



FACT SHEET

Commercial Building Efficiency Accelerator (CBEA)



Commercial buildings are responsible for 35% of the electricity and 18% of the total energy consumed in the U.S.,¹ and the most energy-intensive commercial buildings in California consume between 65%-183% more energy than average buildings.² Despite the clear potential for optimizing energy use and reducing greenhouse gas (GHG) emissions, the commercial building sector has struggled to justify investments in energy upgrades.

CalMTA is researching the opportunity for a market transformation initiative (MTI) to accelerate the adoption of energy efficiency, decarbonization, and demand response measures in California's commercial building sector through a series of interventions aimed at market actors including energy professionals, building owners, and commercial real estate finance professionals.

The opportunity

California's commercial buildings represent a significant opportunity for energy savings and emissions reductions. These buildings encompass a wide range of uses, ownership structures, and energy demands, from small rural elementary schools to large urban office towers. Reducing energy and emissions from the existing building stock is crucial to achieving California's ambitious climate goals.

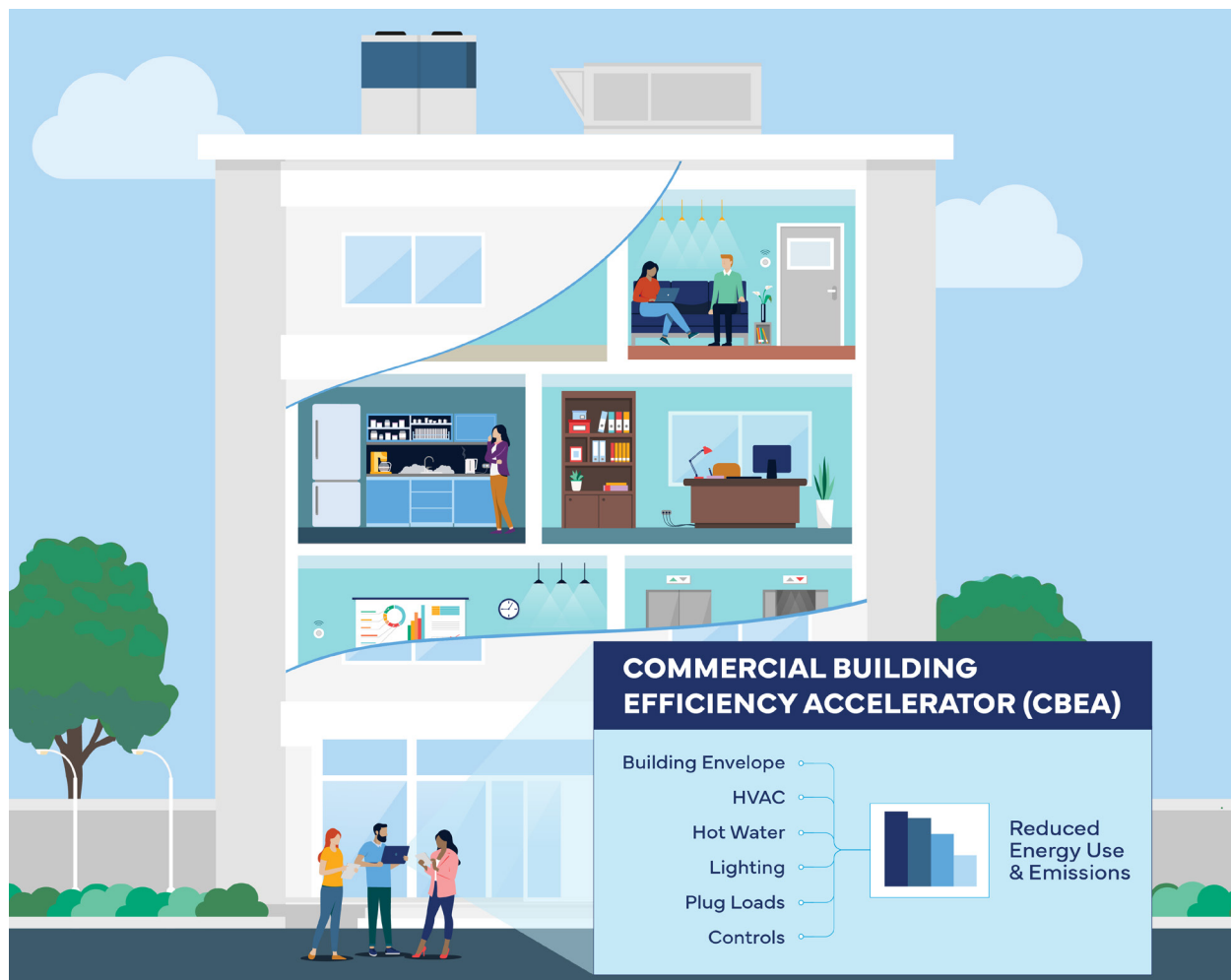
¹About the Commercial Buildings Integration Program | Department of Energy <https://www.energy.gov/eere/buildings/about-commercial-buildings-integration-program>

