

# City of San José

## Energy and Water Building Performance Ordinance



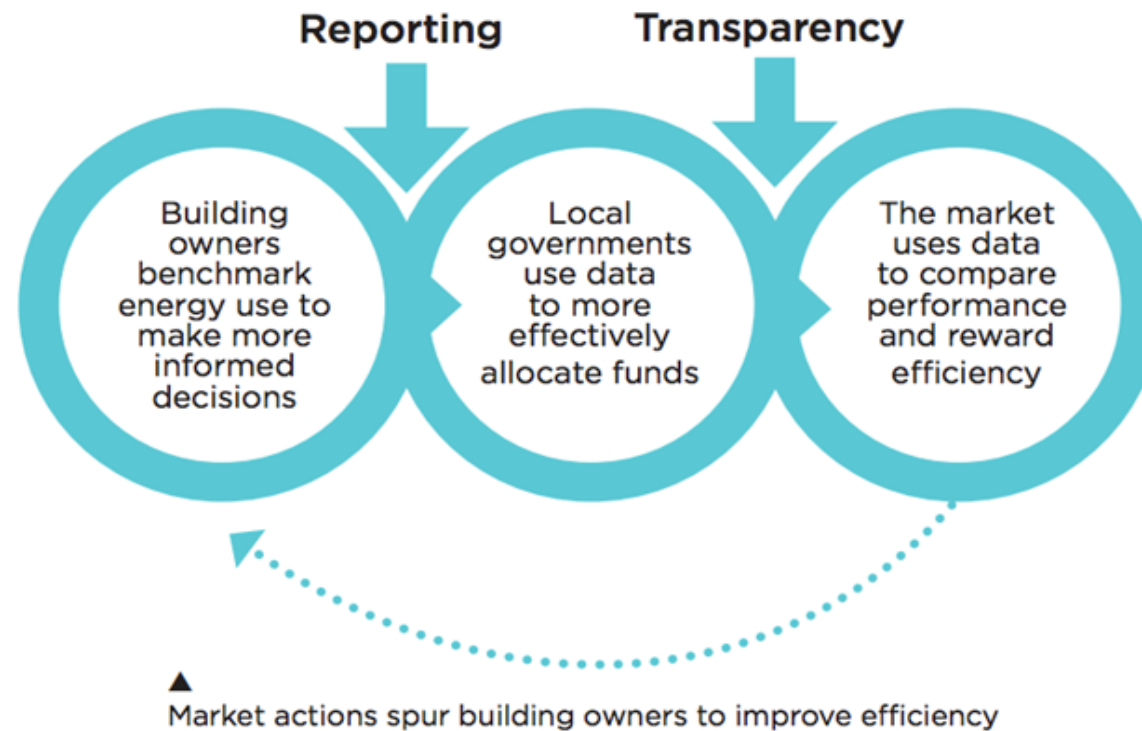
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# What is Benchmarking?

Benchmarking: The process of tracking a building's energy and/or water use over time, using a free tool called ENERGYSTAR Portfolio Manager, to assess how energy efficient their buildings are compared to similar buildings

