

## Minutes Green Action Team

May 4, 2006, 1:30-3:30  
Cal EPA, 10<sup>th</sup> & I Street  
Ground Floor Training Room (Across from Cafeteria)

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**PURPOSE:** Progress Meeting of the Green Action Team

**ATTENDEES:** Rosario Marin, Secretary, SCSA (Chair)  
Ed Heidig, Undersecretary, BT&H  
Theresa Parsley, Undersecretary, CalEPA  
Erik Skinner, Assistant Secretary, OSE  
Craig Sheehy, Vice Chair Real Estate Industry Leadership Council  
Ron Joseph, Director, DGS  
Fred Klass, Department of Finance  
Lorraine White, Advisor to Commissioner Pfannenstiel, CEC

Teleconferencing: Dian Grueneich, Commissioner, CPUC

**TOPICS:** **Welcome and Introductions** - Rosario Marin

### **Significant Developments Since the Last Meeting:**

Roy McBrayer gave a progress report on major deliverables, which include:

- 112 of 250 buildings larger than 50,000 square feet benchmarked.
- 28 of these large buildings will be retro-commissioned in 2006.
- 7 buildings are pursuing LEED-NC Silver in fiscal year 2006/07.
- 6 solar photovoltaic projects are underway totaling 2.9 MW.
- 64 out of 1855 buildings the State leases have received Energy Star ratings.
- Environmentally Preferable Purchasing guidelines are now online.
- School districts have high performance building standards to use.

An effort is underway to develop a partnership between the State, private and publicly owned utilities, and energy service companies to implement energy efficiency projects in state facilities. This collaboration will allow the State to accelerate the reduction of grid-based electricity demand from state facilities.

### **Committee Chair Progress Reports:**

**Green Buildings** - Ron Joseph elaborated on the accomplishments listed above and provided a schedule for the implementation of measures listed in the Green Building Action Plan. He provided information on the following program areas:

- *Benchmarking* – All buildings larger than 50,000 square feet will be benchmarked by June 2006. Efforts are underway to benchmark the approximately 1,566 remaining

- occupied State buildings. Please see the update at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_Benchmarking.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_Benchmarking.pdf) and the schedule at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_BenchmarkingSchedule.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_BenchmarkingSchedule.pdf)
- *Retro-commissioning* – In 2006, 31 buildings will undergo retro-commissioning and 25 buildings are lined up for 2007. The current schedule includes 110 buildings to be retro-commissioned by 2009. The update is at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_RCx.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_RCx.pdf) and the schedule is at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_RCxScheduleA.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_RCxScheduleA.pdf)
  - *LEED-EB* – The Department of Education's headquarters building will become the State's first LEED-EB building in mid-June when it receives its expected Platinum certification. Six more buildings are scheduled for certification in 2007 and plans are under development to certify all buildings larger than 50,000 square feet by 2015. See the update at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_LEED-EB.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_LEED-EB.pdf) and the schedule at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_LEED-EBSchedule.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_LEED-EBSchedule.pdf).
  - *LEED-NC* – Eighteen projects, comprised of 43 buildings, are currently pursuing LEED-NC Silver certification. All future projects that meet the criteria of the Executive Order are being designed and budgeted to meet LEED Silver requirements. See the update at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_LEED-NC.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_LEED-NC.pdf) and the schedule at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_LEED-NCSchedule.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_LEED-NCSchedule.pdf)
  - *Solar PV* – The six projects currently underway will be completed by November 2006. A Request for Proposals for a second round of projects totaling 5 MW will be issued this summer. See update at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_SolarPV.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_SolarPV.pdf) and the schedule at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_SolarPVSchedule.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_SolarPVSchedule.pdf)
  - *Environmentally Preferable Purchasing (EPP)* – The EPP Best Practices Manual is appearing online on a chapter-by-chapter basis, a standard for sustainable carpet is under development, and low mercury lights are replacing high mercury, toxic fixtures. See the update at [http://www.documents.dgs.ca.gov/green/meetings/050406\\_EPP.pdf](http://www.documents.dgs.ca.gov/green/meetings/050406_EPP.pdf).

**Energy Efficiency** – In Commissioner Pfannenstiel's absence, her assistant Lorraine White provided an update on the following program elements:

- *Energy Efficiency Plan and Strategies* – A work group has assembled to determine strategies to meet the 20 reduction in energy usage goal and to formulate recommendations that will facilitate their implementation. The group expects to have a plan ready by the end of the summer.
- *Benchmarking* – Ms. White reported that the membership of this workgroup is growing and that staff from State agencies, particularly the Department of General Services, has been very helpful. In addition, the utilities are working to make the benchmarking tool simpler and California specific.
- *Commissioning and Retro-commissioning* – The California Energy Commission (CEC) is working with the California Commissioning Collaborative. They are developing not only technical guidelines but also a sustainability campaign to

communicate with commercial building owners and instill in them a commitment to commissioning and retro-commission their buildings.

- *Owner Outreach* – On May 16, a Commercial Real Estate Energy Symposium will take place in Sacramento. The purpose of the conference is to spread the word regarding the benefits of energy efficiency. It is the first event of this kind in the private sector. Concurrently, the workgroup is sending out letters of commitment to Building Owners and Managers Association (BOMA) members containing an energy pledge that they will increase their energy efficiency.

