
UNFINISHED BUSINESS

Bill No: SB 500
Author: Stern (D)
Amended: 6/30/25 in Assembly
Vote: 21

Prior votes not relevant, pursuant to Senate rule 29.10(d).

SENATE ENERGY, U. & C. COMMITTEE: 12-0, 9/11/25

AYES: Becker, Ochoa Bogh, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Limón, McNerney, Stern, Strickland, Wahab

NO VOTE RECORDED: Allen, Dahle, Grove, Hurtado, Rubio

ASSEMBLY FLOOR: 79-0, 9/10/25 - See last page for vote

SUBJECT: Energy: usage data

SOURCE: Author

DIGEST: This bill authorizes the use of an alternative system or tool approved by the California Energy Commission (CEC) for purposes of satisfying the requirement on utilities to provide energy usage data as part of the CEC's Building Energy Benchmarking Program, instead of solely as provided by the federal ENERGY STAR Portfolio Manager program.

Assembly Amendments of 6/30/25 deletes the contents of this bill related to performance-based ratemaking and replace with the language currently in this bill regarding energy usage data systems and tools.

ANALYSIS:

Existing law:

- 1) Establishes within the U.S. Department of Energy (U.S. DOE) and the U.S. Environmental Protection Agency (U.S. EPA) a voluntary program, the ENERGY STAR program, to identify and promote energy-efficient products and buildings in order to reduce energy consumption, improve energy security,

and reduce pollution through voluntary labeling of, or other forms of communication about, products and buildings that meet the highest energy conservation standards. Requires the U.S. EPA administrator and U.S. DOE secretary to take specified actions, including: to promote ENERGY STAR compliant technologies as the preferred technologies in the marketplace, work to enhance public awareness of the ENERGY STAR label, and regularly update the ENERGY STAR product criteria for product categories. (42 U.S. Code §6294a)

- 2) Authorizes the State Energy Resources Conservation and Development Commission (also known as the California Energy Commission (CEC)) to prescribe, by regulation, lighting, insulation, climate control system, and other building design and construction standards, and energy and water conservation design standards, for new residential and new nonresidential buildings to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy, as specified. (Public Resources Code §25402)
- 3) Requires each utility (energy utilities, defined as electrical and gas utilities, but also utilities providing steam and fuel oil), on and after January 1, 2017, to, upon the request and authorization of the owner, owner's agent, or operator of a covered building, deliver or otherwise provide aggregated energy usage data for a covered building to the owner, owner's agent, or building operator, or to the owner's account in the ENERGY STAR Portfolio Manager, as specified. (Public Resources Code §25402.1)
- 4) Requires each utility to maintain records of the energy usage data of all buildings to which they provide service for at least the most recent 12 complete calendar months, and to deliver or otherwise provide that aggregated energy usage data for each covered building, as defined, to the owner, as specified. (Public Resources Code §25402.10)
- 5) Requires the CEC to assess the potential for the state to reduce the emissions of greenhouse gas (GHG) from the state's residential and commercial building stock by at least 40% below 1990 levels by January 1, 2030. (Public Resources Code §25403)
- 6) Requires the CEC biennially to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices and to use these assessments and forecasts to develop energy policies that conserve resources, protect the environment, and protect

public health and safety. The CEC publishes its assessments and forecasts every two years in its Integrated Energy Policy Report (IEPR). (Public Resources Code §25301)

- 7) Requires each electrical corporation plan to first meet unmet resource needs through all available energy efficiency, and demand reduction resources that are cost effective, reliable, and feasible. (Public Utilities Code §§454.5 (b)(9)(C))
- 8) Requires the California Public Utilities Commission (CPUC) to identify all potentially achievable cost-effective electricity and natural gas efficiency savings and to establish energy efficiency procurement targets and ratepayer-funded programs for investor-owned utilities (IOUs). Requires a gas corporation to first meet its unmet resource needs through all available natural gas efficiency and demand reduction resources that are cost effective, reliable, and feasible. (Public Utilities Code §§454.55 and 454.56.)
- 9) Establishes a charge on electricity and natural gas consumption to fund cost-effective energy efficiency and conservation activities. (Public Utilities Code §§381 and 890)
- 10) Requires the CEC to develop and implement a comprehensive program to achieve greater energy savings in California's existing residential and nonresidential building stock. (Public Resources Code §25943)

