in the building. And the only way to obtain that information is to get a copy of your SMUD bill. So this, in a sense, is tenant consent.

Next, I'll answer the question about the number of data requests that we've received. So, in our territory, in 2014, we had 50 new Portfolio Manager account connects, so that's new Portfolio Manager accounts. And, of course, one Portfolio Manager account could be many buildings.

We had 340 properties shared with us, so that's new meters that requested SMUD data at least once this year.

232 of these meters have been set up to receive continuous monthly updates. And 24 -- we received 24 one-time aggregated data requests, so that's 24 buildings that requested data for purposes solely of disclosure.

Do you have any questions about that before I move on?

COMMISSIONER MC ALLISTER: I don't think so.

MS. DAVIS: Okay.

COMMISSIONER MC ALLISTER: So, I guess -- so were there three categories or just two? There was the one-time aggregated and then there was the continuous,

right?

MS. DAVIS: Yes. So, we had 232 meters that were set up this year to receive the continuous monthly updates.

COMMISSIONER MC ALLISTER: Right, okay.

MS. DAVIS: And then 24 buildings or properties that requested data, one-time data specifically for disclosure.

COMMISSIONER MC ALLISTER: Oh, and I think we've received significantly less than that in terms of what the Energy Commission has gotten, so there's a gap there that we need to look into, as well.

But that, I guess, isn't necessarily anything you would know about because --

MS. DAVIS: Correct.

COMMISSIONER MC ALLISTER: -- that's a different chain. So great, thanks.

MS. DAVIS: Okay, the next question I'll answer is what steps have we taken to enable AB 1103 compliance?

We do not conduct customer outreach per se, but as of 2014 we are providing customer support. We support our customers in several ways.

The first is we have a web page with basic information and FAQs. We offer on-site benchmarking

training through SMUD's Energy Technology Center.

We have a contract with a third party to provide on-demand webinars and call-in support to customers.

We have one SMUD staffer, working approximately half-time, dedicated to responding to customer inquiries and keeping the website current.

And then, IT continues to provide support for the system, anywhere from 20 to 40 hours per month.

COMMISSIONER MC ALLISTER: So, can I just ask, so I understood you're doing all this aggregation behind the scenes, and uploading, and providing the whole building data; is that correct?

So, you've put in the IT resources to have a system that does the aggregation such that the property owner does not have to deal with that.

MS. DAVIS: Yes.

COMMISSIONER MC ALLISTER: That's correct. Okay, just wanted to clarify. Way to go.

MS. DAVIS: And then, finally, what are our recommendations for improving the system?

And we interpret this question to mean how can the process be made easier for SMUD and/or customers?

We think the customer outreach should happen at the State level. And one idea would be to have a one-stop-shop for customer education, such as a statewide

utility portal for online training. That could be fairly helpful.

Because getting the word out and, really, it's a lot of one -- you know, single phone calls and we're having to walk the customer through the process and that takes a great deal of time.

And then, if there's some way to provide some uniform customer experience, which we heard other people requesting earlier.

One property manage may need to obtain data from multiple utilities. In fact, we had one property management company that said they had to work with 16 utilities, some with automated processes, some that were manual. And, you know, I feel for them.

And in response to the question about if you were to put forward a date certain by which all buildings need to be benchmarked, I -- because our systems are already in place, I don't think it will be impossible.

But I think, you know, certainly our costs would go up, our staff time would go up, but we probably are in a position to be able to manage that better than a lot of other utilities.

MR. ASHUCKIAN: Thank you, Cheri.

COMMISSIONER MC ALLISTER: Thank you.

MR. ASHUCKIAN: David, would you like to go next?

MR. JACOT: Well, I kind of messed up the order by sitting where I sat. We actually had a --

(Laughter)

COMMISSIONER MC ALLISTER: I think the agenda order is probably what we ought to just go by.

MR. ASHUCKIAN: Okay, so then let's have Steve from SoCal Edison.

MR. GALANTER: Sure. I'm not Manny Alvarez. I'm Steve Galanter. And I'm the Principal Manager in charge of DSM Engineering for Southern California Edison.

And part of my responsibilities, or at least under me, Matt Evans is responsible for the infrastructure associated with support of AB 1103 implementation.

And I will do as my predecessor and I will go through the questions.

The answer to the first question, what is our general experience, well, we have -- we're all in. We built an automated information system to do the automated benchmarking as of 2011.

And we made updates in 2013 with the change of Portfolio Manager.

1 And which I think I'll go to the second
2 question, how many data requests have we had since we've
3 had this in place?
4 From inception we've had 395 customers who have
5 actually benchmarked through our system. That's 4,000
6 service accounts and represents 160 million square feet
7 of commercial structures.
8 Since 2014 we've had -- because I think that was
9 one of the questions. Since 2014 we've had 82 accounts,
10 so a little bit of a slow down there. And there was
11 pent up demand because -- well, anyhow, a little bit of
12 a slowdown. That represented 9,600,000 square feet.
13 COMMISSIONER MC ALLISTER: So, do you know
14 whether these are sort of automated, monthly type
15 benchmarking setting up through Web Services, or one-
16 offs, or what?
17 MR. GALANTER: Early on they were one-offs. The
18 majority of them were through the automated system.
19 So, question three, do you treat utility data
20 requests any differently, AB 1103 differently than any
21 other requests?
22 The answer, quite frankly, is no. We require a
23 scissors, what we call a release, and we do aggregation,
24 but we use the 15/15 rule.
25 What steps have we taken to enable AB 1103

compliance or to help enable Ab 1103 compliance?

We do a lot of training. We've had -- offered four hours of training at our Energy Education Center in Irwindale and in Visalia.

We do workshops for particular or specific customer groups, which is much the same information.

The training covers AB 1103 basics, the benefits of benchmarking and, essentially, how to use Energy Star Portfolio Manager.

In what circumstances are you requiring tenant consent? I think I mentioned that before, if it's anything less than 15/15.

And then, lastly, any recommendations that we might suggest?

I think in the long term we're very much supportive of DOU's Energy Data Accelerator Initiative. You know, that's looking at, essentially, trying to crack the conundrum that we have in terms of the release of data and the confidentiality, and potential ways, maybe through statistics or whatever to mask that information.

I think in more of the intermediate term we would hope to be able to utilize the anticipated results from the Pacific Northwest National Laboratory's statistical analysis study that they're doing. I think

1 that should be forthcoming.

2 Again, our desire is to work with others to see

3 if we can't get past this issue.

4 And, really, that's my comments.

5 COMMISSIONER MC ALLISTER: Thanks. I guess, so

6 looking forward to having a discussion across the

7 various -- sort of once we hear how everybody's treating

8 data.

9 Do you want to go ahead and ask a question?

10 MR. STEVENS: Yeah, so really quick, so why do

11 you go with the 15/15 rule?

12 MR. GALANTER: My attorney is sitting out there.

13 But it's mainly because of our -- the legal issue

14 associated with that. And the guidance we've used,

15 actually for quite some time across the board, as I

16 mentioned, for release of data.

17 COMMISSIONER MC ALLISTER: Guidance from the

18 PUC, I assume or where is that guidance from? Is

19 that --

20 MR. GALANTER: I believe that was the PUC

21 guidance, yes.

22 COMMISSIONER MC ALLISTER: It would be good to

23 know sort of where that actually is written down but,

24 yeah.

25 MR. STEVENS: It would be helpful to get a legal

1 memo on that. I'd be curious what the rationale is.
2 COMMISSIONER DOUGLAS: There are some volunteers
3 in the audience if -- go ahead.
4 MR. WARNER: For PG&E, if you want me to I
5 can --
6 COMMISSIONER DOUGLAS: If you could go to the
7 microphone?
8 MR. WARNER: We could also provide a kind of a
9 roadmap of the 15/15 rule, generally. But very
10 succinctly, the CPUC back in 1997, as part of industry
11 restructuring, had to develop an aggregation rule for
12 direct access and, ultimately, for community choice
13 aggregation.
14 And in a 1997 decision the Commission adopted a
15 15/15 rule.
16 Now, flash forward to what we just went through
17 at the CPUC over, I think, a two and a half year period
18 on energy data center rules, that's where we had
19 extensive technical advice and discussion among all the
20 stakeholders regarding what was the inadequate technical
21 aggregation standard, generally, for data access?
22 And the Commission, in its recent decision, came
23 up with a little bit of a sliding scale of aggregation.
24 But for purposes of this question, they came up
25 with kind of a reaffirmation of the 15/15 rule for

1 commercial data aggregation, as well as I think they
2 came up with 15/20 for local government.
3 At the same time, and I think as we heard
4 earlier today, the Commission made very clear that it
5 was not adopting that data aggregation standard as
6 necessarily applicable to the CEC's AB 1103 rule.
7 Nonetheless, it's the only technical adopted
8 data aggregation standard right now in the State that
9 applies to utilities.
10 So, I think it's fair to say that the record now
11 reflects, in the absence of any better standard, the
12 standard that the CPUC adopted.
13 And we can provide that in a little bit more
14 legal detail, if that would be helpful.
15 MR. STEVENS: Yeah, thank you, I appreciate
16 that.
17 So, given the direction taken in D140516, where
18 we did punt that to the Energy Commission, if the Energy
19 Commission developed a regulation around AB 1103 that
20 said monthly data release without tenant consent, would
21 you comply with that?
22 MR. WARNER: Well, yes, of course if it's a
23 lawful decision of the Energy Commission and the Energy
24 Commission has discretion to examine the facts, and the
25 technical record and come up with its own

1 confidentiality standards in AB 1103.