California Public Utilities Commissioner (CPUC) Dian Grueneich, participating via telephone, announced that the CPUC has opened a new proceeding on energy efficiency. One of the objectives of this proceeding is to incorporate the Green Building Initiative into existing efforts. A pre-hearing conference will take place soon, followed by a public workshop.

***Financing and Execution*** – Fred Klass provided handouts related to the activities of the committee he chairs.

- *GS \$Mart* – The question was raised as to why no one is using this tool to finance energy projects. Mr. Klass forwarded the theory that departments are worried that the Department of Finance (DOF) would sweep any savings into the General Fund but he asserted that this is an erroneous belief. He stated that changes are underway to improve GS \$Mart. They involve a Management Memo, a Budget Letter, and statutory changes. The result will be that the program will have more substance.
- *Life Cycle Cost Analysis (LCCA)* – A handout that details the LCCA process was distributed to Team members. It is based on the Federal Energy Management Program's model. This process is intended to provide evidence that will settle the debate about the energy conservation/cost-effectiveness of proposed projects or measures.
- *Project Delivery* – The result of the work on financing and cost analysis will be a roadmap that will help departments develop energy projects. This roadmap will help departments to answer these questions:
  - Do we need new equipment?
  - Is it cost-effective?
  - How can we pay for it?

***Clean Distributed Generation*** – Ron Friesen of the California Stationary Fuel Cell Collaborative directed the Team's attention to the need for a policy and process to ensure that clean distributed generation is considered in every capital outlay project. Secretary Marin approved the plan to establish a committee with members from DGS, DOF, and the Air Resources Board (ARB). This group will be responsible for developing a systematic approach to determining whether a project should include distributed generation.

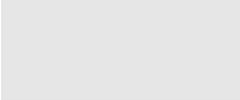
#### **General Discussion:**

1. Roy McBrayer mentioned that the CPUC energy efficiency proceeding might affect the proposed IOU/MUD/ESCO/State partnership if IOU contributions are altered.
2. Mike Kanya of Sacramento Municipal Utility District announced that SMUD will retro-commission four state buildings, providing financing and incentive options in the amount of \$100,000. This effort constitutes a pilot upon which SMUD would like to build a 5-year program.

3. A representative from Sempra (San Diego Gas & Electric and SoCalGas) expressed appreciation for the opportunity to connect utility support with State willingness to participate in utility programs.
4. Ron Joseph introduced a new joint effort between DGS and the California Integrated Waste Management Board (CIWMB) called "Working Green." This pilot will focus on creating a "laboratory" that allows the State to develop best practices that can be implemented at all State facilities. An immediate side effect will be the LEED-EB Ziggurat. Secretary Marin thanked DGS and the CIWMB for coming up with creative ways to meet the objectives of the EO.
5. Ron Joseph pointed out that a Management Memo addressing the leasing of sustainable facilities will be released soon that includes requirements that buildings that have the State as a sole occupant receive LEED certification.
6. Theresa Parsley asked Lorraine White when the benchmarking tool would be ready for use. Ms. White responded that the tool would have to be California specific and capable of accommodating a wide variety of buildings. California has 2 million commercial buildings and the committee and workgroup want to be sure that the tool they develop is equal to the task.
7. Secretary Marin asked Commissioner Grueneich if she thought the utilities were supportive of the Green Building Initiative. Commissioner Grueneich was not certain of their support but added that the initiative would be a part of the upcoming energy efficiency proceeding.
8. Craig Sheehy asked the commissioner about how the new proceeding will handle the issue of sub-meters but they decided to take their discussion offline.
9. Secretary Marin pointed out that although there are three committees reporting to the Green Action Team, they have only one set of tasks, implementing the Governor's Green Building Initiative. She pointed out that after a slow start, the effort was gaining momentum, in part because of private sector support. She is pleased with State participation, as well, calling attention to the fact that 100 percent of the agencies called upon to participate are going to do it.
10. In regards to the Financing and Execution update, Secretary Marin approved of using of existing mechanisms to create new opportunities.
11. Theresa Parsley asked Fred Klass who was on the Financing and Execution Committee and he replied that in addition to himself, members include Daryl Mills of the CEC and Patrick McCoy of DGS.
12. When will the LCCA be ready? Fred Klass said that they are running samples and will unveil the model to the public when they determine that it works properly.
13. Fred Klass said that the reason that no energy projects have been approved is because they have not received any. He suggested that departments may fear losing their savings to the general fund. He stated that the idea that DOF will sweep savings is an urban myth, prompting Secretary Marin to encourage departments to go forward with projects.

**DECISIONS,  
COMMITMENTS  
ACTION ITEMS:**

1. Secretary Marin stated that the current practice of presenting committee updates was acceptable, so committee chairs will be providing them at the next meeting.
2. Secretary Marin requested that Fred Klass send written word to all team members on DOF policy for energy project approval before the next meeting.
3. Ron Friesen and his clean distributed generation committee should begin work on the establishment of criteria for determining feasibility of including distributed generation in capital outlay projects.

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4. Commissioner Grueneich will report on the adequacy of utility programs to meet the Executive Order objective of reducing the amount of energy the State purchases off the grid by 20 percent by the year 2015.

**NEXT MEETING:** The next meeting will take place on Thursday, July 13, from 1:30 to 3:30 in the Coastal Hearing Room in the Cal EPA building at 10<sup>th</sup> and I Streets.