

Minutes
Green Action Team
July 13, 2006, 1:30-3:30
Cal EPA, 10th & I Street
Coastal Room

PURPOSE: Progress Meeting of the Green Action Team

ATTENDEES: Rosario Marin, Secretary, SCSA (Chair)
Ed Heidig, Undersecretary, BT&H
Theresa Parsley, Undersecretary, CalEPA
Jules Stein, OSE
Craig Sheehy, Vice Chair Real Estate Industry Leadership Council
Ron Joseph, Director, DGS
Fred Klass, Department of Finance
Jackie Pfannenstiel, Commissioner, CEC

Teleconferencing: Jeanne Clinton for Dian Grueneich, Commissioner, CPUC

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

Significant Developments since the last Meeting

Roy McBrayer gave a progress report on major initiatives, including:

- Partnership between CA Lighting Technology Center, CEC and DGS: MOU near final approval. DGS will be a test bed for advanced lighting technology and a platform for launching products into state buildings and the private sector. CLTC will be able to test fixtures in commercial settings.
- Working Green Lab – One staff person has been loaned to DGS from the CIWMB to organize and lead a collaborative effort to green the Ziggurat, attain LEED-EB Silver certification, and evaluate additional practices for greening the workplace in state buildings.
- IOU partnership – This is a collaborative effort to maximize incentives available from Utility Energy Efficiency Programs funded by Public Goods Charge moneys. Over \$16 million has been earmarked for completing energy projects and providing technical assistance in State bldgs. A program MOU will be completed by the end of July. A Participation Agreement will be completed by October 31
- DGS is implementing server-based desktop PC power management to reduce up to 51% of energy used by desktop PC's. A pilot was completed in the Exec Office to validate savings; full implementation is underway for the entire DGS network. CalEPA, FTB, Caltrans have also expressed interest.

Committee Chair Progress Reports

Green Buildings Committee- Ron Joseph provided an update on the following program elements:

Benchmarking

- Currently 188 (or 75%) of the 250 originally identified buildings 50,000 square feet and larger have submitted energy data and benchmarking results. We expect nearly 100% compliance by the end of calendar 2006.
 - DGS benchmarked its 50 large buildings by the June deadline and will benchmark its remaining buildings by October 2006
 - DGS is working with the Energy Efficiency Committee in the following areas to help coordinate the benchmarking of the remaining buildings in the State
 - Establish direct utility data transfer between the utility companies (investor owned utilities and major municipal. utilities) and the ENERGY STAR Portfolio Manager program.
 - Establish and conduct Train-the-Trainers sessions for the US EPA Energy Star benchmarking tool.
 - Assist state agencies in resolving issues with data entry.
 - Work with US EPA Energy Star program to revise their tools to support California's need to accommodate campuses and groups of buildings served by single meters.

Retro-Commissioning

- 190 buildings over 50,000 square feet are scheduled to be retro-commissioned between now and 2009
- 60 buildings over 50,000 square feet will undergo a less complex retro-commissioning process because they are barns, open-air stadiums, or parking garages with limited building systems.
- For 2006, retro-commissioning has begun or completed on 31 buildings, including:
 - 3 projects completed through PG&E's Building Tune-Up Program
 - Dept. of Technology Services Gold Campus (formerly Teale Data Center), scheduled to begin July 24, 2006.
 - 24 buildings using a statewide RFQ process are scheduled to begin between August 7 and September 18, 2006.
 - 2 projects targeted to be funded and contracted through existing co-generation projects.
 - 1 project to be retro-commissioned by DGS staff and the agency involved.
- 25 buildings are currently scheduled to begin in 2007.
- DGS has been successful in partnering with the utility companies to access incentive program funding:

- SCE and SDG&E are offering up to \$.20/sq. ft. for projects in their territories.
- SMUD is funding the retro-commissioning of 2 buildings
 - The DFA Plant Diagnostics Lab – work already underway
 - The DPR Railroad Museum
- PG&E will finalize its retro-commissioning incentive program by September 2006.

LEED-NC

- **The Number of LEED-NC Projects has increased**
 - 6 buildings have already achieved LEED certification.
 - 22 projects (52 separate buildings) are now pursuing LEED-Silver or better certification.
- **Greening Smaller Buildings (Less than 10,000 Square Feet)**
 - DGS is developing a process to ensure buildings smaller than 10,000 square feet are designed to LEED NC Silver standards.
 - DGS will use in-house staff to commission smaller buildings, starting in December 2006.
- **Leasing Policy in Draft**
 - Requires State leased facilities to be retro-commissioned and achieve LEED certification in State leased facilities totaling over 15.4 million square feet of office space.