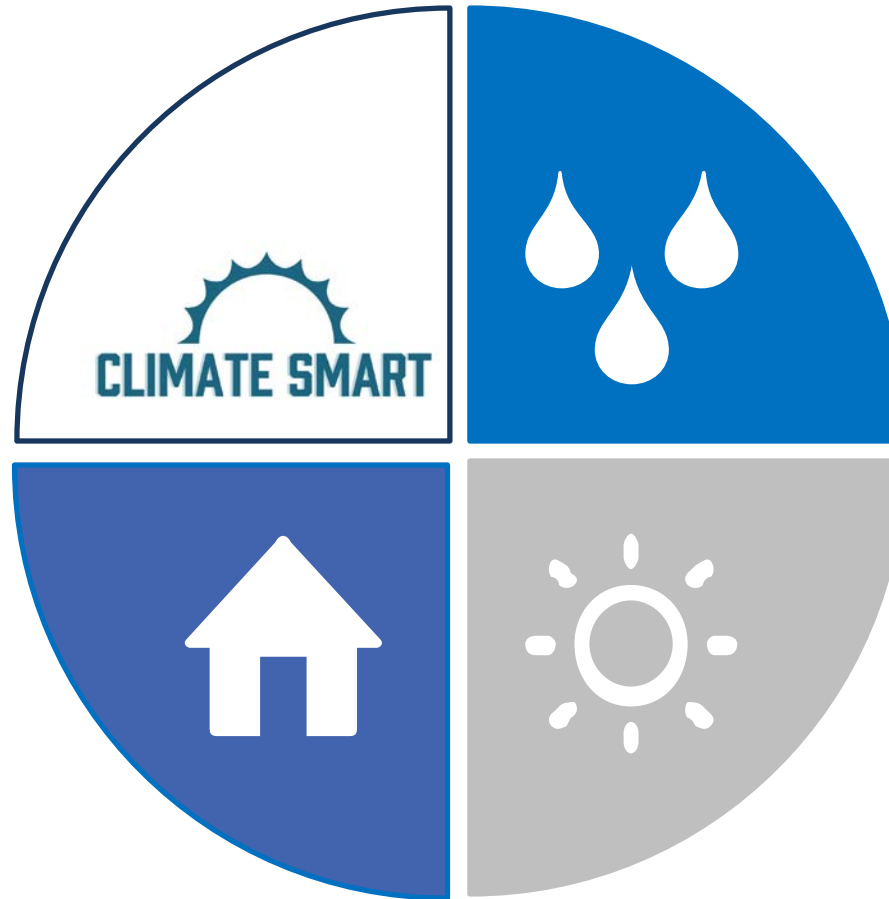


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# Why Building Performance?

Climate Smart targets a 6.5% reduction in GHG emissions, every year, for the next 3 decades

In San José, buildings account for 33% of energy usage



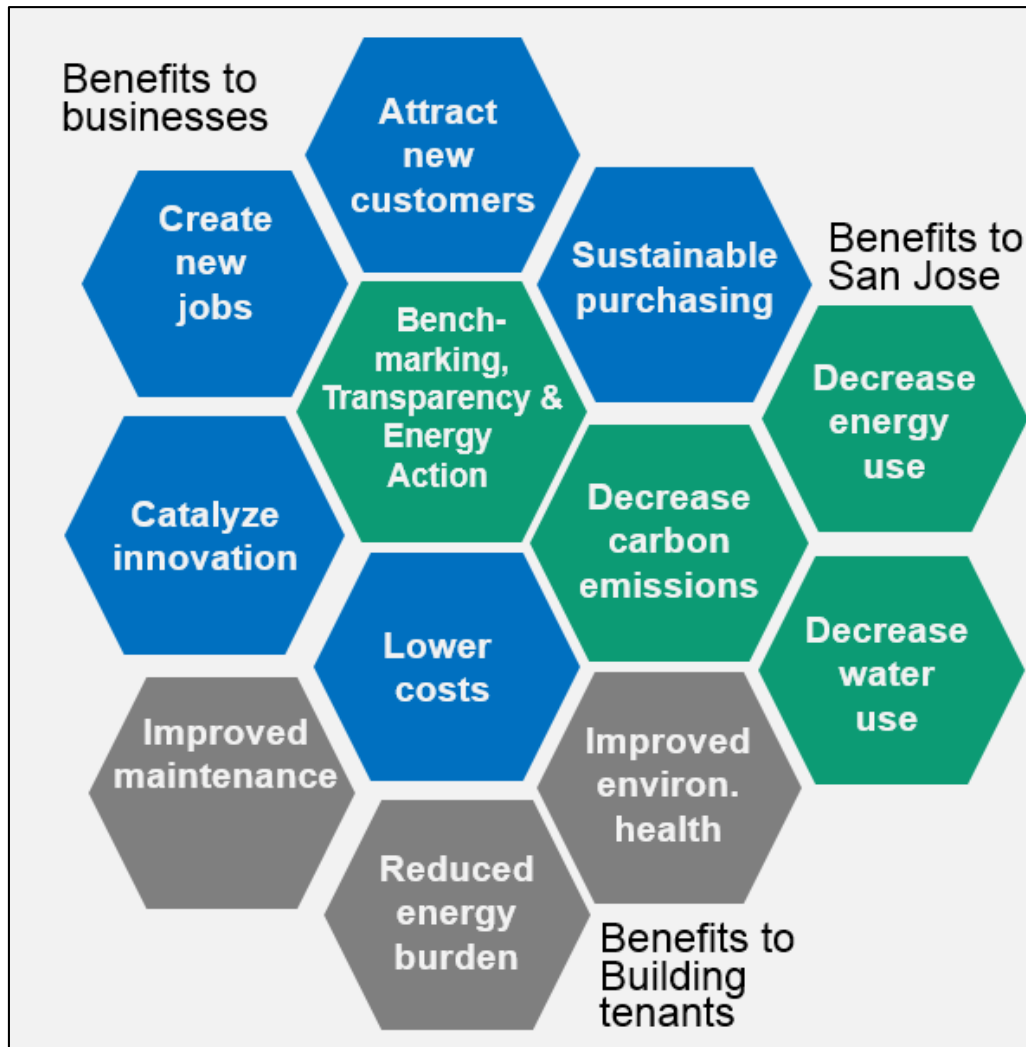
Help businesses understand their carbon and water footprints

