



## Agenda Item 8a

April 17, 2013

**ITEM NAME:** Sustainability Report

**PROGRAM:** Operations Support Services Division

**ITEM TYPE:** Information

### **EXECUTIVE SUMMARY**

The last year has seen a heightened emphasis on sustainable business, particularly among State agencies. CalPERS has responded by once again exceeding mandated targets for waste reduction and purchasing recycled content products. In addition, CalPERS has engaged in efforts to integrate and comply with the Governor's Executive Order B-18-12 while implementing new solutions to improve CalPERS overall sustainability.

### **STRATEGIC PLAN**

This item is not a product of the Strategic Plan, but is part of the regular and ongoing workload of the Operations Support Services Division. In addition, this item supports the CalPERS Core Values of Accountability and Integrity.

### **BACKGROUND**

CalPERS has committed to being a leader in sustainable business operations. Over the last few years, a variety of initiatives have been implemented to support this objective. The last sustainability update to the CalPERS Board of Administration was delivered in December 2011 and included a summary of the sustainable accomplishments achieved over the 2010/2011 calendar years. Past projects such as duplex printing, desk-side commingled recycling bins, and the Bike Share Program have been successful and continue to bring value to the enterprise.

The topic of sustainability continues to expand. New laws, best practices, and innovative ideas have resulted in a broadened approach to sustainable operations at CalPERS. The initiatives outlined below provide highlights of some of the new work staff have engaged in since the last report.

### **ANALYSIS**

#### Executive Order B-18-12:

In April 2012, Governor Brown issued Executive Order B-18-12 which set aggressive new sustainability standards for the operation of State buildings. These standards have varying deadlines for compliance which range between 2015 and 2025.

Staff currently participates in the monthly Sustainable Building Working Group meetings led jointly by Department of General Services and the Governor's Office. These working groups are tasked with clarifying and developing guidelines for the execution of the standards set forth in the Executive Order. Additionally, the Deputy Executive Officer of Operations and Technology participates on the Executive Oversight Committee which meets quarterly to review the work completed by the Sustainable Building Working Group.

Staff has analyzed the Executive Order to determine where CalPERS is compliant and the elements which require further activities to become compliant.

CalPERS currently meets the following standards of the Executive Order:

- Commissioning of existing buildings
- Electric vehicle charging stations
- Indoor environmental quality
- Reduction in water usage by 20% from the 2010 baseline year
- Environmentally preferable purchasing
- Monitoring measures in the order through Energy Star's Portfolio Manager

CalPERS first step in achieving compliance with the remaining standards set forth in the Executive Order is to re-certify the Lincoln Plaza complex through the US Green Building Commission's Leadership in Energy and Environmental Design (LEED). The Executive Order mandates certification at levels specified in the Green Building Action Plan.

Lincoln Plaza North is currently certified LEED Existing Building Operations and Maintenance (EBO&M) at the Gold level. This certification was obtained in the fall of 2009 and will expire in the fall of 2014. Lincoln Plaza East/West is currently certified LEED New Construction (NC) at the Gold level. Although this certification does not expire, it does not meet the standard specified in the Green Building Action Plan within Executive Order. As a result, to achieve compliance with the Executive Order, LEED EBO&M certification will need to be completed. The budget contains funds for LEED certification during the 2013-2014 fiscal year.

In preparation for the LEED recertification, CalPERS conducted American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) surveys. Based on the initial review of the ASHRAE Level I report, the following have been identified as potential projects that would aid in not only achieving LEED certification, but also comply with Executive Order B-18-12 and align with CalPERS' green initiatives:

The use of electricity is CalPERS single largest opportunity for improvement. The ASHRAE surveys pointed out a variety of measures we could take to become more energy efficient. These are identified from Tier I "No Cost Measures" to the capital intensive measures identified in Tier V.