2 So, of course, that's within their purview.

3 It's their statute, not the CPUC's.

4 However, to the extent that we, as utilities,

5 are under two different standards in which one agency

6 basically says, and this is what the CPUC said in its

7 decision, that we find that 15/15 is the adequate

8 standard for data aggregation to prevent re-

9 identification of customer records, and then the CEC

10 comes in with a different standard that says, let's just

11 say for the sake of argument, we think that aggregation

12 at a level of four is adequate to prevent re-

13 identification then --

14 MR. STEVENS: I don't even think re-

15 identification is an issue in this circumstance, though.

16 MR. WARNER: Well, it actually is. That's the

17 data aggregation issue.

18 COMMISSIONER MC ALLISTER: This is not a

19 public -- so, I guess, would you draw any distinction

20 between a public disclosure program and a between-the-

21 parties program or is that all the same to you?

22 MR. WARNER: From the stand point of our

23 customers, disclosure to any third party is something

24 that affects the privacy and the confidentiality of

25 their data.

1 So, it doesn't matter whether it's a Public
2 Records Act issue or disclosure to their landlord, we
3 have customers that basically say we don't want our
4 data, our commercial data disclosed to our landlord.
5 MR. STEVENS: Do they have a legal basis for
6 that?
7 MR. WARNER: Sure, they have trade secret and
8 commercial proprietary interests.
9 COMMISSIONER MC ALLISTER: So, let me actually
10 ask a -- let me ask a direct question about that. So,
11 if we were to go forward with this regulation and
12 actually establish in regulation some bar, low or high,
13 or whatever we determine, that what kinds of
14 justifications or what kinds of assertions of commercial
15 interest would be reasonable for a tenant to say?
16 You know, really, truly IP or some bar that they
17 had to get over and they had to submit a response in
18 order to opt out, would that be something you'd support?
19 MR. WARNER: I don't know. I can't answer for
20 you, for PG&E, in terms of what we would support. But
21 rolling up our sleeves, we would be willing to look at
22 anything that balances the interests of our commercial
23 customers who do have certain confidentiality interests,
24 and commercial interests in terms of protecting the
25 privacy and confidentiality of their data, and something

reasonable that achieves the public benefits that I think you want to try to achieve with this benchmarking.

So, for example, if you had an aggregation standard that commercial tenants accept, based on the technical and factual basis, whether it's four, or ten, or two, that may be adequate.

To the extent you allow tenants to opt out where they object to the disclosure of their data, as opposed to opt in, that may be another possibility to look at.

To the extent that you have some sort of firewall, or some approach that protects the data so that it's not actually disclosed to the landlord, that may be another approach.

Again, we should -- we really should be willing to roll up our sleeves and look at where we can achieve that balance.

I'm not sure that it needs legislation. I think the Commission -- or the Energy Commission has a statute that says preserve confidentiality, and I think you have a certain amount of discretion to try to determine how to preserve confidentiality with input from the public, and from interested parties.

Does that answer your question?

COMMISSIONER MC ALLISTER: Yes. I mean, a lot of the devil's in the details here, obviously. And, you

1 know, I think it's worth pointing out, though, that
2 individual customers just because they don't want --
3 just because they just don't want their data sort of,
4 you know, to be part of this process, you know, that's
5 not necessarily a basis for public policy.
6 So, we've got to think through it and drill down
7 and say, you know, let's define the terms that we're
8 using.
9 MR. WARNER: I do respectfully disagree that a
10 customer doesn't have an interest in protecting the
11 confidentiality of what they view as their data.
12 In fact, the whole Public Records Act has, as
13 one of its exceptions, the trade secret and proprietary
14 data exemption from disclosure. And the Energy
15 Commission has its own process for evaluating --
16 COMMISSIONER MC ALLISTER: Absolutely.
17 THE WARNER: -- the balance under the Public
18 Records Act.
19 Something similar may apply here. Certainly,
20 PG&E agrees that there has to be a balance between the
21 public benefits of a program like this and the interest
22 of our customers in terms of protecting their privacy
23 and their confidentiality.
24 But to the extent that a particular customer,
25 whether large or small, it's a commercial tenant, views

1 their energy data as sensitive and confidential that
2 does deserve consideration, and I think the law does
3 provide for that.
4 COMMISSIONER MC ALLISTER: Certainly, it
5 deserves consideration and, you know, don't disagree.
6 Does Edison have any different view of this or I
7 guess as --
8 MR. GALANTER: No, I think largely we're in step
9 with that. I think, also, we're more than willing to
10 talk about that threshold, 15/15, should it be -- you
11 know, we heard this morning three, four.
12 And I think what we would be interested in is
13 what level of aggregation would be correct.
14 I think 15 -- you know, this is just personally,
15 I think 15 is kind of high. I don't know if three is
16 maybe too low.
17 But I do think that there are some people
18 studying this that are probably smarter than me on this.
19 COMMISSIONER MC ALLISTER: Well, no doubt
20 they're smarter than me, too.
21 But I guess the place that I would like to get
22 is to a place where most of the buildings -- you know,
23 we're lowering the bar for the folks, you know, whether
24 they're local jurisdictions, the utilities, yourselves,
25 or folks that want to comply where it's not -- they're

not investing, you know, like we heard from some of the cities, they're not investing most of their program resources, or running around getting tenant consent.

I mean, that would be the optimal outcome here where, you know, yes, when it's really important sure, but let's reduce it so that it's a small number of the overall tenants in buildings that are supposed to comply. And that way, we've sort of reduced the transaction cost across the board and only doing it where it's truly necessary.

And I think, you know, in general that's going to be where I would want to come down, but we need to have the discussion in some detail and sort of in earnest, I would say.

MR. STEVENS: Yeah, it's sad to me that we spent all morning hearing about these jurisdictions that have incredibly low thresholds, and very successful programs, and then I hear, you know, barriers such as the 15/15 rule for monthly data.

I mean it's just quite bizarre to me. It doesn't make sense. And I certainly support the Energy Commission in keeping a low threshold on this.

MR. WARNER: May I respond briefly to that? California has always been a leader on a lot of issues, particularly energy efficiency and energy policy.

1 We also have been a leader in looking at privacy
2 issues. Our perspective on these other jurisdictions is
3 that they have not had the extent of the record
4 developed on technical issues related to data
5 aggregation and privacy that we've had in California, in
6 various laws and various proceedings.
7 So, from our perspective, what has been
8 developed and I think was referred to as the lawyers
9 getting in the room and flipping a coin, that is not the
10 same as the technical record that we had at the CPUC
11 with privacy advocates, with some of the national,
12 technical, statistical experts that provided a record in
13 terms of the risks of privacy breaches and re-
14 identification.
15 So, if anything, I think the other jurisdictions
16 may have established their aggregation standard a little
17 bit by default as opposed to based on a public record.
18 So, from PG&E's perspective, we would not jump
19 to necessarily defer to those other jurisdictions.
20 MR. STEVENS: I'll quickly respond and say that
21 the Commission has spoken very clearly that this is in
22 the CEC's jurisdiction. So, I certainly encourage the
23 CEC to develop a regulation that is at a level of a
24 threshold that they're comfortable with.
25 And I would say it is encumbent on the utilities

1 to then comply with that. And if they don't comply,
2 then they would certainly be out of compliance with that
3 decision.
4 I'll be interested to see what happens going
5 forward.
6 MR. WARNER: Thank you.
7 COMMISSIONER MC ALLISTER: And, you know, we'll
8 keep the CPUC in the room all along the way because I
9 think part of -- you know, California has a relatively
10 complex environment. You know, the largest agencies
11 that have to work together and I think we're doing that
12 reasonably well these days, probably historically very
13 well in context.
14 And making sure that all of our ducks are in the
15 same row I think is always a challenge and, in this
16 case, this is one of the -- we all have recognized
17 throughout the day that disclosure is something that
18 could be a keystone policy going forward and that
19 there's a lot of good stuff going on out there.
20 So, we want to try to keep -- you know, get that
21 effort moving down the road and keeping in lock step
22 with all the stakeholders, but certainly the PUC and the
23 other agencies.
24 So, I don't want to -- well, we've sort of
25 gotten ahead of ourselves, I think, a little bit because

we haven't even finished with our panelists. We're just two in, I think, so -- so I'll try to be quiet.

