



HESCHONG MAHONE GROUP, INC.

11626 Fair Oaks Blvd. #302, Fair Oaks, CA 95628 (Sacramento area)

Phone (916) 962-7001 E-mail: mahone@h-m-g.com

AB 1103 Working Group – Meeting Notes

Friday, March 27, 2009 – 1:00-3:00 pm

Attending:

BOMA: Manuel Fishman

California Association of Realtors: Elizabeth Gavric

California Business Properties Association: Matthew Hargrove

California Energy Commission: Martha Brook, Joe Loyer

California Public Utilities Commission: Jordan Cammarata

Environmental Protection Agency: Tracy Narel, Peter Flippen

Heschong Mahone Group: Doug Mahone, Amy Barr

Lawrence Berkeley National Laboratory: Paul Mathew

Pacific Gas & Electric: Peter Turnbull

Sacramento Municipal Utility District: Scott Saunders

San Diego Gas and Electric: Sandra Williams

Sempra: John Cullum

Southern California Edison: Jim Navarrete, Matt Evans

Southern California Gas Company: Kevin Shore

State of California: Andrew Zingale (Assembly Member Saldana's Office)

The Irvine Company: Rich Bluth

1. Follow on from last agenda
 - a. Started listing issues that need addressing
 - b. Participants were going to go and discuss with constituents
 - c. Goal for this meeting is to go back and revisit list of issues to make sure have everything

2. Who's a party to transactions?
 - a. Limits to who can ask for benchmarking info?
 - b. What would trigger requirement to disclose?
 - c. Can we build on existing precedence?

3. Additional thoughts on these issues

- a. SMUD spoke with customer group and legal on disclosure requirements
 - i. They're using xml format required by EPA
 - ii. Would like to see legislation cleaned up to resolve them of liability
 - iii. Legal will be drafting up a couple of sentences to add to 531
 - iv. Once you ask once, will continue to be updated
 - 1. Once account closes, will stop
 - 2. Customer goes onto EPA website, enters appropriate info to verify is owner of account
 - 3. Only authorized to give to tenant in person

4. Multi-Tenant

- a. IOUs looking to make filing to PUC in order to provide building data to owner for purposes of AB1103
- b. Disclosure would put all liability on person signing disclosure
- c. Back up to certification to prove that person signing disclosure is actual owner: deed, most recent tax info, etc
- d. PG&E & Sempra trying to address through filing with CPUC
- e. SMUD & SCE think this is still an issue, but that 531 could solve issue with confidentiality.
 - i. Would not resolve identity issue of who to release to; that's the piece they need to add
 - ii. SMUD doesn't want to get in middle of owner-tenant dispute
- f. Propose legislation that resolves that and makes it so can't be an issue
- g. How to keep this moving?
 - i. IOUs moving forward with discussions with CPUC
 - ii. Government code section for munis with respect to confidentiality
 - iii. Says that can disclose if for public good
 - iv. AB1103 should prove that is public good

5. Phasing

- a. Multi-tenant issue could be resolved by phasing
 - i. Take larger buildings first
- b. As we build more complexity into system, should set aside funding to make modifications to systems and build these items into future iterations
 - i. Add into next round of utility program implementation funding
- c. Focus on those PM designed for and building types that can get ENERGY STAR® rating
- d. Large utility accounts have representatives
 - i. Owners can use them as a tool
- e. Potential phasing plan
 - i. CEUS (Commercial End Use Survey): survey of commercial building stock by Energy Commission. Took statistically represented building stock, energy characteristics, mapped with billing data
 - 1. Breaks down potential way of phasing in
 - ii. By building type & square footage
 - iii. For ease of regulation, might recommend picking number and sticking to it (i.e. 50,000 for all buildings)
 - iv. Schools left out because not bought and sold very often
 - v. Warehouses in CEUS not considered industrial - is commercial space
 - 1. Difference in terminology with what real estate industry considers warehouse
- f. Two bills in legislature right now dealing with existing building energy audits
 - i. Might be good to look at those as possible path for funding
- g. Grace period: voluntary for 2010 and mandatory for 2011?
 - i. Depends on how fast can get clear language and disclosure requirements and procedures
 - ii. If can get it done, should be mandatory
- h. Figure out something to capture buildings that aren't just bought and sold in order to capture all building types
 - i. Time horizon to ensure all buildings eventually benchmarked

- i. Want to look at how, as a sector, can meet AB32 goals
- j. If someone's cheating as part of disclosure, other parties, through process of due diligence, will find out about it and cheating parties could get into trouble
 - i. Verification of claims at some point in the future
 - ii. Utility, by automating energy use data, are providing some degree of verification
 - iii. Is still possibility that owner won't provide all meters

6. What is disclosed?

- a. Worried about disclosure of info that might give competitor info about tenant mix
 - i. Would not specifically disclose tenants by name
 - ii. Wouldn't even disclose by what did with exception of if supermarket, office, etc
- b. Simplest understanding is rating and EUI
 - i. Basic PM report includes that info
- c. Median or average EUI for same distribution of buildings being compared to
- d. Energy Commission asking for IT feasibility study report
 - i. Will use criteria from this group to set up system
 - ii. Have already funded development of feasibility study report
 - iii. Will be funding development of accompanying system & function requirements
 - iv. Clear intention is that all owner has to do is say print report and all necessary info will be there

7. What triggers disclosure? When is it disclosed?

- a. Need guidance from real estate industry to know when appropriate place in process would be
- b. Perhaps require disclosure after offer made; once contract in place
 - i. But market may demand disclosure prior to that, so people can compare buildings
 - ii. Will likely become a standard of practice