Tier I “No Cost Measures”

1. Reduction in parking garage lighting, escalator and moving walk service hours
2. Increase air supply temperatures

Tier II “Low Cost Measures”

1. Reduce vending machine refrigeration hours
2. Modernize air handler dampers
3. Widen Summer & Winter tenant space temperatures
4. Install domestic hot water circulation control

Tier III “Capital-Intensive Measures”

1. Replace the internal components of lighting fixtures, including cubicle task lights, with more efficient technology

Tier IV “Demand Response Measures”

1. Respond and negotiate utility company reduction requests
2. Turn off non-critical business systems (e.g. escalator(s), elevator, fountain, shed lights and raise tenant space and supply air temperatures)

Tier V “Load Shift and Self Generation Measures”: A previous study was revisited and revised to examine whether new technologies would reduce the payback period of several major projects including on-site combined power and heat generation. Unfortunately, two primary factors continue to prove the simple pay back range too long (from 16 to 113 years):

1. SMUD electrical costs are very low. Unfortunately, at this time the metric used for calculating greenhouse gas emissions, based on energy purchased from SMUD, does not account for the purchase of green energy. The data reported is the same as it would be if CalPERS did not participate in the green energy program. However, the green energy CalPERS currently purchases is an important step for the environment.
2. CalPERS exempt status does not allow full benefits of SMUD and/or Federal incentive programs.

Even before the Executive Order, CalPERS has maintained best practices focused on reducing its carbon footprint. Activities such as going to 50% lighting during summer months, mecco shades to minimize sunlight coming into the building, installation of low flow water fixtures in restrooms, and the implementation of commingled desk side recycling are examples of CalPERS environmental leadership in action.

Energy Efficiency Campaign:

Many of the standards set forth in Executive Order B-18-12 are related to reducing energy purchases. Using feedback from the Energy Survey conducted in September

2012, staff launched an Energy Efficiency Campaign in January 2013. The four month campaign utilizes a variety of communication methods to promote energy efficient best practices among staff. The campaign concludes on April 30, 2013. To date, suggestions and comments received by the Sustainable Operations Program indicate staff is committed to improving the energy efficiency of our daily operations.

Green Club:

Since September 2012, staff across the organization have been volunteering to participate in monthly Green Club meetings. These meetings allow them to discuss a variety of sustainable topics and take part in various activities such as educational booths in the café corridor, facility tours, and seminars such as the Smart Cycling clinic, which will take place later this month to promote bicycling as an alternative commuting method. Staff have also launched the first ever Green Club webpage to provide useful information and links to sustainable resources.

State Agency Buy Recycled Campaign (SABRC):

Each year, State agencies are required to report to the California Department of Resources Recycling and Recovery (CalRecycle) certifying that at least 50% of their purchases within each product category meet the minimum post-consumer recycled content for that product category. For the 2011/2012 fiscal year reporting period, CalPERS exceeded the minimum target of 50% for each of the reportable product categories. CalPERS achieved 63% compliance in the Paper Products category, 97% compliance in the Metal Products category, 84% compliance in the Plastic Products category and 66% compliance in the Printing & Writing Paper category.

Waste Management Annual Report:

To monitor the amount of waste sent to landfills annually, each State agency submits a report to CalRecycle for the prior calendar year, which includes disposal amounts and current recycling activities. State agencies are required to divert at least 50% of solid waste from landfills. The per capita goal is less than 0.6 pounds of waste per person per day. In 2012, CalPERS exceeded this goal by achieving a Per Capita Disposal Rate of 0.3 pounds per person per day.

Café Vendor:

Beginning December 1, 2012, Compass Group USA took over the food service contract for the Lincoln Plaza Café. Compass is highly committed to sustainability and has implemented several programs that support CalPERS green initiatives. In addition to the sustainably farmed seafood, locally sourced produce, and packaging made from renewable resources, they have also implemented waste reduction practices to minimize environmental impact. Compass developed and utilizes a program called Trim Trax which tracks, measures, and minimizes food waste. Trim

Trax promotes a heightened awareness, clear goals, and rewards for Compass associates. As a result, this program leads to improved efficiency, while at the same time contributing to the sustainable practices at CalPERS.

Document Management Center Print Reduction Initiative:

In coordination with the Public Affairs Office, the OSSD DocuCenter is now providing publication print, business cards, the InCalPERS Newsletter, the Employer News, and special project work – all pieces previously produced by outside vendors. Moving to on-demand fulfillment has resulted in a cost reduction of approximately \$96,700 through February 2013. On-demand fulfillment also results in savings from printing only the amount needed for distribution.

In summary, all of these elements represent areas of accomplishments for which CalPERS can be proud. Collectively, they embody CalPERS commitment to environmental stewardship and thoughtful leadership in the area of sustainability.

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