Thanks for your presentation.

So, let's see who's next.

MR. ASHUCKIAN: Laura, would you like to have more words from PG&E?

MS. MOGILNER: Hello, Laura Mogilner with PG&E.

COMMISSIONER MC ALLISTER: Hey, Laura.

MS. MOGILNER: I manage one of our California statewide programs that leverages big data technologies and behavior strategies to motivate customers to reduce energy use, and benchmarking falls within that program.

So, in terms of our experience complying with AB 1103, just a brief history lesson, you know, for the last seven years PG&E has partnered with Energy Star Portfolio Manager to support our customers with building benchmarking, both for voluntary and compliance purposes because we do see it as an important tool for energy management.

So, because we've had support and resources in place for many years, the introduction of AB 1103 has been rather seamless for us.

In terms of the volume of data requests, we've automated data transfer since 2011. And since then we've helped customer benchmark over 10,000 properties.

1 I'm definitely seeing an upswing in usage. Last
2 year we benchmarked 1,400 properties. We're already at
3 that level this year. So, I think that's an indication
4 that compliance is in full swing.
5 We do not, right now, ask our customers the
6 reason for why they benchmark, so I'm really making an
7 estimate of how many people may have benchmarked for AB
8 1103. Just looking at the building profiles, it may be
9 around the 200 range this year.
10 For question three, do we treat utility data
11 requests for benchmarking differently? No, we treat all
12 data requests the same, whether you're benchmarking for
13 1003, for the San Francisco ordinance, for Prop 39, or
14 voluntarily, we treat them all the same from a privacy
15 and operational stand point.
16 So, we will release up to three years of
17 historical data and data every month going forward.
18 So, that's our standard practice.
19 In terms of customer consent, as Chris just
20 spoke in great detail to, we do operate under California
21 laws and CPUC decisions that require PG&E to get
22 explicit written consent from every customer before we
23 release their energy data.
24 COMMISSIONER MC ALLISTER: So, that's different
25 from applying the 15/15 rule?

MS. MOGILNER: We do not apply aggregation at this time.

COMMISSIONER MC ALLISTER: Oh, so every applicant to 1103, every 1103 effort to comply requires that no matter how many tenants are in a building you get customer consent from every single one?

MS. MOGILNER: Yes, that's our privacy policy.

COMMISSIONER MC ALLISTER: And PG&E does not do any aggregation behind the scenes and upload aggregated whole building data?

MS. MOGILNER: No.

COMMISSIONER MC ALLISTER: Okay, that's really interesting.

(Laughter)

COMMISSIONER DOUGLAS: I'll just say I can't help but comment that this underscores some of the issues we heard on earlier panels with the problem that's caused by different rules in different utility service territories. It's just really not practical to have, you know, commercial building owners and people involved in commercial real estate transactions not only have to figure out how to use Portfolio Manager and comply with the law, but also comply with different -- or deal with different utility level rules for data that's provided. And particularly when people do

business all over the State I think it really underscores the need for the Energy Commission to work with stakeholders to actually find a workable threshold here that can be applied consistently.

COMMISSIONER MC ALLISTER: I guess I also just wonder, I mean how is it -- how is it that SMUD has developed -- I mean you guys always are out there being the good student, you know. Bringing an apple to the teacher, you know, I tell you.

(Laughter)

COMMISSIONER MC ALLISTER: But how is it that --

MS. DAVIS: We are the closest.

COMMISSIONER MC ALLISTER: Yeah, exactly, you have some important customers, yeah.

But I'm a PG&E customer.

(Laughter)

COMMISSIONER MC ALLISTER: I guess I'm just kind of astonished that how can SMUD, you know, have seen fit to go ahead and put together the aggregation tools, and staff it, and sort of take it seriously in that way to aggregate a building and report directly to Portfolio Manager behind the scenes, saving everyone a lot of time and effort, and sort of taking that on.

And PG&E really has a lot of folks scurrying around, begging their customers for consent.

1 And so, it seems -- it just seems like a little
2 bit of a disconnect in terms of what we're trying to
3 accomplish here.
4 MS. DAVIS: I'd like to say I'm just as confused
5 as you are because our attorneys are just as
6 conservative as the next attorney. But you'd have to
7 talk to them to find out exactly how they came to that
8 conclusion.
9 MS. MOGILNER: So, I'll defer that to our legal
10 counsel.
11 COMMISSIONER MC ALLISTER: Okay, that's probably
12 a good answer.
13 MR. WARNER: In the spirit of back and forth on
14 this, I certainly can answer. I understood SMUD's
15 situation to be different. They're a government agency.
16 And if I understand correctly, their lawyers cited their
17 ability as a government agency to comply with the
18 privacy law separately, as if they were under the Public
19 Records Act which does, as I understand it, allow them
20 an exemption from the kinds of privacy requirements that
21 investor-owned utilities are subject to.
22 I could be wrong, when I heard Cheri talk about
23 that, but I think her attorneys basically take a
24 position that when they gather data from their customers
25 they can share that date, even on a one-on-one basis,

with any other government agency that has authority to get the data.

So, that seems to be different than a private entity where we have a separate privacy statute, we have separate CPUC privacy rules.

The question on aggregation is one that if you determine that aggregation at a certain level for the CEC rule is, let's say, four for the sake of argument, or two, rather than 15/15, then you do have an interpretation of the CEC statute that says preserve confidentiality.

Right now, as a private investor-owned utility, we have no guidance from either the CPUC or the CEC as to what level of aggregation is sufficient.

COMMISSIONER MC ALLISTER: Uh-hum.

MR. WARNER: And the statute says we may only upload data if we preserve the confidentiality of the customer.

I don't think that SMUD has that same concern because they're a government agency. So that, I think, may be the difference.

COMMISSIONER MC ALLISTER: Well, so I mean any sort of concrete, hopefully simple, suggestion about how we can provide you cover in order to actually get there, I think would be very welcome.

1 MR. WARNER: And again, I think if you, based on
2 a record in a proceeding, with public input from all
3 parties, came out and concluded that aggregation at X is
4 adequate to mitigate the risk of re-identification of
5 customer confidential data that, based on adequate
6 record, and as Brian pointed out, you put in that as a
7 rule, we will have to comply with that.
8 COMMISSIONER MC ALLISTER: Okay, thanks, I
9 appreciate that. All right.
10 COMMISSIONER DOUGLAS: I'm just going to add
11 that, you know, the representative from SMUD noted that
12 she might want to ask her attorneys how this works and
13 that would be valuable because, of course, we always
14 like to hear directly from the party answering the
15 question what the answer is.
16 So, you don't have to do that this second, of
17 course, but that would be helpful. Unless you want to
18 just call them up?
19 MS. DAVIS: Well, actually, I did ask the
20 question this morning and I was referred to the
21 California Government Code section 6254.16.
22 Now, I don't happen to know if that section
23 applies to all utilities or just publicly-owned
24 utilities.
25 COMMISSIONER DOUGLAS: Thank you.

1 MS. MOGILNER: I'll just wrap up the rest of the
2 questions.
3 COMMISSIONER MC ALLISTER: Great, yeah, thanks.
4 MS. MOGILNER: So, in terms of what steps have
5 we taken to enable AB 1103 compliance?
6 As I've already said, we've had robust resources
7 in place for education, training and technical services.
8 We continue to refine and improve those offerings.
9 We have trained our entire sales force on AB
10 1103 basics for education and outreach.
11 We have a dedicated team of benchmarking
12 specialists who provide one-on-one phone and e-mail
13 support. They've already clocked in 400 hours this year
14 to supporting our customers with benchmarking, so that's
15 a really invaluable resource to hand-hold our customers
16 through the process.
17 We also offer dozens of classes every year, free
18 of charge, professionally taught. These are very highly
19 regarded classes. I think we see them as a successful
20 education channel for us.
21 Earlier this year we also launched an online
22 learning management system which offers a convenient
23 training alternative and I think it applies well to
24 those hard-to-reach, small-to-medium business customers,
25 as well. There, we have a module dedicated to AB 1103.

