


# COMMERCIAL PROPERTY:

## Energy Benchmarking 101

### WHY BENCHMARK?

**It's required.** [20 Calif. Code of Regulations §§ 1680-1684]

 Benchmarking ranks a building's **energy performance**, relative to similar buildings across the country.

Think of it as a **miles-per-gallon** rating for your commercial property.



That way, potential buyers or tenants can see the value of your property as it relates to **operating costs**.

### WHEN TO BENCHMARK

Energy benchmarking and disclosures are required when:



an **entire commercial property** is offered for:

- sale;
- lease; or
- refinance

*If you're listing an individual unit in a **multi-tenant building**, benchmarking is not required. (But it's never a bad idea!)*



AND your property is larger than 10,000\* square feet of **gross floor area (GFA)**.

\* 5,000 square feet GFA after July 1, 2016.

**IMPORTANT!** GFA is all the interior space between the outermost walls of the building.



### WHEN TO DISCLOSE

Energy disclosures are due to a prospective buyer or tenant at least:



**24 hours prior** to entering into a **binding agreement** to sell or lease the **entire property**; and



**Electronically** to the California Energy Commission within 30 days of creation. Send by email to **AB1103@energy.ca.gov**



**Concurrent** with the submission of an application for financing to a lender.



#### IMPORTANT!

Energy disclosures are not valid until the account used to create them has been active for 30 days.

### HOW DO I CREATE DISCLOSURES?

At least 30 days before expected entry into a binding agreement to sell or lease/submitting an application for financing:



- **Sign up** for an account with ENERGY STAR's Portfolio Manager at [portfoliomanager.energystar.gov/pm/signup](http://portfoliomanager.energystar.gov/pm/signup)
- **Create** a property profile for your listing
- **Fill out** the property profile with building information
- **Input or upload** energy consumption data manually or from a spreadsheet, OR
- **Submit** a request to a utility for an automatic data upload



**IMPORTANT!** The utility will require a tenant's written consent to release energy data to Portfolio Manager. Ask the utility for a tenant authorization form.

- **Download** a Data Verification Checklist (DVC)

**IMPORTANT!** A DVC is good for only 30 days. If the DVC expires before entry into a binding agreement to sell or lease, simply update Portfolio Manager, download a new DVC and hand it to the buyer/tenant.



- **Hand** the DVC to the prospective buyer or tenant or submit it to the lender, and file it with the CEC.

### WHAT YOU'LL NEED



#### Property details

- **Year of construction**
- **Occupancy type**
- **Owner's address** and
- **Contact information**
- **Gross floor area (GFA)**



#### Use information

- **Types of tenant activities** retail, restaurant, office etc.
- **Hours of operation** group tenants with similar hours together
- **Number of employees** for each tenant or group of tenants
- **Computers** and other major equipment in use



#### Energy consumption data

- **12 months of tenant and building utility metering records (.xls or .csv)**
- OR, **authorization** from tenants to request metering data from utilities using a **meter or account number**