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October 19, 2015

Honorable City Council
Room 395, City Hall
Los Angeles, CA 90012

Attention: Energy & Environment Council Committee

ENERGY AND WATER EFFICIENCY IN EXISTING BUILDINGS - COUNCIL FILE 14-1478

Honorable Councilmembers:

On December 3rd, 2014, Los Angeles City Council passed Motion 14-1478 directing the Department of Building and Safety (LADBS), in coordination with the City Energy Project (CEP), to convene a stakeholder process to develop a program to improve energy and water efficiency in existing buildings.

As directed by the Council Motion, a number of stakeholder meetings were facilitated by the City Energy Project. LADBS and other city departments participated in the process. The meetings were attended by representatives from property managers, affordable housing, multi-family owners, commercial owners, architects, engineers, labor and others. Additional stakeholder meetings will be held by LADBS once a draft ordinance is developed by the City Attorney's Office.

Attachment 1 is a list of recommended requirements that have been developed for council consideration based on discussions at the stakeholder meetings. Attachment 2 is a list of relevant state actions that align with energy and water efficiency requirements in existing buildings.

LADBS would like to receive instructions from council on how to proceed forward. If instructed by council, LADBS will work closely with the Office of the City Attorney on drafting an ordinance addressing energy and water efficiency in existing buildings.

Please direct any questions regarding this motion to Osama Younan at (213) 482-7407. Should you need my assistance, please contact me at (213) 482-6800.

Raymond S. Chan, C.E., S.E.
General Manager

ATTACHMENT 1
ENERGY AND WATER EFFICIENCY IN EXISTING BUILDINGS - COUNCIL FILE 14-1478
RECOMMENDED REQUIREMENTS FOR COUNCIL CONSIDERATION

Recommendation 1: Annual Energy and Water Benchmarking

Require building owners to benchmark and disclose their building's energy and water use annually.

The energy benchmarking is proposed to be done through the US Environmental Protection Agency's (EPA) free online tool, EnergyStar Portfolio Manager. With this tool, the owner or the owner's representative enters the building information and their energy usage based on the utility bills. The tool will also compare the building's energy use to other similar buildings and assign a score from 1 to 100. Once completed, the data can be electronically transmitted to an LADBS database for reporting and public disclosure.

The water use for the building, based on utility bills, can also be entered in EnergyStar Portfolio Manager. Once completed, the data can be electronically transmitted to an LADBS' data base for reporting and public disclosure. At this time, the Portfolio Manager does not assign a score to buildings for water usage.

Recommendation 2: Energy Requirements

Every five years, require building owners to submit appropriate documentation showing compliance with one of the following options:

Option 1: The building has received EnergyStar Certification from the EPA. This indicates that the building has met the EPA's higher energy performance level.

Option 2: The building's energy use intensity (EUI) has been reduced by 15% as compared to the previous reporting cycle.

Option 3: The building has undergone an energy audit and retro-commissioning where a qualified licensed engineer or architect has documented and certified that the building's energy systems have been surveyed, analyzed and proper adjustments and/or replacements have been made to improve the energy efficiency of the building.

Option 4: For buildings that do not have central air conditioning systems, complete energy related retrofits from a specified list to satisfy this requirement.

Recommendation 3: Water Requirements

Every five years, require building owners to submit appropriate documentation showing compliance with one of the following options:

Option 1: The building's water use intensity (WUI) has been reduced by 20% compared to the previous reporting cycle.

Option 2: The building has undergone a water audit and retro-commissioning where a qualified licensed engineer or architect has documented and certified that the building's water systems have been surveyed, analyzed and proper adjustments and/or replacements have been made to improve the water efficiency of the building.

Option 3: For buildings that do not have central air conditioning systems, complete water related retrofits from a specified list to satisfy this requirement.

Recommendation 4: Building Subject to this Program

Starting 2016 – City owned buildings > 7,500 ft²

Starting 2017 – all buildings > 50,000 ft²

Starting 2018 – all buildings > 25,000 ft²

Starting 2019 – all buildings > 10,000 ft²

Recommendation 5: Appeals and Violations

Establish an appeal process for cases where it is unreasonable or not beneficial to comply with the requirements of this program and establish a fee for non-compliance.

Recommendation 6: Implementation

Evaluate the needed resources for LADBS to implement this program.

ATTACHMENT 2

RELEVANT STATE ACTIONS

Below are state activities that relate to energy and water efficiency in existing buildings.

SB 350: Clean Energy and Pollution Reduction Act of 2015

SB 350 requires that the amount of electricity generated and sold from eligible renewable energy resources be increased to 50% by December 31, 2030 and sets targets for California to double its statewide energy efficiency savings.

AB 758: Energy: energy audit.

Assembly Bill 758 (Skinner, Chapter 470, Statutes 2009) requires that the California Energy Commission, in collaboration with the California Public Utilities Commission and stakeholders to develop a comprehensive program to achieve greater efficiency in the state's existing buildings. As a result, the California Energy Commission published the Existing buildings Energy Efficiency Action Plan, which includes five strategy goals – (1) increased government leadership in energy efficiency, (2) data-driven decision making, (3) increased building industry innovation and performance, (4) recognized value of energy efficiency upgrades, and (5) affordable and accessible energy efficiency solutions.

AB 802: Energy Efficiency

This bill requires utilities, upon request, to provide aggregate energy usage information for a covered building to the owner or building operator. AB 802 also authorizes electric and gas corporation to provide to provide incentives for customers to increase the energy efficiency of existing buildings. Lastly, AB 802 removes the state benchmarking policy known as AB 1103, which required building owners to disclose building energy use to tenants or buyers only at the time of a whole-building lease, sale or refinance. In its place, AB 802 authorizes the California Energy Commission to implement a comprehensive benchmarking policy for multifamily and commercial buildings with 50,000 square feet of gross floor area that will require building energy use to be reported publicly on a regular basis, subject to requirements that will be determined through a public rulemaking process.

EXECUTIVE ORDER B-29-15

On April 1, 2015 Governor Brown signed an executive order requiring a statewide reduction in potable urban water usage of 25% by February of 2016, using 2013 as the baseline.