

**CITY OF ALBANY  
MEMORANDUM**

DATE: October 21, 2015

TO: Sustainability Committee

FROM: Claire Griffing, Sustainability Coordinator

SUBJECT: Building Energy Assessment and Disclosure Ordinance (BEADO)

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**RECOMMENDATION**

That the Committee finalize BEADO recommendations for Council discussion in November.

**BACKGROUND**

The City of Berkeley's BESO ordinance requires property owners of commercial and multi-family buildings to complete energy assessments of their property on a specified schedule. Single family home owners (1-4 units) are required to conduct assessments at the time of sale. The Sustainability Committee has discussed building energy ordinances for several months, and has made the following decisions:

- **April:** Decided to focus on a policy similar to Berkeley's required assessments and then phase in required upgrades (RECO/CECO) after that.
- **May:** Discussed Berkeley BESO thresholds and asked for more information.
- **June:** Received additional information and discussed thresholds, requirements, and compliance schedules, as well as the following:
  - Change the name to Building Energy Assessment and Disclosure Ordinance (or BEADO)
  - Categorize homeowner associations (HOAs) as commercial buildings, but categorize individual condo units as single-family dwellings (SFDs).
  - Require SFDs do assessments at certain time intervals as well as at time of sale, unlike Berkeley's ordinance
  - Require assessment results (or at minimum a numerical energy rating) be publicly available through an online database.
  - Fund administration and enforcement of the ordinance with an administrative filing fee like Berkeley has done.
- **July:** Received additional information on Berkeley's plan for enforcement and administration and discussed thresholds, timelines, pros, cons and next steps. They decided to require assessments for all SFDs every 12 years and pushed back the compliance schedule for small commercial buildings so as to not burden them.
- **September:** Received recommendations for outreach, discussed enforcement and assessment requirements. Suggested that early birds be able to receive discounts and/or City funding in order to stagger when assessments are performed. Moved the deadline for SFDs up to 2021.

## DISCUSSION

### Pros and Cons

Staff plans to bring this item to Council with a list of pros and cons. See draft list below.

- **Pros:**
  - Shows property owners how to reduce energy costs and increase property values
  - Provides building-specific recommendations to maximize efficiency, health, safety and comfort
  - Identifies potential health and safety issues
  - Teaches owners how to access valuable financing and incentive opportunities
  - Motivates property owners to invest in energy-saving improvements
  - Energy information is reported publicly
  - Efficient buildings are exempt from audit provision
  - On-line compliance process and user-friendly compliance tracking
- **Cons:**
  - Preparation of assessment costs property owners money
  - No actual requirement to upgrade properties and thus no quantifiable greenhouse gas reductions
  - Requires significant staff time for outreach, program administration and enforcement

### Proposed Timeline for Adoption of BEADO Ordinance

- October: Recommend that staff bring item to Council for direction
- November: Bring draft BEADO to Council for direction
- December-January: Sustainability Committee modifies, reviews, and finalizes ordinance
- January-February: Final ordinance goes before Council for a vote

### Berkeley Ordinance

Below is information about the City of Berkeley's BESO ordinance. The committee should continue to discuss these items.

- **Enforcement Plan:**
  - Quarterly compliance reports identify violations
  - Provide assistance to violators
  - Notice to Correct
  - Notice of Violation
  - Administrative fines
- **Administrative Costs:**
  - Covered by filing fees paid by building owners (\$79 to \$240, depending on building size)
- **Online Platform for Reporting and Benchmarking:**
  - IT Department developing online reporting platform (direct input and PDF upload)
  - Summary of each building's assessment and energy score will be available to the public
  - Using City's current permitting system database

- Partnering with LBNL/UCB to track popular retrofits and effective incentive programs, and determine how to direct resources and assistance to underperforming buildings
- **Contractors:**
  - Currently developing requirements for assessor registration
  - Requirements will be clearly outlined in administrative regulations
  - Beneficial to have the same standards so assessors can qualify under both ordinances
- **Energy Assessment Content:**
  - Building Energy Analysis
  - Home Energy Score report
  - Energy Upgrade California summary report prepared with approved software
  - CA Home Energy Rating System Phase II (HERS II)
  - GreenPoint rated energy analysis
  - Recommended Upgrades
  - Energy savings and other benefits
  - Rebate and financing programs
  - Referral to Home Energy Advisor
- **Supplemental Assessments**
  - Water Efficiency: Based on visual observations
  - Safety Assessment: Based on visual observations
  - Solar Analysis (optional, but recommended)
  - Using a remote software tool that can evaluate specific roof conditions
- Assessor Qualifications
  - Current Business License
  - One of the following professional credentials:
    - **Qualified Home Energy Score Assessor affiliated with Stopwaste other partners approved by the COB.**
    - Energy Upgrade California Advanced Home Upgrade Participating Contractor
    - GreenPoint Rater with Build It Green
    - Service providers of buildings with 2 to 4 attached units can meet either single or multifamily qualifications criteria