LEED-EB – State Owned Buildings

- 7 DGS buildings will attain LEED-EB certification by the end of 2007.
 - The East End Complex will receive LEED-EB Platinum certification July 27, 2006.
 - The application for certification of the four other buildings in the East End Complex will be submitted in the new USGBC on-line format in December 2006.
 - The Cal Trans District 7 Building in Los Angeles and the Attorney General's Building in downtown Sacramento will follow in early 2007
 - DGS is developing a plan with the Building and Property Management Branch to LEED certify the remaining DGS portfolio and ensure re-certification every five years.
 - DGS will work with other State Agencies to assist them in LEED-EB certification for all of their buildings larger than 50,000 square feet.
 - DGS is coordinating with the Department of Motor Vehicles on a joint effort that would implement Green Building initiatives in all DMV facilities, including the attainment of LEED certification.

California Best Practice Manual, *Better Buildings for a Better Tomorrow*

- A draft template for standardized LEED-EB building management policies will be completed by January 2007 to assist State agencies in attaining LEED certification for their buildings.

LEED-EB on State Leased Buildings

- DGS is working with Jones Lang LaSalle (JLL), managers of the Ziggurat, to obtain LEED-EB Silver certification.
- LEED certification will be submittal to USGBC in December 2006.

LEED-EB and LEED-NC Coordination meetings

- A LEED users group meets monthly to facilitate implementation of LEED design elements such as: installing meters, bike storage and locker rooms, designated recycling areas, and light fixture specifications.

Solar Photovoltaic (PV) Projects

- Three of seven Solar PV projects have been completed and are producing power. These include, Chuckawalla Valley State Prison, Metropolitan State Hospital and CSU Dominguez Hills. Total generation capacity is approximately two megawatts (mW).
- The remaining four projects will be completed and online in January 2007. These projects will generate an additional 1.1 mW. The total for all seven projects is approximately 3.1 mW.
 - This clean generation offsets a portion of power normally purchased from the grid, reducing greenhouse gas emissions and the cost of energy to the State and taxpayers.
 - 3.1 megawatts of electricity equates to about the same amount of power consumed by approximately 400 homes a year
 - 3.1 megawatts of clean generation offsets 1,800 tons of greenhouse gasses a year.
- The current objective is to issue a second RFP by September 2006 and with construction commencing prior to December 31, 2006. The target for this phase is 5 MW of solar generation.

Environmentally Preferable Purchasing (EPP)

- **EPP Best Practices Manual**
 - 32 chapters are now online to provide guidance to State consumers on how to select environmentally preferable products.
- **EPP Training**
 - 185 State purchasing officials attended training in 3 California cities to learn about the process and benefits of EPP.
- **California Gold Sustainable Carpet Standard**
 - On May 15, a management memo was issued, establishing California's new sustainable carpet standard and mandating that all carpet purchases after August 31, 2006, meet this standard.
 - The standard includes requirements for recycled content, low emissions, and end-of-life recycling.
- **EPP Standards Development**
 - DGS is supporting the development of four National EPP Standards including:
 - Carpet
 - Furniture
 - Textiles

- Recycled Paint
- **Greening State Contracts**
 - The DGS Procurement Division is collaborating with the EPP Task Force in the greening of new State contracts and others up for renewal.

Energy Efficiency Committee – Commissioner Pfannenstiel provided an update on the following program elements:

- Workgroups have been established comprised of public and private sector members, in four areas: Benchmarking, RCx/Cx, Owner Outreach, and Planning and Strategy.
 - Benchmarking: The Energy Star Portfolio Manager benchmarking tool is the selected tool for California. The Benchmarking working group is working closely with Energy Star and California Utilities to develop a seamless way to electronically feed benchmarking data to the Portfolio Manger program.
 - Commissioning and Retro-Commissioning: Guidelines are complete and currently being published for both categories of commissioning – See the CEC website and www.green.ca.gov.
 - Planning and Strategy: This group is working closely with BOMA and other key stakeholders to define how to best incorporate energy efficiency into operational training programs,
- Metrics: Commissioner Phannenstiel introduced a discussion about the need to identify metrics for tracking progress toward GBI objectives, and the need to assign responsibility for this area. It was agreed that a follow on meeting would be held to further address this issue.

