

# City of Chula Vista Draft Policy Summary Existing Multifamily and Commercial Building Benchmarking and Conservation Ordinance (version 3.5)

## Summary of Changes in 3.5

- Removed initial benchmarking fee value of \$186.50, replacing it with option to assess cost recovery fee in 2022

## Policy Overview

- Require annual energy benchmarking for buildings 20,000 square feet or larger
- Enhance market transparency for building efficiency by making energy performance data available online and requiring buildings to disclose performance to existing and prospective owners and lessors
- Require buildings to measurably improve their energy performance over each 5-year period or undertake an audit, and in certain cases, Retro-Commissioning
- If the least efficient buildings do not make efficiency progress on their own by the second 5-year deadline, they will be required to make minimum improvements (10-15%) identified as cost-effective in their audit
- For Multifamily Buildings:
  - Require one-time prescriptive upgrades inside older multifamily rental units where tenants pay energy bills
  - Limit audits to buildings with significant owner-paid energy use
- Gradually phase-in requirements to give the affected buildings, energy performance industry and city staff time to build capacity
- Allow flexibility for buildings to take different paths to efficiency and exemptions for buildings that are already relatively efficient
- Avoid requiring upgrades if that are not cost-effective

## Proposed Requirements

1. **APPLICABILITY:** Applies to properties consisting of individual parcels or joined parcels containing a combined gross floor area of at least 20,000 square feet. Residential condominium units as well as state, federal and certain local government buildings are exempt.
2. **BENCHMARKING REQUIREMENT:** Properties must annually submit benchmarking reports via Energy Star Portfolio Manager by the deadline starting in 2021. Starting in 2022, an annual benchmarking fee may be assessed to recover program costs based on a fee study. Estimated at approximately \$110.
  - 2.1. Annual Deadlines.
    - a. Properties 50,000 sqft -- May 20<sup>th</sup> of each year.
    - b. Properties 20,000 – 50,000 sqft -- August 20, 2021 and March 20<sup>th</sup> of each year thereafter.
  - 2.2. Properties meeting the following will be exempt:
    - a. Unoccupied
    - b. Scheduled for demolition
    - c. Under financial distress
    - d. No energy or water service
3. **DISCLOSURE REQUIREMENT:** The City will make benchmarking data available to the public for all properties except when the majority of floor area is dedicated to industrial or manufacturing uses. For all properties, owners must provide a web link to their most recent benchmarking report, or a hard copy, in the following situations.
  - 3.1. To existing owners and leasees within 30 days of filing.
  - 3.2. To prospective buyers prior to close, and prospective leasees prior to lease signing, including lease extensions.
4. **CONSERVATION REQUIREMENT:** Every five years, properties must meet the criteria for a high-performing building (4.1) or perform one of two conservation requirements (4.2 or 4.3). Multifamily properties must meet the multifamily conservation requirements of (4.4). Starts in 2022 for 50,000 sqft+ buildings and 2025 for 20,000 – 50,000 sqft buildings.
  - 4.1. High Performing Buildings Criteria (one of the following):
    - a. Achieve Verified Energy Star score of 80 or higher during preceding year
    - b. Achieve Energy Star certification during preceding year
    - c. Achieve LEED Existing Building Certification 3 of 5 preceding years
  - 4.2. Audit and Retro-commissioning Requirement.
    - a. Conduct ASHRAE Level 1, or greater, audit. Owners must obtain quote and discuss value of more extensive audit specification (i.e. Level 2).
    - b. Conduct ASHRAE 0.2 Retro-commissioning for buildings with:
      1. At least 50,000+ sqft conditioned space
      2. Existing mechanical equipment
      3. Digital controls that are repairable or in good working order in the opinion of the auditor
      4. Exempt if major changes in operation have occurred in prior six months or planned during next year

- c. Submit Audit and Retro-commissioning Report to City electronically using the “Audit Template” online tool produced by the DOE. Report must include:
  - 1. Energy Conservation Measures (ECMs) needed to meet the applicable Energy Performance Requirements (4.3 column A and column B)
  - 2. All applicable rebate, incentive and financing programs
  - 3. Identification of at least 2 contractors able to perform each ECM
  - 4. ECMs applicable to tenant-controlled spaces, where tenant pays energy bills, must specify annual tenant savings
- d. Owners must meet and confer with tenants that pay energy costs to discuss energy efficiency investment plan and complete City designated co-investment work sheet

4.3. Energy Performance Requirement. As an alternative to the requirements of 4.2, properties may demonstrate a reduction in EUI during 5 years prior via Energy Star of at least the amount shown below in column A. By the second 5-year conservation deadline all properties must achieve the minimum improvement shown in column B provided the ECMs required have a simple payback of 13 years or less. (Meeting column B criteria does not eliminate the need to meet the Audit and Retrocommissioning requirements of 4.2.)

