

18 June 2014

Mr. Robert B. Weisenmiller, Ph.D., Chair
Mr. Andrew McAllister, Commissioner
California Energy Commission
1516 Ninth Street
Sacramento, California 95814

Ms. Karen Douglas, J.D., Commissioner
Ms. Janea A. Scott, Commissioner

Mr. David Hochschild, Commissioner

Re: June 18, 2014 Business Meeting, Agenda Item #8: Order Instituting Informational Proceeding.

Dear Chairman Weisenmiller and Commissioners of the California Energy Commission:

Thank you for the opportunity to address the Commission in support of formalizing an Informational Proceeding to discuss the implementation of AB 1103 to date. This morning, I would like to briefly introduce my firm, highlight some areas of expertise and make a case for broader advocacy. I would also like to share a few recommendations from this side of the desk for further discussion as part of the Informational Proceeding.

First let me start by commending the California Energy Commission staff members with whom I have had contact over the past few years, specifically Robin Mayer, Justin Regnier, Joe Loyer, Galen Lemei and especially Daniel Johnson. These staff members have been available, receptive and constructive in their communications and have represented the Commission very well during AB 1103's transition from legislation to implementation. I commend them to you and again express my appreciation.

My firm, San Diego Energy Desk, is a commercial real estate consulting firm sitting in a unique market niche. I am a real estate professional – not an engineer – with over 20 years of real estate industry experience who is now focused on improving energy efficiency in commercial real estate. San Diego Energy Desk helps clients maximize ROI by identifying and integrating the most profitable energy efficiency strategies at any point in the commercial real estate investment life-cycle – acquisition, reposition, hold, refinance or disposition. Our client roster covers the entire State of California, but we are based in San Diego, home to the very first Energy Star® labeled building in the nation - soon to celebrate a 15th anniversary.

In meeting the business objectives of San Diego Energy Desk and fulfilling client requirements, I have developed subject matter expertise in the language and intent of AB 1103 and the technical aspects of Energy Star® Portfolio Manager. I conduct trainings and workshops for commercial real estate attorneys, brokers, lenders, owners and managers in both AB 1103 compliance strategies and using the Portfolio Manager tool. My customized data collection worksheets recently submitted to the EPA for review received very positive feedback and confirmation of a deep and thorough understanding of the Energy Star® benchmarking methodology. I continue to work with clients ranging from single and multi-tenant office buildings to multi-tenant lifestyle retail centers and from private museums to food banks to benchmark energy efficiency. Since January 1, 2014, I have submitted several sets of AB 1103 compliance documents to the California Energy Commission on behalf of clients completing eligible real estate transactions.

In sharing these comments with you today, I hope to expand your current circle of stakeholders to include San Diego Energy Desk and other firms like mine seeking to partner with the State in achieving extraordinary energy efficiency improvements in the built environment. I believe the bold and aggressive market the California Energy Commission is seeding can support these new business ventures and together we can contribute an important voice to the process of designing and refining related regulations, policies or programs. As the purpose and agenda is created for the Informational Proceeding, I recommend the following areas receive attention and discussion:

1. Differentiation between an energy performance benchmarking path and a compliance benchmarking path and developing and aligning processes specific to each path. The California Energy Commission, through AB 1103, is defining a compliance path; systems put in place throughout the State to comply with AB 1103 should not hinder energy performance benchmarking projects.
2. Expansion of AB 1103 to focus on long term performance benchmarking rather than short term compliance benchmarking. Commercial property owners don't yet see the benefit of advanced preparation. Utility companies are reconfiguring their 3rd party data authorization protocols specifically for compliance projects making it more difficult and expensive to undertake performance benchmarking projects.
3. Resolution of the extreme inconsistencies in 3rd party data authorization and distribution protocols by any and all Utilities throughout the State – for both compliance and performance benchmarking projects. Right now, protocols – when in place – run the gamut from lenient to extremely restrictive.

In closing, the market is changing and firms like mine are responding; our collective experience and expertise provides another important voice in the legislative and regulatory process. If possible, I look forward to participating in the Informational Proceeding and providing some additional perspective from this side of the desk. Thank you again for the opportunity to address the California Energy Commission.

Sincerely,



Randy J. Walsh, CCIM, LEED AP
Chief Efficiency Optimizer