Accelerate energy-efficiency retrofits in existing buildings

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# Policy Benefits

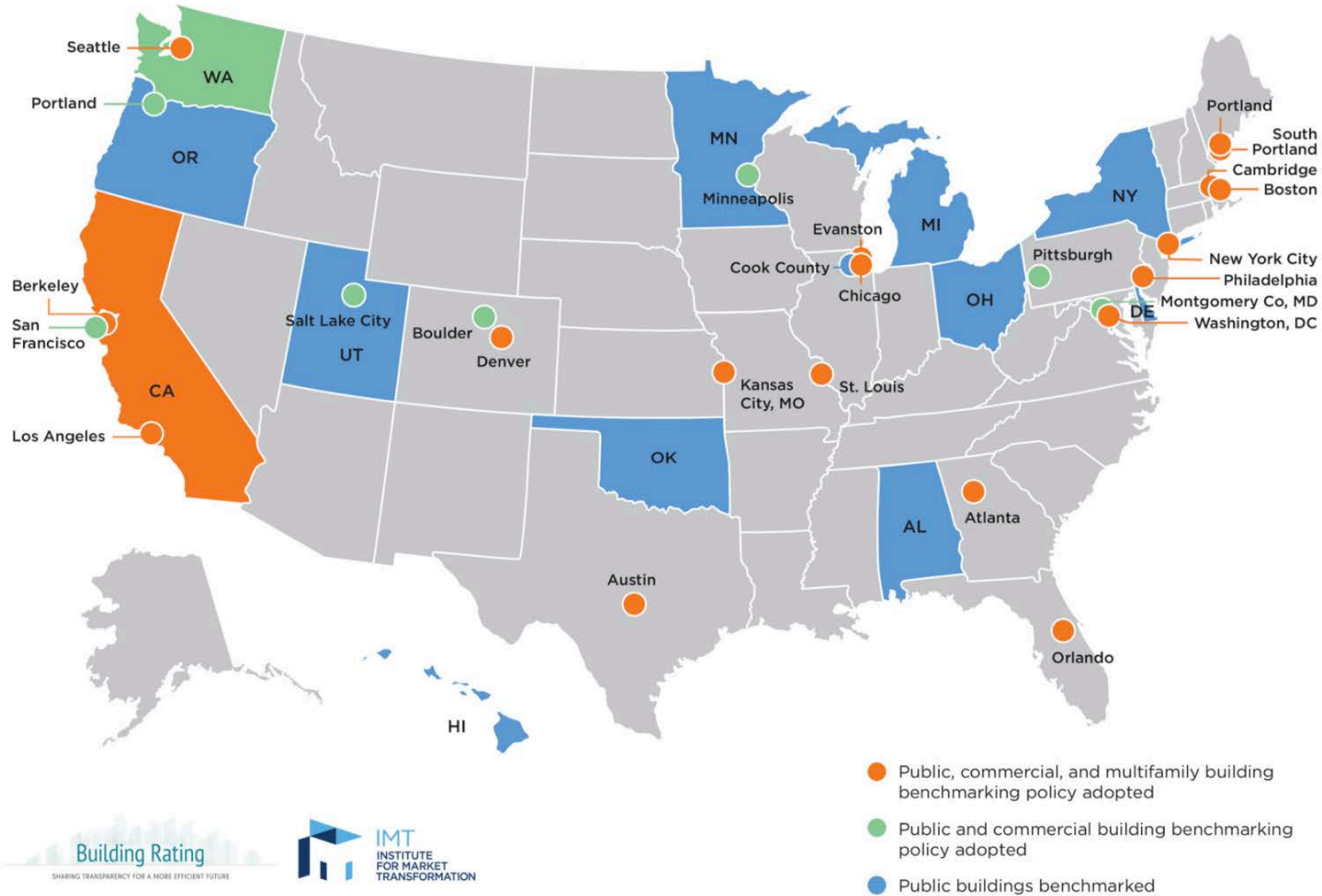
Market  
Transformation



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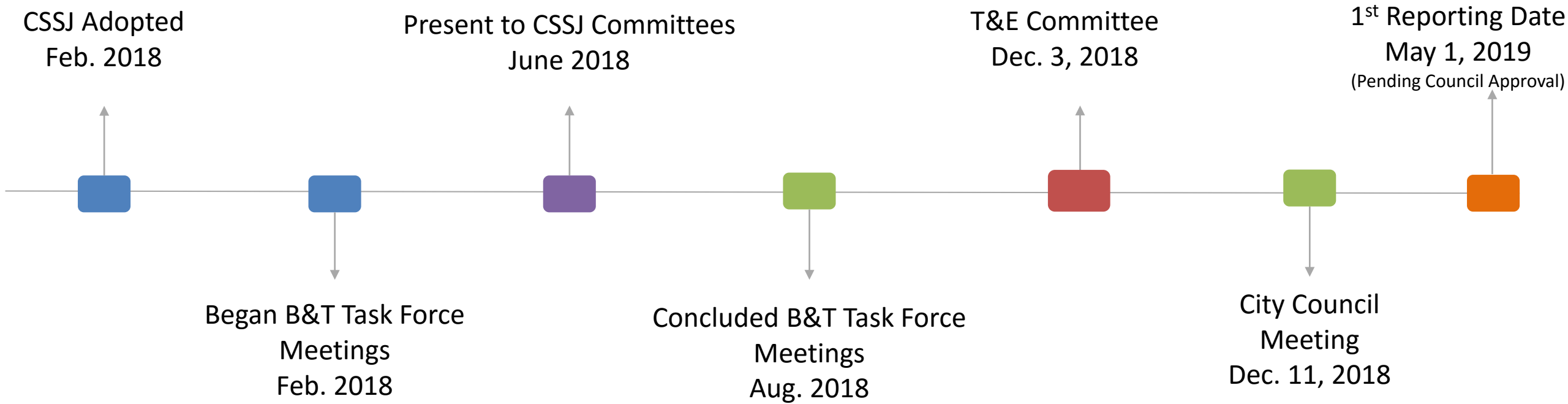


## U.S. Building Benchmarking and Transparency Policies



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# Initiative Background and Timeline



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# About the Task Force

- 
- Over 50 organizations and 100 individuals engaged over the course of 8 months
  - Task Force developed by interdepartmental City team
    - Large building owners and managers
    - Energy consultants
    - Environmental advocates
    - Trade organizations
    - Labor groups
    - Academia
    - Energy and water utilities