This bill:

- 1) Authorizes a utility to satisfy the requirement of the building benchmarking program to provide energy usage data by delivering or otherwise providing aggregated energy usage data to the building owner's account in any alternative system or tool approved by the CEC, instead of solely as provided by the federal ENERGY STAR Portfolio Manager program.
- 2) Makes additional clarifying changes.

Background

About ENERGY STAR®. ENERGY STAR is the government-backed symbol for energy efficiency. The blue ENERGY STAR label is intended to provide simple, credible, and unbiased information related to an appliance and building's energy efficiency performance to help consumers, including residents and businesses,

make well-informed decisions regarding their purchases. ENERGY STAR is administered as a voluntary program by the U.S. EPA, in partnership with the U.S. DOE, pursuant to federal law. Thousands of organizations partner with ENERGY STAR to deliver cost-saving energy efficiency solutions that protect the environment, improve air quality, and protect public health. According to its website, since 1992, ENERGY STAR and its partners have helped families and businesses: save five trillion kilowatt-hours of electricity; avoid more than \$500 billion in energy costs; and achieve four billion metric tons of GHGs emissions reductions.

About ENERGY STAR® Portfolio Manager. In addition to the blue labels on appliances, ENERGY STAR also hosts the ENERGY STAR Portfolio Manager tool to measure and track energy and water use, and/or waste and materials of buildings. ENERGY STAR Portfolio Manager is the industry standard for benchmarking commercial buildings. According to its website, more than 330,000 commercial properties use the U.S. EPA's ENERGY STAR Portfolio Manager tool, comprising more than 30 billion square feet of floor space – more than a quarter of all the commercial floor space in the nation. Additionally, 48 local governments, seven states, two Canadian provinces, and three Canadian cities rely on the ENERGY STAR Portfolio Manager tool as the foundation for their building benchmarking and transparency policies, including California. The Portfolio Manager is an interactive resource management tool that enables property owners to benchmark the energy use of their building on a secure online platform where they can compare their building's energy use to a yearly baseline, national medians, or similar buildings. The Portfolio Manager features include:

- ENERGY STAR score of 1-100: Each entered building receives a simple number that evaluates a buildings' energy efficiency relative to similar buildings across the country – with a score of 50 representing the median. The score accounts for the building's physical assets, operations, and occupant behavior.
- ENERGY STAR certification: Buildings that earn an ENERGY STAR score of 75 or higher can apply for the U.S. EPA's ENERGY STAR certification, which identifies the most energy efficient buildings.
- GHG emissions tracking: Calculates a building's GHG emissions from energy use.
- Water and waste tracking: Measures and tracks a building's water use and waste.

