

New Law Mandates Disclosure of Energy Consumption of Commercial Buildings

LOS ANGELES – Under a new law that takes effect January 1, 2009, the owners of all non residential properties in California will be required to make available to tenants, lenders and prospective buyers, the energy consumption of their buildings as part of the state’s participation in the Federal Energy Star program, according to a leading environment consultant.

“Under AB 1103 authored by Lori Saldana (D-San Diego) and signed into law in October 2007, starting January 1, 2009, the state will begin compiling information on the energy use of all non residential buildings,” says Joe Derhake, an environmental engineer and principal with Partner Engineering and Science, Inc. “The benchmarking process will require one year’s worth of utility data provided by the various utility companies, as well as building specific information such as weekly operating hours, number of personal computers, and the percentage of gross floor area that is either air conditioned or heated. This information will then be provided to the Environmental Protection Agency’s Energy Star Portfolio Manager who will benchmark the data under its Energy Star Standards.”

Once the benchmarking data is compiled, starting in 2010, building owners then will be required to disclose the data and ratings.

Energy Star rates buildings on a scale from 1 to 100 against other buildings within its class. Buildings within the top quartile will be eligible to be recognized as an EPA Energy Star Building and can use the “ENERGY STAR Label” to communicate its energy efficiency to tenants, lenders, and other stakeholders. In the event that the building owner wants to receive recognition by the EPA as an Energy Star Building, the information needs to be verified by a licensed professional engineer.

“Tenants and buyers are continuing to seek green office environments, and lenders have made large public commitments to provide *green lending*, but have struggled to find objective underwriting standards to use to determine which assets are in fact green,” says Derhake. “The data that will be created in 2009 will provide lenders, buyers, and tenants with a clear and objective tool to measure the energy efficiency of buildings.”

About Partner Engineering and Science, Inc.:

El Segundo-based Partner Engineering and Science, Inc. is a national environmental and engineering consulting firm focusing on real estate due diligence, building sciences, LEED, construction monitoring and environmental site remediation services.