1 And PG&E was really kind of at the leading edge
2 of technical solutions, back in 2011 we developed our
3 web services to automate the transfer of energy use
4 which is -- you know, I think we remain one of the 14
5 utilities in the country to do that.
6 So, in terms of what are our recommendations for
7 improving data access? We do realize there are
8 frustrations with the tenant consent process, because
9 these are our customers, too.
10 PG&E's participating, along with the other IOUs,
11 on the DOE Better Buildings Data Accelerator project.
12 So, we are working with the building industry and
13 stakeholders to find practical solutions to data access.
14 It is challenging. As part of that project
15 we're evaluating different options, all of which have
16 pros and cons, like green leases, data blurring, and
17 anonymization approaches, and data aggregation is also
18 on the table.
19 So, I think Chris spoke a lot to the data
20 aggregation point. One thing I would add is for
21 aggregation to work in a practical way, and to truly
22 minimize the frustration for customers, it would need to
23 be at a relatively low threshold.
24 So, for us with an aggregation threshold of,
25 say, 15/20, given rough estimates, less than one percent

of our customers fall into our category, so it's a very low impact.

If we're looking at a rule of four, it's closer to 20 to 30 percent of our customer base that would benefit from that.

So, I think, really, a rule of two would be something that would benefit the greater proportion of our territory. But that, again, needs to be balanced with the privacy concerns.

COMMISSIONER MC ALLISTER: So, could you repeat those percentages? If it were a rule of four, it would be what portion?

MS. MOGILNER: About 20 to 30 percent.

COMMISSIONER MC ALLISTER: Oh, okay.

MS. MOGILNER: And we're using Portfolio Manager data to get that estimate.

COMMISSIONER MC ALLISTER: Great. And then you said rule of two would be?

MS. MOGILNER: I don't have the numbers for rule of two.

COMMISSIONER MC ALLISTER: Okay.

MS. MOGILNER: The rule of 15/20 would be less than one percent of our customers.

COMMISSIONER MC ALLISTER: Yeah.

MS. MOGILNER: It just wouldn't be practical.

1 COMMISSIONER MC ALLISTER: Okay, well thanks a
2 lot. I mean, you know, I've got to give PG&E kudos for
3 having almost half in California, over half of all the
4 Energy Star Portfolio Manager buildings in the country.
5 So, I mean that's great.
6 And this program and disclosure, generally,
7 really ought to be driving the comprehensive use of that
8 and other benchmarking tools to really drive -- and then
9 drive decisions. And we ought to be able to, you know,
10 detect the uptick in economic activity, and retrofits
11 and upgrades of existing buildings based on that kind of
12 information.
13 And then we could even broach other topics like,
14 okay, well, how do we really filter and target the right
15 buildings and provide the right kinds of help.
16 So, I think, you know, this is part of this
17 bigger discussion of how can we really transform our
18 existing building stock?
19 We know that without doing that it's just going
20 to be that much harder to meet our long-term goals. We
21 have aggressive goals and this is an obvious place that
22 has all sorts of upsides to get those benefits and help
23 people really live better lives. I mean that's what it
24 boils down to.
25 So, anyway, thanks for your participation.

1 So, is it to Janisse now?

2 MR. ASHUCKIAN: Yeah.

3 COMMISSIONER MC ALLISTER: Great.

4 MS. MARTINEZ: Good afternoon, my name is

5 Janisse Martinez. I work -- I'm the CNI Services

6 Manager for the small and midsize business team.

7 I'm also the business owner for benchmarking AB

8 1103 and the energy data accelerator.

9 I was also the property management segment

10 account executive. So, Kilroy was one of my customers

11 about a year ago. So, I'm very, very familiar with the

12 pain points the customers are having with the data

13 release issues.

14 While I was there at account management, just

15 getting a letter of authorization signed by a tenant is

16 very troublesome because of the legal language on the

17 form. And all the utilities, I think all the IOUs have

18 been working very closely together. I know Matt Evans,

19 and Laura, and I, and SoCal Gas, Peter Tanis (phonetic),

20 have been working on being statewide compliant on a lot

21 of the requirements.

22 So, if you have a customer, like Kilroy, that

23 has properties in multiple IOU territories, that they

24 don't have to go through different processes.

25 It's not only the process of getting

1 authorization for the -- for the letter of
2 authorization, but also on sharing the data on our
3 systems because everybody has different validation
4 systems for their web services tool.
5 So, I just want to tell Sara that actually we
6 went live on June 14 for the web services. We haven't
7 really outreached, yet, because we were having a lot of
8 defects as we rolled out the tool, but I think we're
9 finally at a point where we can actually advertise it to
10 our customers.
11 So far, we have 53 properties shared through web
12 services.
13 And the first question about our experience
14 complying with AB 1103, I think that it's been very
15 challenging for us, first of all, because of the privacy
16 and aggregation rules.
17 The reason why San Diego Gas & Electric was the
18 last one to come online for web services is because when
19 Portfolio Manager was shutting down for the upgrade, we
20 were actually programming to do aggregation at 4/4. And
21 when we started talking with the other utilities, we
22 were completely out of compliance with statewide
23 compliance.
24 And our legal team and our executive team
25 decided that we wanted to be statewide consistent and we

1 had to start from scratch in July 2013. So, we had to
2 program again for a year to be statewide consistent.
3 The other part was the ESPM integration. When
4 we were actually ready to roll the testing, back when we
5 were doing aggregation, we couldn't test the user
6 interface, just like SMUD talked about.
7 And as we're rolling out the tool we encounter
8 more and more defects. So, we had to program and
9 reprogram.
10 In order to comply with AB 1103, we had to
11 develop a manual upload procedure where we leveraged web
12 process, where we downloaded their templates and then
13 had a tool that uploaded all the information. And we
14 gave that Excel spread sheet back to the customer and
15 they can upload it to the manual work around.
16 And the other thing that we found, it was
17 resources on capital funding on this project and people
18 just to manage questions from the customers, and IT
19 resources to bring the tool back on line.
20 We did have the ABS system running pretty well
21 before ESPM went down in June 2013. And now, we're
22 coming back online and trying to catch up with all the
23 other utilities and getting web services rolling for our
24 customers.
25 How many data requests for AB 1103? We were not

1 counting AB 1103 compliance requests. We have been --
2 we have a total of 420 properties that we have released
3 data for. And we're estimating about 50 percent of
4 those properties are AB 1103 related.
5 Do we treat utility data requests differently?
6 We do and we don't. We don't preclude anybody from
7 using the system for energy efficiency, but our terms
8 and conditions are explicitly AB 1103 legal language.
9 We also don't provide costing information which,
10 when you're doing energy efficiency benchmarking you
11 really want to see the dollar signs at the end. And
12 it's only because the AB 1103 language says that we have
13 to share usage and not costing. So, our legal team
14 interpreted that the kWh was the only thing that we
15 could share for AB 1103 compliance.
16 And also, we only share or upload 14 months of
17 data. So, if you want to do energy efficiency
18 performance, you probably want to have more than 14
19 months of data and keep your history going.
20 We do have the manual upload process right now
21 still going and we could do energy efficiency uploads
22 through that way, but it requires the intervention of
23 one of our people to help the customer do that upload.
24 Right now we're evaluating to either change our
25 terms and conditions, but that will require an update of

our letter authorization which states that the tenant is releasing the data for benchmarking purposes, and it's only releasing usage. So, we will need to update that to include costing.

We are evaluating two navigation options where you are doing it for AB 1103, get the terms and conditions for AB 1103 or do it for energy efficiency and get terms and conditions for energy efficiency.

What steps have you taken to enable AB 1103 compliance? We update our letter of authorization to be statewide consistent, adding that benchmarking line item on the form.

We finally released web services to our customers. We have training, a step-by-step guide that is in development, and online videos in development and we have one-on-one consultation with education and helping with benchmarking.

What we're seeing, though, is that a lot of our customers are actually needing us to benchmark for them. So, it's really -- it's not only giving them the data, but it's also sitting with them and explaining what the tool does and how to use it.

So, it's become another service that we provide on top of just releasing the data.

When are we requiring tenant consent? We also

1 require tenant consent unless the owner has our
2 authorization and they can ask them to do it through the
3 online services, which is the account number, the meter
4 number and the last amount of the last bill.
5 Which it's almost like having tenant
6 authorization because you have to go through the tenant
7 for that information. But if they have those three
8 parameters, they can do it online and we don't intervene
9 with that portion.
10 COMMISSIONER MC ALLISTER: So that doesn't
11 matter, that's for all buildings no matter how few or
12 many tenants?
13 MS. MOGILNER: Yes. We don't aggregate. The
14 only utility IOU that aggregates, and it's on an
15 exception basis, is SCE.
16 COMMISSIONER MC ALLISTER: Oh, okay. So, 1103
17 is about whole building information, so you all realize
18 that, right?
19 MS. MOGILNER: Yeah, we do. And we've been
20 asking this -- I mean I'm really happy to see the CPUC
21 and the CEC in the same room for this because we've been
22 asking for the guidance from both of them. And the CPUC
23 has deferred to the CEC for guidance and we haven't seen
24 that aggregation rule come down from the CEC or the
25 CPUC.