Financing and Execution Committee – Fred Klass provided a three-ring binder of draft Financing and Execution Committee deliverables, including:

- Life Cycle Cost Analysis) LCCA) Tool: This tool has been developed as a derivative of the Federal Energy Management Program model for LCCA. The model is scalable in detail to provide a simple method of determining the payback of energy projects, or a more rigorous method if needed to account for more complex cases.
- Project Financing: The GS \$Mart program has been designated as the primary method for financing energy projects. Procedures for how to use this program were provided, to include a draft Management Memo and draft procedures that will be posted on the GS \$Mart web site.
- A draft Budget Letter was provided that outlined how the LCCA tool and GS \$Mart program will apply to energy projects and stipulating that energy savings over what is required to pay for project loans would be retained by departments.
- These products comprise the components of an “engine” that facilitates the financing and delivery of energy projects in State buildings. The processes require no DOF (Capitol Outlay Program) review for individual projects so long as they adhere to the Budget Letter and Management Memo.

CPUC Update - Jeanne Clinton represented California Public Utilities Commissioner (CPUC) Dian Grueneich, via telephone, reported 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 (attached).

- The 1st page projects energy savings and spending by IOUs through CPUC approved programs over next 3 years; 482 MW reduction estimated; 12% of GBI goal
- Another 5% is expected from 2004-2005 programs, with IOUs contributing 17% of 20% by 2008;
- If Distributed Generation is added , the savings reaches 20%
- A list was provided of 33 gov't partnerships underway statewide.

Real Estate Industry Leadership Council (RILC) – Craig Sheehy from Thomas Properties, Vice Chair of the RILC provided an update of various issues including:

- Disincentives to private sector lessors to the greening their facilities, and possible solutions including identifying champions in the private sector that could explore:
 - Potential tax rebates and fee rebates
 - Identify roadblocks and possible solutions
- Some roadblocks were identified and discussed including:
 - Owners of large property portfolios (20 million square feet and above) state that energy is managed as a percent of operating expense and that there is no incentive to reduce this expense item at the potential risk of making tenants unhappy.
 - California laws prohibiting sub-metering are a problem. For instance Thomas, Koll and Cushman Wakefield are considering Green leasing but mostly on the East Coast due to this. Something needs to be done to remove this barrier.
 - Demand Response is being inappropriately used in lieu of energy efficiency. DR is good in an emergency, but not cost effective for long term or continuous use. If energy efficiency measures are deployed successfully, there is little or no need for DR. We need to convene a group to discuss the business side of energy efficiency and develop appropriate strategies.

Other Discussion Items:

- Ed Heidig (BTH) discussed using DPA stats to determine productivity cost to State, and suggested asking managers to qualify/quantify impacts of improving occupational environments by Greening buildings.

- Theresa Parsley (CalEPA) mentioned that CalEPA will be seeking LEED-EB Platinum recertification of the CalEPA building and will be looking into how to quantify productivity benefits.
- Roy McBrayer asked Theresa Parsley if she could report back to the Green Action Team on progress.
- Roy McBrayer introduced Bob Graves, President of Green Technology. Green Technology will be organizing a Green California Summit and Exposition for March 13-14, 2007 that will focus on Green Technology issues for Governments. Green Technology will also assist the state in an Energy Efficiency Forum to be conducted on Sept 27 in Sacramento. An advisory board has been formed with Secretary Marin as the chair to direct and oversee the development of both of these activities. Announcements will be forthcoming as activity planning is completed.

**DECISIONS,
COMMITMENTS
ACTION ITEMS:**

1. Secretary Marin requested a group be convened to further explore the establishment of GBI program metrics and appropriate assignment of responsibilities. CEC and DGS are primary stakeholders and the CPUC is included to assist in the assessment of private sector progress.
2. Secretary Marin requested that the RILC convene a meeting to address disincentives and recommend solutions.
3. Theresa Parsley will report back to the Green Action Team on productivity improvement measurements obtained from LEED certification.

NEXT MEETING:

The next GAT meeting will be held on September 21, 1:30-3:30. The location will be announced once it is confirmed.