CEC Building Energy Benchmarking program. Pursuant to statute – AB 802 (Williams, Chapter 590, Statutes of 2015) – energy utilities are required to maintain energy usage records for all covered buildings to which they provide service, and to provide energy usage data to the owner, owner’s agent, or operator of a covered building upon request. The bill defined “covered buildings” to be those with no residential utility accounts and those with five more utility accounts (regardless if residential or commercial). The bill also directed the CEC to adopt regulations providing for the collection and public disclosure of building energy benchmarking information and stated the Legislature’s intent that the CEC create the program for commercial and multifamily buildings above 50,000 square feet gross floor area. The regulations enacting the benchmarking and public disclosure program went into effect June 1, 2018 and required the first batch of commercial buildings to report. Subsequently, multifamily buildings had their first reporting deadline on June 1, 2019. As part of the implementation, building owners and energy utilities utilize the ENERGY STAR Portfolio Manager to report annual energy usage for the state’s commercial and multifamily buildings required to participate, including those where local jurisdictions have adopted their own benchmarking programs (including: Berkeley, Brisbane, Chula Vista, Los Angeles, San Francisco, and San Diego). The CEC’s benchmarking program is part of the broader state policy efforts to address GHGs and energy efficiency in buildings, which represent roughly 24% of the state’s total GHG emissions. These policies include those related to implementing AB 758 (Skinner, Chapter 470, Statutes of 2009) and SB 48 (Becker, Chapter 720, Statutes of 2023). AB 758 required the development of the Existing Buildings Program and resulted in the triennial Existing Building Energy Efficiency Action Plan, most recently incorporated into the 2021 IEPR with a more current update still in development. SB 48 required the CEC, along with other agencies, to develop a strategy by July 1, 2026 for using the energy usage data from the benchmarking program to track and manage energy usage and GHG emissions of covered buildings in order to achieve the state’s goals.

Trump administration threatens rollbacks of U.S. EPA, including ENERGY STAR program. The Trump administration has been vocal about its efforts to rollback many U.S. EPA programs and regulations, and to make significant agency staffing cuts. Multiple news reports this year have noted the Trump administration has threatened to zero out ENERGY STAR funding at U.S. EPA. At a May 20, 2025 hearing by the U.S. House Committee on Energy and Commerce, U.S. EPA Administrator Lee Zeldin expressed skepticism about the estimated savings from the program (news reports have noted that agency staff have provided multiple pages of technical notes on its calculations). Additionally, Administrator Zeldin

expressed an interest in privatizing the program, noting that multiple entities have reached out to U.S. EPA to take over ENERGY STAR. Although President Trump's proposed budget zeroed out funding for ENERGY STAR at U.S. EPA, the Appropriations Committees in the U.S. House and Senate voted to restore funding for the agency and program, including \$32 and \$36 million, respectively, for the ENERGY STAR program. Nonetheless, there is continued concerns the Trump administration will pursue eliminating or privatizing the program as part of Administrator Zeldin's ongoing efforts to reorganize the agency.

Comments

Need for this bill. The author contends:

At a time where the federal government is changing direction on energy efficiency standards, this bill will empower the California Energy Commission to prepare for a future without the Energy Star Portfolio Manager. This bill will allow California to continue to have predictable benchmarking systems for utilities and building owners, if needed due to changes in federal policy

The uncertainty generated by the Trump administration's efforts to eliminate or privatize ENERGY STAR have raised concerns from many who rely on the software platform to manage building energy usage, including: regulators implementing building benchmarking and disclosure programs (including the CEC), building owners whose data is stored within the software platform to comply with benchmarking programs, commercial real estate entities who rely on the energy use data to inform their financial transactions, and others. Various third-party sites encourage building owners to download their data in the event the program is eliminated. Some news reports have stated that commercial real estate entities are uncertain what alternative might exist given their reliance on ENERGY STAR Portfolio Manager to help manage their real estate holdings, including informing decisions about whether to make energy-related upgrades at particular buildings.

Desire for statutory authority for alternative tool during time of uncertainty. Considering the widespread use of the ENERGY STAR Portfolio Manager across the country (and Canada) and its critical role in the state's building energy benchmarking program an alternative tool or system may be difficult to urgently identify. This bill would authorize the CEC to approve an alternative tool or system for the building energy benchmarking program whether or not the Trump administration eliminates the ENERGY STAR Portfolio Manager program. In

communication with this committee, the CEC staff acknowledges it has not identified an alternative tool or system to replace ENERGY STAR Portfolio Manager and it is not aware of any that is readily available to deliver data for the benchmarking program. However, given the vocal statements and actions by the Trump administration, and subsequent to them, the CEC has shared there is a national discussion about how best to develop alternatives. They share that the agency remains committed to using ENERGY STAR Portfolio Manager and has no plans to move away from its use, unless the program is discontinued or becomes functionally obsolete. They worry that current California law would be an impediment to using an alternative should it become urgently needed. The CEC states that this bill affords them and the benchmarking program with the flexibility to adopt another tool if, and when, it becomes necessary.