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# Task Force Topics



- **Meeting 1:** Introduction to benchmarking and transparency ordinance
- **Meeting 2:** Examining San José's building stock
- **Meeting 3:** Reporting and transparency
- **Meeting 4:** Examining ordinance options, reporting, and compliance
- **Meeting 5:** Implementation and enforcement, education and training
- **Meeting 6:** Draft ordinance and next steps
- **Follow Up Webinar (11/30/18):** Proposed ordinance



# Key Ordinance Components

<b>Covered Sectors:</b>	<ul style="list-style-type: none"><li>• Commercial and multifamily (not industrial)</li><li>• Responsibility for reporting falls on building owner, not tenants</li></ul>
<b>Building Coverage Threshold:</b>	<ul style="list-style-type: none"><li>• Buildings at 20,000+ sq. ft.</li><li>• City facilities at 15,000+ sq. ft.</li><li>• Covers ~2,500 buildings</li></ul>
<b>Transparency:</b>	<ul style="list-style-type: none"><li>• Include at least one formal report, an interactive map, or dashboard</li><li>• Incorporated into Climate Smart metric tracking</li></ul>
<b>Energy Action and Assessment (EAA):</b>	<ul style="list-style-type: none"><li>• Energy/water audit, retro-commissioning, or retrofit options</li><li>• All on 5-year cycle</li></ul>



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# Performance and Improvement Pathways

MEET REQUIREMENTS FOR		ENERGY				and	WATER									
PERFORMANCE PATHWAY: OPTION 1	MEET TARGET METRICS	ENERGYSTAR Score of 75 or greater	or	Improve ENERGYSTAR Score by 15 pts	or	Energy Use Intensity (EUI) is 25% above median for use type	or	Improve EUI by 15%	and	ENERGYSTAR Water Score of 75 or greater	or	Improve ENERGYSTAR Water Score by 15 pts	or	Water Use Intensity (WUI) is 25% above median for use type	or	Improve WUI by 15%
PERFORMANCE PATHWAY: OPTION 2	LEED EBOM	LEED Existing Buildings Operations and Maintenance Certification, meeting compliance standards for both energy and water														
IMPROVEMENT PATHWAY		ENERGY	OPTION 1	OPTION 2	OPTION 3	and	WATER	OPTION 1	OPTION 2	OPTION 3						
		ASHRAE II Energy Audit	or	Energy Retro- Commissioning	or		Choice of 2 Energy Efficiency Improvement Measures	Water Audit	or	Water Retro- Commissioning	or	Choice of 2 Water Efficiency Improvement Measures				

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# Policy Implementation Schedule

- **Reporting Year 1—On May 1, 2019**
  - Covered buildings 50,000+ sq. ft.
  - Muni building 15,000+ sq. ft.
  - Transparency
  - Transition buildings covered by AB 802 to reporting to the City
- **Reporting Year 2—On May 1, 2020**
  - Covered buildings 20,000+ sq. ft.
  - Transparency
- **Reporting Year 3—On May 1, 2021**
  - Beyond benchmarking pathway requirements implemented for buildings 50,000+ sq. ft.
- **Reporting Year 4—On May 1, 2022**
  - Beyond benchmarking pathway requirements implemented for buildings 20,000+ sq. ft.



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# Implementation and Funding

## Timeline



- First reporting deadline slated for May 1, 2019
- Ordinance phased in by building square footage and requirement component through 2022

## Funding



- FY 18-19 – Use existing funding for implementation
- FY 19-20 – Will propose budget for one-time funding or fund through cost recovery fees
- FY 20-21 and beyond – Will fund through cost recovery fees



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# Next Steps

- December 11, 2018: City Council
- January 2019:
  - Ordinance effective, pending Council approval
  - Initiate program implementation



