

BUILDING ENERGY DISCLOSURE REQUIREMENTS DELAYED (AGAIN)

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The disclosure of energy requirements to tenants, buyers and lenders on California commercial buildings has been an ongoing saga about which I have written before. The implementation of the law has been delayed again, so here is the latest update.

As you will recall, in 2007, Governor Schwarzenegger signed a bill requiring California building owners and operators to disclose the energy consumption of commercial buildings beginning January 1, 2010. The California Energy Commission has not yet adopted regulations, so the implementation of the law was delayed twice, first to January 1, 2011, and then to January 1, 2012. We now have learned that it will be further delayed until July 1, 2012, a year from now.

The law came about as the result of AB 1103, signed by the Governor in September 2007, as part of his climate change initiatives. The bill required that, effective January 1, 2009, all electric and gas utilities begin to maintain records of the energy consumption data on all non residential buildings. The bill obligated each utility operating in California to upload that energy consumption data to the United States Environmental Protection Agency's Energy Star Portfolio Manager web site.

The law further required "owners and operators" of commercial buildings, beginning on January 1, 2010, to disclose that energy consumption data for the prior 12 months to:

- a) "Prospective buyers" of non-residential buildings;
- b) Tenants who are leasing an entire building; and
- c) Lenders who are financing an entire building.

As soon as the California Energy Commission's regulations are published, and we are sure when the law will be implemented, we will have seminars for our clients about the implementation.

For now, in anticipation of the new law, we continue to recommend that building owners and operators take the following steps:

- Set up an account on the Portfolio Manager web site.
- For each non-residential building that you own or operate, set up an individual profile for that building.

The two web sites related to this article can be found at:

Energy Star Performance Portfolio Manager

California Energy Commission AB 1103 (the web site has not yet been updated from 1/1/2012 to 7/1/2012)

In the meantime, if you have any questions, please contact me.