1 As soon as you have it, I think all of us will
2 be willing to comply with that. But until then,
3 nobody's willing to take the risk.
4 COMMISSIONER MC ALLISTER: Okay, yeah, so I'm
5 feeling -- I mean it's no surprise to me that your
6 customers are asking you to do it all because it sounds
7 really complicated the way things are set up. When
8 that, certainly, I don't think was the intent at any
9 moment along the way.
10 So, in any case, I mean this is why we're here
11 to sort these issues out and determine what's needed,
12 and to get reasonable, pragmatic sort of solutions
13 oriented and result here so that we can move forward.
14 So, sorry I interrupted you. I don't know if
15 you're done?
16 MS. MOGILNER: No, the last question is our
17 recommendations. I think that once, like I mentioned
18 before, if we have aggregation rules that both entities
19 agree to, I think that will be a huge step forward.
20 We're, like Laura mentioned, we're working on
21 the Energy Data Accelerator with city partners and
22 working on city ordinances across the State.
23 And one of the solutions will be to have one
24 statewide system where all the customers enter the same
25 validation information so they don't have to enter to

1 four different sites, and the utilities don't all have
2 to program for their own systems. And that way you have
3 jurisdiction on that system and what requirements are
4 that. It will be cost efficient and it will streamline
5 the development because then we will be all on the same
6 schedule.
7 COMMISSIONER MC ALLISTER: So, would that be --
8 would a solution there -- well, so who, I guess do
9 you -- several people have said that. Who would you
10 envision developing that statewide solution? Would that
11 be one utility on behalf of the others, as well, or you
12 know --
13 MS. MOGILNER: We were throwing ideas on the
14 table and I think one of the ideas was to have an RFP
15 for an external consultant to just develop the database
16 for all utilities and we all fund the project that way.
17 And that way you have business requirements from all
18 utilities and it's gathered by a third party that's
19 really not -- has more power than the other utility on
20 that process.
21 COMMISSIONER MC ALLISTER: Let me ask LADWP and
22 SMUD, so I imagine there must be some precedence. You
23 know, often it's the PUC and the POWs, and so there
24 seems to be a firewall sometimes between those two
25 groups, but not in all cases.

1 And I guess I would wonder if it's within the
2 realm of possibility to have the investor-owned
3 utilities and at least the larger POUs kind of partner
4 on a project like that, if the possibility of some kind
5 of standardization would even be something -- would be
6 something that, you know, that sort of statewide
7 approach might be amenable, you guys might be amenable
8 to as well.
9 MS. DAVIS: Well, it's interesting that you ask
10 the question because I actually put that in as a
11 recommendation that I had, but then our IT people said,
12 wait a minute, no, we'd have to reprogram everything all
13 over again.
14 So, I think that would be the main concern, but
15 looking at it from a statewide perspective that
16 certainly makes a lot of sense.
17 COMMISSIONER MC ALLISTER: You know, I mean we
18 do have these -- you know, DOE, the data accelerator and
19 DOE is doing a lot of tools that are all about
20 standardizing data exchange protocols, and that
21 Portfolio Manager is being evolved to sort of interface
22 with seamlessly.
23 So, I guess it seems like this infrastructure is kind
24 of evolving in a direction that might make this
25 possible, and not easy, but possible.

1 So, sorry David.

2 MR. JACOT: Thank you. And I couldn't

3 necessarily commit right here to it, except that we'd be

4 very interested to look at it. And just in general,

5 when we can partner with other utilities, contribute

6 resources and do something that's standardized, we're

7 very interested to look at it.

8 Yeah, I don't know what our IT considerations

9 and concerns might be, obviously. Everybody's concerned

10 about the security of the off-site repository, et

11 cetera. But if it's something that worked for the IOUs,

12 most likely it would work for LADWP as well.

13 COMMISSIONER MC ALLISTER: Great, thank you.

14 MR. STEVENS: Really quickly I wanted to say

15 that kind of after hearing the different IOUs discuss

16 the positions they've taken on security and privacy, it

17 kind of makes why you did what you did. I'll say that

18 if I was in your shoes I would, you know, maybe make a

19 similar decision.

20 So, I think it really is, you know, encumbent on

21 the Energy Commission to be the leader on this and set a

22 standard that everyone agrees with and goes forward.

23 MS. MOGILNER: And my last comment, I think that

24 outreach to the tenants and the owners is still a much

25 needed effort from the Commission.

We get -- we ask the property management account rep, I went to many property managers that did not know about AB 1103, and much less their tenants.

So, trying to make somebody comply with a rule that they don't even understand or know about is a big deal for the utility. Because now, we're in the process of educating them about AB 1103 benchmarking web services, and it becomes a whole job for the utility that we're really not a business to be on.

MR. ASHUCKIAN: Okay, David.

MR. JACOT: Right, thank you. I'm David Jacot, Director of Efficiency Solutions for Los Angeles Department of Water and Power.

I'd like to thank the Commission for hosting this workshop and inviting us to participate. We're very happy to be here and be part of the conversation.

In general -- well, I get to going through the questions in detail.

In general, we're very aligned with SMUD. And they're ahead of the game. We want to get to where SMUD is. We're not there, yet, and I'll go through some of those issues.

The challenges in this conversation, as in many other topics, break down to technical, as well as policy.

1 Can we do it? Should we do it? Our challenges,
2 mainly, in getting to where SMUD is already are on the
3 technical side, not the policy side.
4 Our experience with AB 1103 thus far, very, very
5 little activity, you saw it this morning, whereas some
6 of the other utilities have thousands of completed
7 uploads, we've got barely a dozen, about five so far
8 this year. We're looking at why that is the case.
9 Wanted to, as an aside, address and thank Marika
10 for bringing up the concerns that she did. We met over
11 lunch and took a look at it and figured it out.
12 It turned out that our FAQ was incorrect in how
13 it told our customers or their representatives to
14 connect to -- from their Energy Star Portfolio Manager
15 account to LADWP to do the data sharing. So, we're
16 getting that fixed. That's just one of those technical
17 things.
18 But there's got to be more to it than that. You
19 know, if that was the only barrier to people seeking out
20 doing the AB 1103 compliance, we wouldn't be six months
21 in and that's the first I hear of it. You know, there
22 would have been a lot more noise.
23 So, I'm glad we were able to resolve that but,
24 obviously, there's other issues as well.
25 We built into our system the automatic upload

capability. We did so proactively in response to the coming implementation of AB 1103 several years ago.

We tested it during the voluntary phase. It works. It's a one-time. It does not automatically, so that's one place where we're not up to where SMUD is.

You can't set it as recurring uploads that's automatic, you've got to request it every time through portfolio manager.

We don't do aggregation. And that's not because we don't want to, it's a technical question.

What we do do is the same thing SMUD does, which is give the Energy Star Portfolio Manager, the user the benefit of the doubt that if they have the account numbers, account number or numbers, and the meter number or numbers, and they input it into Portfolio Manager, we give them the benefit of the doubt that they're authorized to have that information and to pull that information, and the data upload is automatic.

We don't solicit a written authorization. We don't keep a written authorization on file.

Now, if the customer falls out, if a user falls out of the automated process and calls in for assistance, then we do, then we do ask for evidence of authorization up to and including an authorization form from the customer.

1 But if they can get through the automated
2 process and they have the numbers, we send it off, much
3 the same way SMUD does and for a similar justification.
4 Let's see, we don't treat requests for
5 benchmarking any differently than AB 1103 compliance.
6 Like I said, it's a one-time data pool. It's an
7 automatic upload without aggregation.
8 It's the same whether a customer calls because
9 they want to benchmark or because they have to. No
10 difference in the process.
11 And just in terms of steps to ensure AB 1103
12 compliance, we've tried as best as we can to have it
13 working. And it does, as I said, within those
14 limitations.
15 We've put together some training. We've been,
16 again, limited resource-wise in how proactive and
17 comprehensive we've been able to be there.
18 We have surveyed the other utilities' materials,
19 including the IOUs' materials.
20 In terms of the step-by-step process they offer
21 to their customers to go through the process to
22 benchmark and to do AB 1103 benchmarking as a matter of
23 compliance, and found those materials to be very
24 helpful. And we've modeled, you know, what we've
25 offered to our customers on those materials.