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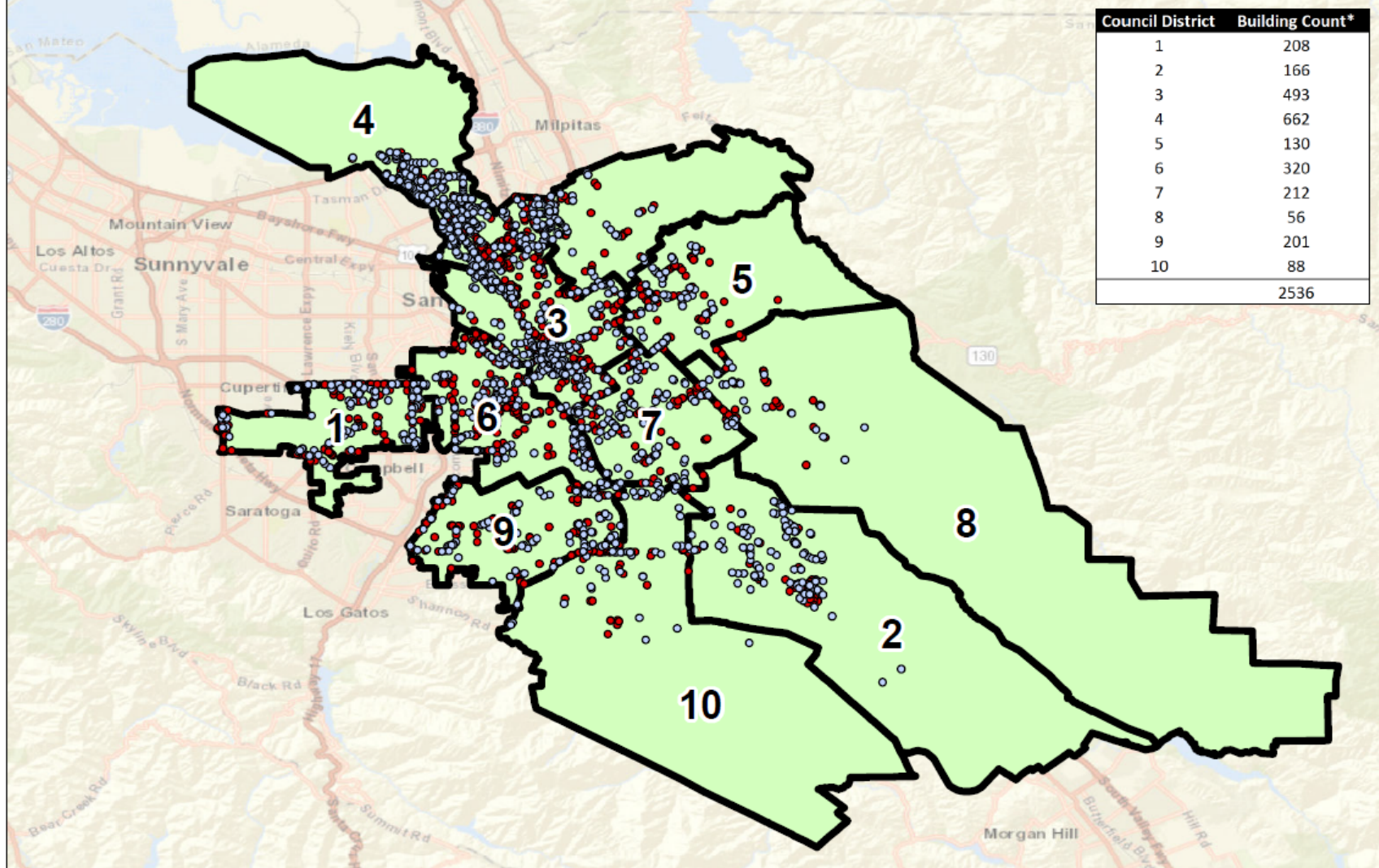
# Questions?



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### Legend

- Phase 1 Over 50K sq. ft. (1391 buildings)
- Phase 2: 20,000-49,999 sq. ft. (1144 buildings)
- Council Districts



### Energy and Water Building Performance Ordinance Covered Buildings

\*These are estimates based on RealQuest, Costar, and County Assessor Data. Building counts are subject to change with continued data cleansing.



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# Proposed Municipal Building Participation

- Lower threshold of 15,000+ sq. ft.
  - Impacts 6 additional City buildings
- Will lead to improved operations efficiency, reduced cost, and better long-term public facility maintenance
- City leading by example



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