²Download submitted 2023 benchmarking information | California Energy Commission <https://www.energy.ca.gov/media/10811>

While California has achieved success in improving commercial building energy performance through decades of efforts, the market has not broadly adopted whole-building approaches to energy performance optimization. CalMTA sees this as a timely opportunity for market transformation because of key drivers including [California's Senate Bill 48](#), which directed the California Energy Commission (CEC) to develop a strategy to improve energy efficiency and reduce emissions in existing commercial buildings—potentially leading to a statewide building performance standard (BPS). Other catalysts include availability of benchmarking data, active local BPS programs, rising energy costs, new requirements from regional air quality districts, and expanded demand response programs.

MTI focus

CBEA represents a practice rather than a single technology. It encompasses a range of measures and technologies that collectively support commercial building efficiency strategies that would fall under the CBEA. The potential CBEA MTI would accelerate reductions in energy use intensity (EUI) and GHG emissions in existing commercial and multifamily buildings over 20,000 ft² by advancing market adoption of asset management planning practices that incorporate energy concerns into standard building management and investment decision-making.



To shift the market toward this approach, CalMTA proposes development of a retrofit playbook and planning tool that clearly outlines the business drivers to include energy considerations as part of asset management.

MT strategy

By embedding the financial value of energy, GHG emissions reductions, and demand response planning into everyday asset management, CBEA will position California's commercial building sector to meet statewide energy and climate goals. The result will be improved building energy performance, lower GHG emissions, and stronger financial returns for owners.

Identified market barriers

- Building owners do not see the value proposition for energy and decarbonization upgrades
- Energy professionals do not understand the financial needs of building owners
- High costs of deep retrofits and access to capital deter adoption
- Split incentives in leased spaces
- BPS complexity can lead to compliance challenges

Market interventions and leverage opportunities

- Build a retrofit playbook and tool for commercial building upgrades and support building decision-makers to effectively use
- Collaborate with commercial real estate (CRE) financial professionals
- Develop a qualified and enthusiastic pool of energy professionals
- Collaborate with existing commercial utility programs
- Increase awareness of financing opportunities
- Promote green leasing practices
- Collaborate with national entities working in this market
- Support market-friendly policy development



Applying an equity lens

The potential CBEA MTI aims to empower commercial building owners to reduce energy use and emissions by integrating energy efficiency, decarbonization, and demand response into long-term capital planning and operational decision-making. This approach supports building owners, businesses, and tenants in environmental and social justice (ESJ) communities by helping them realize energy savings and improve asset performance without added financial strain. This effort is being explored with a focus on expanding access to investment resources and supporting retrofit planning and implementation for building owners as well as creating workforce development opportunities in ESJ communities.



About CalMTA

CalMTA is a program of the California Public Utilities Commission and is administered by Resource Innovations. We are creating a market transformation (MT) portfolio for California that will deliver cost-effective energy efficiency and decarbonization. Market transformation is the strategic process of intervening in a market to create lasting change by removing market barriers or exploiting opportunities, accelerating the adoption of identified technologies or practices.



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