1 So, we appreciate being able to plagiarize that.
2 Leverage best practices, I should say.
3 In terms of the question -- there was a question
4 asked about a date set by which all buildings should be
5 benchmarked. If a deadline was set, you know, say the
6 end of 2017 or whatever, you know, what does that mean
7 to us? Can we do that?
8 Well, and the answer is a little bit
9 complicated. It's a technical question for us, again,
10 primarily.
11 So, in theory, yes, we can. But I just have to
12 point out the caveat that we, as the utility, don't
13 benchmark customers' buildings. We provide the data so
14 the customer can benchmark their buildings.
15 It's the analogy I've always used with this is
16 it's like an employee's W-2. The employer is obligated
17 to provide the W-2 by the end of January every year, but
18 that doesn't mean the employer does the employee's
19 taxes. Because the taxes requires other W-2s, perhaps,
20 and other information that only the employee is privy
21 to.
22 With us, we're the electric utility, but part of
23 benchmarking is electric and gas. And so our serving
24 gas utility is Southern California Gas Company, and so
25 the customer needs to go into Portfolio Manager, set up

1 their sharing contacts, and one is LADWP and one is
2 SoCal Gas.
3 So, it is encumbent on the customer to do the
4 benchmarking. It is encumbent on us to provide the
5 data, upon demand, into Portfolio Manager by the
6 customer.
7 So, technically, if there was a requirement that
8 all customers benchmark their buildings by such and such
9 a date, it's technically possible and we would be
10 compliant with provisioning our piece of that. But we
11 would not have responsibility or ability, I should say,
12 to ensure that our customers actually did the
13 benchmarking by that time.
14 That said, we would support it in every way we
15 could.
16 And you also heard this morning that the City,
17 itself, is thinking of some interesting things around
18 this. And that's one of the nice things in a POU
19 environment is that we are a city department, but we
20 cover one city. And so, we map one-to-one to other city
21 functions and we can work together to divvy up a larger
22 task among each of us within the city, as appropriate to
23 our pieces of the puzzle.
24 So, this mandatory benchmarking or benchmarking
25 and disclosure, we would not take the lead on that as

the utility, but if the city wants to do that, we'll support the city technically on doing that. And we'll follow the policy as it's established.

COMMISSIONER MC ALLISTER: Okay, thanks very much. I was going to ask about how you worked it out with the city and you just answered my question, so that's great.

So, let's see, I don't have any questions offhand. Anybody? Okay, yeah, that's helpful.

So, any questions? No, okay. I'm actually very -- and I guess it's a reflection of the -- you know, the slightly rarified arena that we all work in, in terms of specific energy topics.

But I am actually very excited about the possibility of having the investor-owned utilities and the larger POUs, at least, and see how far that can sort of go through the POUs kind of working together to figure out what a template for this might look like that makes life easier for everybody.

And so that we can have, you know, as much automation as makes sense, but also enough flexibility that the local jurisdictions can do what they think is in their own sort of best interest, in their own -- you know, responsive to their own goals locally.

Let's see, so where are we on the agenda?

1 MR. ASHUCKIAN: So, this is the final panel and
2 so now we can open it up to any comments specific to
3 this panel. And if not, then just public comments in
4 general.
5 COMMISSIONER MC ALLISTER: Yeah.
6 MR. ASHUCKIAN: Go ahead. Let's start with the
7 gentleman in the blue shirt.
8 MR. MAHONE: Hello, my name's Doug Mahone. I'm
9 with TRC. But many years ago I had the honor of helping
10 to chair the first benchmarking workgroup here in
11 California.
12 And so, we bumped up against all of these issues
13 of data confidentiality, and legal obligations.
14 And there were three or four times when we
15 thought we had it worked out with all the lawyers from
16 all the utilities that were participating, and then they
17 would take it back home and another lawyer or another
18 legal concern would pop up and that would kill it.
19 And I began to think of this as like playing
20 racquetball. You would think we'd have it all solved,
21 and it wouldn't be solved.
22 And when I finally rolled off of that rule, I
23 had reached the conclusion that these issues would never
24 be resolved until the Commissioners actually took it on.
25 And I don't know if that was this Commission's

1 Commissioners or the other Commission's Commissioners.
2 COMMISSIONER MC ALLISTER: Actually, it turns
3 out it's both working together.
4 MR. MAHONE: Even worse.
5 (Laughter)
6 MR. MAHONE: But anyway, I commend you for
7 bringing this together. I urge you to stick with it.
8 Only you are going to crack this nut because, otherwise,
9 we'll continue playing racquetball for the next seven
10 years. Thank you.
11 (Applause)
12 MS. CLINTON: Everybody's not raising to ask
13 questions and actually leaving, I think.
14 (Laughter)
15 COMMISSIONER DOUGLAS: Okay, let me just ask
16 to -- let's make sure we get questions if they involve
17 the panel, first. Otherwise, we can let the panel sit
18 down and not have to sit up here through questions.
19 I don't know, Jeanne, do you have questions
20 specific for the panel?
21 MS. CLINTON: I have questions for the panel.
22 COMMISSIONER DOUGLAS: Wonderful. And anyone
23 else who does, please be ready to come forward and then
24 we'll let the panelists go.
25 MS. CLINTON: I have two questions. One is very

quick and it's to PG&E, specifically.

I'm struck by what seems to me to be an unusual dichotomy between you're applying what I would call fairly tough rules on tenant permission for information disclosure and you're having over 10,000 properties that have gone through the benchmarking model.

And I'm just wondering if you have any theory on how those two come together?

MS. MOGILNER: Sure. So, I mean I would say, you know, we have a ton of resources and support in place. Although the process of authorization is, you know, cumbersome and an extra step in the process, it is just one step in the benchmarking process.

So, you know, when I said our dedicated benchmarking specialists have spent 400 hours in support of benchmarking this year, the majority of questions are how do I benchmark within Portfolio Manager?

How do I set up web services within Portfolio Manager to connect to you?

So, the majority of questions we deal with are just basics of benchmarking and then we help customers with the authorizations. But it's one step in the whole process.

MS. CLINTON: So, by inference, somehow 10,000 properties have managed to get through the customer

authorization dilemma?

MS. MOGILNER: Yes. Everyone had to get authorized.

MS. CLINTON: Okay.

MR. JACOT: You've also been doing it for a long time, right?

MS. MOGILNER: We've been doing it since 2011.

MS. CLINTON: Not that long. My second --

COMMISSIONER MC ALLISTER: I guess, maybe one theory would be that these are individual-owned buildings with, you know, the customer of record. I mean, I don't know if that's where you were kind of thinking it would go but --

MS. CLINTON: Well, that could be one possible explanation.

COMMISSIONER MC ALLISTER: But they may not be large commercial buildings. Who knows, right?

MS. MOGILNER: Yeah, like I said, the break down, the majority of our buildings are one to two tenants. That's probably over half of our territory.

So, it's not large buildings with over 15 tenants where they have to scramble and ask many people, it's one, or two, or three tenants. That's the bulk of our territory.

MS. CLINTON: My second question is in general

for all the panel, but only to the extent that this situation applies to you and I'm not sure.

So this morning, when the US EPA folks were presenting their slides, there was a slide that referred to something called Web Services. And I admit I don't know what that is, other than what I heard this morning.

But specifically, it sounded to me as though if a utility were doing some sort of automated data uploading into Energy Star Portfolio Manager, under some conditions the utility would get access to the data and reports, I assume for their customers that are participating in this sort of automation data upload.

And I'm just curious, for those of you who have -- who are enrolled in this Web Services arrangement, what kind of knowledge or insight are you getting out of having access to that information and reports, and how are you using it?

MS. DAVIS: I can lead off. We currently are not tapping into that information. However, that is a request that I've made. And, in fact, that was part of the justification for getting some of the resources dedicated to providing customer support is that we can actually get something out of this to the extent that we can glean information about the energy performance of buildings in our territory.

MR. JACOT: Yeah, we're not currently mining that. Frankly, as you saw, there's very little to mine for us at the moment. But we would certainly be interested in doing that as we start to get more uptake on AB 1103 compliance. And use that for program-targeted marketing.

MS. MOGILNER: Yeah, that's how we're using it. For targeted communication with customers, we'll look at customers who have low scores and we will target them with other energy efficiency opportunities, and other programs and incentives we have in our overall portfolio.

MS. MARTINEZ: Since we just came online we haven't looked at data, yet. But I've actually asked IT to get ahold of what the format of the data looks like. Because when we had ABS, the data that we were getting back wasn't really useful for EE.

And I think with this tool there's a lot more opportunity for EE program participation.

So, I'm still dealing with the technical issues and getting web services up and running. But once I get that, then I'll move on to the next phase, which is EE program participation and integration.

MR. GALANTER: Yeah, Edison's intention is, as well to use that data.

I think, Jeanne, you know that we've done the proxy benchmarking and that information has been sent to our customers.

Not really leveraged to the extent that it should be, but our intention is to use both groups of data, proxy benchmarking data, as well as AB 1103 for helpfully targeting to customers that need to be targeted to, quite frankly.

MR. ASHUCKIAN: Any other comments in the room?

MS. ERDELY: Yeah, I think back to my --

MR. ASHUCKIAN: State your name, again?

MS. ERDELY: Marika, again, from Green Economy. But I just, after hearing everybody and after David Jacot and I resolved the issue with LADWP and it was just the information that was coming to us, you can see that the data is there and the utilities are actually doing well.