- a. For Properties that are eligible for an Energy Star Score.

Most Recent Energy Star Score	(A) Minimum Improvement to be Exempt from Audit Requirement	(B) Mandatory Minimum Improvement by 2 <sup>nd</sup> Conservation Deadline
0-45	30%	15%
46-65	20%	10%
66-79	10%	None
80+	None	None

- b. For properties NOT eligible for an Energy Star score.

Baseline Site Energy Use Intensity (weather normalized)	(A) Minimum Improvement to be Exempt from Audit Requirement	(B) Mandatory Minimum Improvement by 2 <sup>nd</sup> Conservation Deadline
80+	30%	15%
51-79	20%	10%
19-50	10%	None
0-18	None	None

4.4. Multifamily Conservation Requirement. Multifamily residential properties with separately metered units paid by tenants must perform the minimum number of prescriptive measures specified in 4.4 (a), choosing from the list in 4.4 (b). Any measures from 4.4(b) already completed may be counted toward the minimum number in 4.4(a). Multifamily residential properties with master-metered units or a significant common load must meet the requirements of 4.2 or 4.3 as well.

- a. Minimum Number of Measures

Year Built	Climate Zone 7	Climate Zone 10
Pre-1978	Choose 4 Measures	Choose 5 Measures
1978-1991	Choose 3 Measures	
1992-2005	Choose 2 Measures	

- b. Measure Option List below:

Measure Name	Description
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R-38 Attic Insulation	Add attic insulation in buildings with vented attic spaces to meet R-38.
Air Sealing	Apply air sealing practices throughout all accessible areas of the building. All joints, penetrations and other openings in the building envelope that are potential sources of air leakage shall be caulked, gasketed, weather stripped, or otherwise sealed to limit infiltration and exfiltration. Buildings constructed before 1992 should be sealed to 7 Air Changes per Hour (ACH), and buildings constructed from 1992-2005 should be sealed to 5 ACH, at 50 Pascals pressure difference.
Cool Roof	For steep slope roofs, install a roofing product rated by the Cool Roof Rating Council (CRRC) with an aged solar reflectance of 0.25 or higher and thermal emittance of 0.75 or higher.
Duct Sealing	Air seal all ductwork to meet the requirements of the 2016 Title 24 Section 150.2(b)1E. Homes with one or more vented combustion appliances are <b>STRONGLY RECOMMENDED</b> to have a BPI Combustion Appliance Safety Inspection performed after duct sealing.
LED Lighting	Replace low performing screw based lighting with high performing lighting per the requirements of Title 24 Section 150.0(k)1.A,D,G,H and I.
Water Heating Package	<u>Water Heater Blanket</u> Add R-6 insulation to the exterior of existing residential tank storage water heaters manufactured before April 2015. Requirement is waived for water heaters with internal tank insulation of at least R-16. <u>Hot Water Pipe Insulation.</u> Insulate all accessible hot water pipes with R-3 pipe insulation. <u>Low Flow Fittings.</u> Upgrade sink and shower fittings to meet current CALGreen requirements, which require maximum flow rates of 1.8 gallons per minute (gpm) for showerheads and kitchen faucets, and 1.2 gpm for bathroom faucets.
Windows	Replace existing single pane windows with a dual pane product, which has a U-factor equal to 0.32 or lower and a Solar Heat Gain Coefficient (SHGC) equal to 0.25 or lower. This measure was only evaluated for the pre-1978 vintage, which is assumed to have single-pane, metal-frame windows.
Water Heater Replacement (if water heater serves individual unit)	<u>High Efficiency Heat Pump Water Heater:</u> Replace natural gas storage water heater, or, tankless water heater having an Energy Factor of .81 or less, with Heat Pump Water Heater with Uniform Energy Factor (UEF) of at least 3.1 (Northwest Energy Efficiency Alliance Tier 3).  -or-  <u>High Efficiency Tankless Water Heater:</u> Replace natural gas storage water heater, or, tankless water heater having an Energy Factor of .81 or less, with tankless water heater with a minimum Energy Factor of 0.96.

4.5 Exemptions. Properties meeting one of the following will be exempt from 4.1-4.4:

- b. Less than 5 years old
- c. Scheduled for demoliton
- d. Under financial distress
- e. Not required to benchmark

5. NONCOMPLIANCE: Failure to comply will result in the following.

5.1. Notice. Notice of noncompliance will be sent giving the property 60 days to correct. After, the following penalties will apply.

5.2. Public Disclosure of Non-compliance

5.3. Fines. After January 1, 2023, failure to correct a notice of noncompliance may result in a fine ranging from \$750-\$2,500 depending on building size.