Available options for alternative tool or system. The CEC notes they are unaware of any current viable options and would prefer to have ENERGY STAR preserved. However, they believe it is important to authorize the use of an alternative tool approved by them in the event the federal administration does away with ENERGY STAR. Given the plethora of local and international entities who would be affected by the loss of ENERGY STAR Portfolio Manager, many of the potentially affected entities and stakeholders have begun to discuss options for alternatives. The potential alternative systems and tools to ENERGY STAR Portfolio Manager may entail the CEC developing their own tool or working with other entities to develop or adapt an alternative tool. This bill authorizes the CEC to approve an alternative tool or system, but does not require the CEC to do so.

Prior/Related Legislation

AB 102 (Ting, Chapter 38, Statutes of 2023) as part of the Budget Act of 2023, which among its provisions, appropriated \$10 million to enhance outreach and enforcement activities for the benchmarking program.

SB 48 (Becker, Chapter 720, Statutes of 2023) required the CEC, in consultation with other agencies, by July 1, 2026, to develop a strategy for using the energy usage data from the benchmarking program to track and manage energy usage and GHG emissions of covered buildings in order to achieve the state's goals and requires the CEC to submit the strategy to the Legislature by August 1, 2026 for further legislative action.

AB 802 (Williams, Chapter 590, Statutes of 2015) required utilities to maintain energy usage records for all buildings to which they provide service, and to provide energy usage data to the owner, owner's agent, or operator of a covered

building upon request. The bill also directed the CEC to adopt regulations providing for the collection and public disclosure of building energy benchmarking information.

SB 350 (De León, Chapter 547, Statutes of 2015) The Clean Energy and Pollution Reduction Act of 2015 continued, enhanced, and expanded the building energy efficiency program established by AB 758.

AB 758 (Skinner, Chapter 470, Statutes of 2009) required the development of the Existing Buildings Program, which resulted in the triennial EBEE Action Plan, now incorporated into this biennial 2019 EE Action Plan.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee:

Onetime costs to CEC, likely less than \$150,000 (Energy Resources Programs Account), should CEC need to conduct a rulemaking to implement this bill. The CEC asserts a rulemaking is likely not needed, but, if it is, the rulemaking would be exempt from the Administrative Procedures Act, which would reduce the costs of carrying out the rulemaking.

ERPA faces an ongoing structural deficit, with expenditures exceeding revenue, and, therefore, likely cannot support the costs to implement this bill.

SUPPORT: (Verified 9/10/25)

City of San Diego
County of San Diego
Natural Resources Defense Council

OPPOSITION: (Verified 9/10/25)

None received

ARGUMENTS IN SUPPORT: According to the Natural Resources Defense Council, they support this bill in order:

...to enable the Energy Commission to provide an alternative benchmarking data tool to preserve existing energy efficiency data and backstop against federal efforts to terminate the Energy Star program. ...Despite the success of

this voluntary program in saving businesses and households in electricity bills, the federal administration last month announced their intent to dissolve the program and close the managing department, according to recent reporting. This rapid dissolution threatens the value of existing resources and efforts placed into building data aggregation and information for the purpose of expanding energy efficiency, and compounds rollbacks to progress on energy efficiency happening in H.R.1 'One Big Beautiful Bill Act' which is set to cut the new energy efficient home tax credit and the energy efficient home improvement tax credit. California must step up to preserve existing energy efficiency data and customer choice to reduce their electricity bills through more efficient appliances. SB 500 would expand the options to maintain this type of building benchmarking data to reduce disruption to energy efficiency progress.

ASSEMBLY FLOOR: 79-0, 9/10/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Tangipa

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
9/12/25 10:36:05

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