So, I think it's just a matter of information and more communication to the building owners and the people that are supposed to be following the law. And then I think everyone can follow it, it's just -- you know, I think there's just not been enough good communication. Because it looks to me like the utilities are all ready.

MR. DE SNOO: I'll be real quick, Neal DeSnoo,

City of Berkeley.

As you develop a rule for aggregation, it would be real helpful if it could be applied to voluntary compliance that is not triggered to AB 1103, or applied to local ordinances as well.

COMMISSIONER MC ALLISTER: Could you, Neal, put a little context around that?

MR. DE SNOO: So, we see lots of local ordinances. We see San Francisco. Berkeley's developing one. We would like to be able to request the same kind of data, or have the clients, the property owners collect the same kind of data and do the benchmarking.

But if we don't have -- and it would be nice to use the authority established by the Commission to compel that, rather than trying to develop our own rulemaking and defend it.

COMMISSIONER MC ALLISTER: Okay, great, thanks.

MR. ASHUCKIAN: And if there is anybody online who would like to make some comments, if you would raise your hand online?

Randy Walsh.

MR. WALSH: Can you hear me? Can we get an idea of what the next steps are with this process?

MR. ASHUCKIAN: We're going to be accepting

1 public comments until July 21st. We are going to be
2 evaluating the information from this workshop and
3 determining what the next steps will be.
4 It's possible that we will enter in to a
5 rulemaking to modify our existing regulations.
6 It's possible that we may suggest legislative
7 changes.
8 The Commissioners may want to add anything else
9 to that.
10 COMMISSIONER MC ALLISTER: Yeah, so that's a
11 fair assessment. This is an OII. It's an information
12 gathering proceeding. We're trying to make it go as
13 fast as possible. We organized this thing quickly.
14 We're going to get your comments and read them
15 when they come in, as they come in, and decide what our
16 next steps actually are, specifically.
17 And, you know, one question is do we need to
18 open the rulemaking for 1103, again, to be more specific
19 about the requirements for this -- the implementation of
20 this law and what's expected from the parties and when.
21 And, you know, I think we're getting a diversity
22 of opinion here. But, clearly, there are folks who feel
23 like we could be more specific in a number of different
24 areas about what's actually required.
25 I think, you know, we're going to try to come to

a decision here shortly after the comment period is open as to whether or not we open the rulemaking again.

So, those are sort of the big picture of the next steps to come.

MR. WALSH: And is there a potential for another informational meeting happening?

COMMISSIONER MC ALLISTER: Right now we don't have another one scheduled. I think, yeah, I won't say one way or the other until we see all the comments.

But, you know, if there are big issues that remain unresolved, then that's an option.

MR. ASHUCKIAN: And I would like to add that at this moment we're still planning to go forward with emergency rulemaking to suspend the 5,000 square foot requirement.

MR. WALSH: Do you have any idea when that will be released?

MR. ASHUCKIAN: Within a week or two, I believe, is when we're planning to post the rulemaking, the notice.

MR. WALSH: Okay.

MR. ASHUCKIAN: Maybe even today or tomorrow for the notice.

MR. WALSH: Thank you.

COMMISSIONER MC ALLISTER: Great, thank you.

MS. LONDON: Jody London, Local Government Sustainable Energy Coalition. Just to emphasize what Neal DeSnoo was saying, we definitely -- local governments would definitely like to have access to this data.

It was interesting to hear the person from PG&E describing how PG&E wants to use the data to go after specific customers with high energy use.

We, as local governments, want the information for those same purposes because we're implementing locally mandated energy plans and climate action plans. And I know you all are aware of that, but I just want to state that really explicitly that local governments are working very hard to comply with AB 32 to help the State reach its goals.

But we find ourselves, you know, boxed in by our inability to access this data. So, we really support where you're going and we look forward to more discussion.

COMMISSIONER MC ALLISTER: Thanks, Jody.

Actually, on that note I had a question for Cheri, actually. So, SMUD isn't actually part of the city per se, right? I mean, you're a separate entity with a separate governing board?

MS. DAVIS: Correct.

1 COMMISSIONER MC ALLISTER: So, I guess, what's
2 your relationship in this respect with the city as they
3 develop their climate action plan and implement it?
4 You know, is there information sharing that goes
5 along, you know, energy consumption of SMUD customers
6 between you and the city or is there kind of a, you
7 know, actionable -- is there an action plan or, you
8 know, process for sort of helping the city sort of
9 understand its footprint and its residents' footprint?
10 MS. DAVIS: Well, I can provide a partial
11 answer, just what I've experienced.
12 GreenWise was requesting information and we
13 declined to provide it. This was information about
14 specific buildings and their energy usage.
15 And we said, the only way we can disclose that
16 information to you is if you get a customer release
17 form.
18 So, in that sense I would say, no, we're not
19 giving them building-specific information.
20 COMMISSIONER MC ALLISTER: But GreenWise is not
21 part of the City of Sacramento, right? It's a nonprofit
22 or something, or I guess I'm not sure.
23 MS. DAVIS: Right. I suspect we would take the
24 same position with the City of Sacramento, but I'm not
25 positive about that.

COMMISSIONER MC ALLISTER: Okay, right. I mean the question that Jody brought up I think is -- you know, it's a good one, right. The cities have -- they're on the hook for things that actually are -- you know, that energy is a big part of.

So, you know, climate planning being kind of the main front and center, land use planning, transportation, all that kind of stuff.

So, you know, this is not necessarily the core part of making 1103 work in its narrow construction, but I think it is an important topic to sort of get everybody the tools they need to forward with knowledge.

But anyway, thanks.

MR. ASHUCKIAN: Okay, I think we can move to any closing comments that the Commissioners might have.

Oh, I'm sorry, Tony.

MR. ANDREONI: Thank you, David. This is Tony Andreoni with CMUA.

And I just want to add a couple of things from what L.A. and SMUD mentioned earlier. Obviously, they're our two largest members within CMUA.

But I want to make sure, as we move forward, should some type of IOU/POU future database development be constructed in some way, there are a number of other, you know, 30 plus utilities out there that are medium

and small that would have to somehow, possibly, work within that regime. So that's something, although they're not here to day to speak about that, I know many of them are listening on the phone and would want to be involved in that process. So, I just wanted to add that.

COMMISSIONER MC ALLISTER: I appreciate that. And, certainly, you know, the goal is to get some economies of scale such that it's less effort for each, not more, right. So, I know that's often your members' concern and, you know, totally hear that, so thanks.

MS. CLINTON: So, this is Jeanne Clinton. I'm back for one quick question from the PUC. I'll just pose this as a quickly formatted question.

Most of you have indicated that you incurred substantial resource expenditures to support the automation or engagement either with Portfolio Manager, or with customers. There's IT, there's customer training, there's outreach to your own staff.

I'm just curious, and I'll just ask this as a quick question, to what extent do all of your expenditures typically get charged to what I would call customer service and billing accounting areas, or do they tend to get charged to energy efficiency program expenditures?

And I'll just do this quickly, a show of hands to save time. In general for this stuff how much -- or for each of you, just a show of hands, to what extent are these kinds of costs being incurred on the customer service and billing side of the house? One.

How many of you would say these costs are being incurred under your energy efficiency portfolio budgets? Two.

And SMUD and Edison are not responding.

MR. GALANTER: Well, I think ours was O&M, so it's not customer service, per se, but it's --

MS. CLINTON: O&M in general of the utility? Okay.

MR. GALANTER: Half a million dollars.

MS. CLINTON: And SMUD?

MS. DAVIS: I suspect the same thing. I'm fairly certain it's not coming out of our energy efficiency budget.

MS. CLINTON: General operations somehow?

50/50, that's San Diego.

Okay, thank you.

MR. ASHUCKIAN: And we have one online comment from Hilary Firestone.

MS. FIRESTONE: Hi, can you hear me?

MR. ASHUCKIAN: A little louder, please.

1 MS. FIRESTONE: Hi, everyone, this is Hilary
2 Firestone from the Mayor's Office in Los Angeles. I
3 just wanted to follow up on a couple of --
4 COMMISSIONER MC ALLISTER: Hold on, Hilary,
5 we're trying to increase your volume. You're off in the
6 back of a cave somewhere.
7 COMMISSIONER DOUGLAS: If you're on speaker
8 phone --
9 MS. FIRESTONE: Is that better?
10 COMMISSIONER DOUGLAS: No.
11 MS. FIRESTONE: I am not on a speaker phone.
12 COMMISSIONER DOUGLAS: Okay. All right, well,
13 hang in there and we'll try to increase the volume.
14 MR. ASHUCKIAN: Try that again. Hilary?
15 MS. FIRESTONE: Hello.
16 MR. ASHUCKIAN: Yeah.
17 MS. FIRESTONE: Is that better?
18 COMMISSIONER MC ALLISTER: That's better.
19 MS. FIRESTONE: Okay, sorry about that.
20 So, I wanted to follow up on the point that Neal
21 made, from Berkeley, about how if aggregation thresholds
22 do get set that they should apply to local ordinances.
23 And so, this is more of a question. If the CEC
24 goes back and does -- modifies the rule, it's in the
25 context of AB 1103. So, would it be able to apply to

benchmarking and aggregated in general beyond that for building owners? Or would there have to be another process? This goes back to Use Case 7 of the PUC's decision.

MR. ASHUCKIAN: Yeah, I think we're going to have to have a legal interpretation of that.

COMMISSIONER MC ALLISTER: Yeah, we're sort of staring at each other. I mean to the extent that there isn't a precedent then this -- then any decision we come to might come to the fore just as the only precedent.

But I think it's likely it would require discussion to see how widely applicable and if it's in conflict with other things.

But, you know, so I think we can't really give you a good answer to that. But, you know, hopefully, we'll develop a decent record on this topic.

MR. STEVENS: Yeah, and this is Brian from the PUC. I interpreted the Use Case 7 as being very narrow. And what you just asked about is a big more broad than that, so I don't think there really is definition around it.

MS. FIRESTONE: Okay.

MR. ASHUCKIAN: Matthew?

MR. HARGROVE: I just have a quick comment on the public buildings. Because of the way that 1103 is

1 written, public buildings, local and state, are not
2 included in this regime at all. And I think that the
3 Energy Commission might want to consider, you know, if
4 you change the trigger on this then that would include
5 the public buildings in this, which we think is very
6 important.
7 As many of these topics have been discussed in
8 the Legislature, public buildings are usually always
9 included. You've heard that the, you know, State and
10 other areas lead by example.
11 And because of the way that 1103 was designed
12 with the trigger, usually no public buildings are
13 included in it.
14 COMMISSIONER MC ALLISTER: Good point, really
15 good point. And these same tools, you know, are
16 something public buildings ought to be using to comply
17 with the executive order, and et cetera, et cetera, or
18 to help benchmark.
19 MR. ASHUCKIAN: Just for clarification, too, if
20 folks -- four our Proposition 39 funds, when we give
21 money to schools, we require them to sign a letter of
22 consent to provide their public data, to publicize their
23 data.
24 So, for all the schools that received Prop. 39
25 money, that's no longer an issue.

COMMISSIONER MC ALLISTER: It's not to publicize their data. It's to submit their data. They will provide it to us so that we can do the ENV and understand the schools better in terms of their evolution of energy.

MR. ASHUCKIAN: Okay, any more comments?

MR. SAXTON: This is Pat Saxton. I was just going to say I don't have the website handy, and it may be by agency level, but State electricity usage is actually disclosed on a website. It may not be by building at this point.

COMMISSIONER MC ALLISTER: Hey, Tony.

MR. ANDREONI: I'm sorry, I just have to add one other thing. This is Tony Andreoni, again, at CMUA.

Since Dave brought up Prop 39, and as time goes on many of our members are also going to be providing data, in some form. If we're going to reexamine the amount of data, and the type of data, and the database itself, however the CEC foresees moving forward, it would be good somehow to maybe join the two, 1103 and Prop 39, since we are providing data on schools.

COMMISSIONER MC ALLISTER: Yeah, I mean that's partly the reason why there's been a theme throughout on the DOE tools, generally. So, you've got Portfolio Manager, you've got the SEED, you've got the BEDES, you

1 know, the exchange protocol.

2 So, there's some potential for making those

3 interoperable and sort of trying to use them to make

4 life easier for everybody.

5 So, we're trying to do that for Prop 39 and the

6 question is how much -- I mean what other areas could we

7 extend that into?

8 So, obviously, always with a pragmatic of kind

9 of trying to use them for the right -- to get to the end

10 goal and streamline as much as possible.

11 But it's a good point, thanks.

12 MR. ASHUCKIAN: Okay, closing remarks by the

13 Commissioners.

14 COMMISSIONER MC ALLISTER: Yeah, so long day,

15 very productive day, I think. I'm really happy and I'm

16 really grateful for everybody who came. You know, this

17 panel and the previous panels, thank you very much for

18 your participation. And all, you know, the good

19 interaction that we had I think is very valuable.

20 Different perspectives in some measure but,

21 actually, you know, I think quite a bit of alignment in

22 terms of where we need to go as a State. And, you know,

23 a little bit less so, but still quite a bit as to 1103,

24 itself, some of the particulars.

25 I'm going to kind of just talk, just mention a

1 few themes here. The local interest in disclosure and
2 in making 1103 a success, or disclosure activity and
3 benchmarking activities a success I think is quite
4 notable and very clear.
5 And this is on us, I think, work together and
6 make the program credible and widely utilized, and so
7 that's what we're trying to do.
8 It was great to hear that there's a long-term
9 commitment from Energy Star, you know, again for
10 Portfolio Manager to keep it going, and evolving, and
11 updating periodically. So, that's a good start and I
12 think we heard that it's the right tool.
13 We also heard from the various programs that
14 having some help resources and, you know, a help desk or
15 some kind of place to call for people who want to comply
16 is very important.
17 We also heard about the kind of natural limits
18 that tend to fall out of analyses that the major
19 metropolitan areas are doing, whether it's 25,000 square
20 feet, 50,000 square feet and that kind of tiering. I
21 think that's an important kind of theme here.
22 That, you know, pragmatism has kind of ruled in
23 those areas and I think that's an example we should
24 certainly look at.
25 We also heard that utilities are actually,

1 generally able to aggregate data behind the scenes. I
2 think that is technically possible. I think I'm
3 convinced of that, at least.
4 And we also heard, you know, a lot about -- we
5 had a long discussion about sort of aggregation and the
6 limits there, and the thresholds, and I think that's a
7 fertile area for further discussion.
8 Certainly, I think the Commissions are
9 reasonably aligned on where we need to head there, and
10 many of the stakeholders, as well.
11 And I also just would note that, you know, the
12 other programs that we talked about in the morning
13 are -- there is a -- and much of the discussion here
14 acknowledges that there is a benefit to some kind of
15 public disclosure.
16 Now, that's not what we're talking about with
17 1103, but I think long term with disclosure, you know,
18 there are some good examples out there that we heard
19 about. And the way Chicago has kind of phased, and
20 after a certain amount of reporting annual, kind of
21 pushing some high level data out there. It is
22 intriguing and I think makes a lot of sense for market
23 transformation.
24 So, you know, I think we need to move forward as
25 expeditious as we can. And if we're going to open this

rulemaking, we need to make that decision quickly. We intend to.

And then when that does happen, if it does, we're going to move forward quickly to get it to its conclusion as quickly as we can.

So, really, I think we've had a lot of the right stakeholders in the room today and, again, really appreciate you're coming and participating.

And look forward to further interaction and discussion as we try to flesh this out and really get -- sort of make meaningful progress on implementing 1103 and whatever comes beyond that under the umbrella of 758, or new legislation if and when that comes about.

So, thanks again and I'll pass it to Commissioner Douglas for her comments.

COMMISSIONER DOUGLAS: Well, I just wanted to join Commissioner McAllister in thanking everyone for participating in this workshop.

This is a really important issue to the Energy Commission and we want this program to work, and work well, and work smoothly for everybody involved in it.

So, we clearly see and have heard that we're going to have a really important role and we really need to step up and help make that happened. We're prepared to do that.

1 So, the first step was a workshop. The second
2 step is we will very much look forward to your comments
3 and we will look at them closely.
4 And the rest of this is to be continued, but
5 there's definitely going to be more process on this,
6 whether it is another informational workshop, or some
7 ideas for proposed reg changes and that type of
8 proceeding to be determined.
9 So, I also just want to thank Brian for being
10 here. I'm not sitting next to you so I wasn't able to
11 have any behind-the-dais dialogue. But it's really
12 helpful to have you here and appreciate it.
13 MR. STEVENS: Yeah, thank you, as well.
14 COMMISSIONER MC ALLISTER: Great. So, let's
15 see, I guess I'll pass it back to you to talk about next
16 steps and we'll adjourn.
17 MR. ASHUCKIAN: Yeah, I just want to reiterate
18 that we'd like to have written comments by July 21st.
19 And there's a list serve, AB 1103.
20 And again, thank you all for attending. And we
21 look forward to your continued participation as we
22 continue to move forward on making modifications to this
23 program.
24 COMMISSIONER MC ALLISTER: Okay, thanks a lot
25 Dave, and Dan, Eric, Christine, and everybody on staff

1 for putting this together. And, you know, more to come,
2 absolutely.
3 So, thanks everybody and we are adjourned.
4 (Thereupon, the Workshop was adjourned at
5 4:10 p.m.)
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