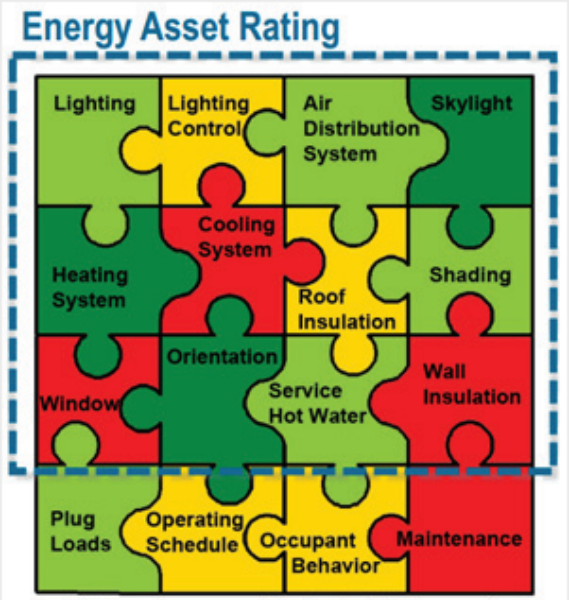
# BUILDING ENERGY RATING REGIONAL ROUNDUP - LESSONS LEARNED FOR POLICYMAKERS

Building energy performance disclosure gives consumers the tools they need to make informed choices and protect themselves against inefficient buildings, higher-than-anticipated energy bills, discomfort, and unplanned renovation needs. Building energy labeling also provides a market-based mechanism for creating a common currency regarding home or building energy use.



*Building energy use is affected by many factors.*

**Source**: U.S. Department of Energy

In addition to reducing energy consumption, mandatory disclosure and upgrade policies create jobs from an increased demand for energy efficiency services and technology. An Institute for Market Transformation (IMT) analysis estimates net new jobs created from a national building energy rating and disclosure policy, and the reinvestment of energy cost savings by consumers and businesses as a result, to exceed 59,000 jobs in 2020. As the market's value of building energy performance increases, society as a whole will benefit from greater energy independence, lower utility bills, decreased greenhouse gas emissions, increased real estate values and stronger local economies. The same IMT analysis estimates that energy costs for building owners, consumers, and businesses will be reduced by approximately $18 billion through 2020. Energy disclosure is a new frontier, currently requiring more than four billion square feet of commercial and multi-family residential floor space annually, more than twice the volume of commercial space that has been LEED certified. More and more cities are valuing the transparency of energy efficiency in their building stock, whether it requires large buildings to be rated and publicly disclosed, or for building owners to release energy performance information to prospective tenants.

Here's a quick look at building energy rating efforts in Burlington, VT; New York, NY; Washington, D.C.; and Philadelphia, PA.

**Burlington, VT:** The Residential Rental Housing Time of Sale Energy Efficiency Ordinance (TOS) requires rental housing meet minimum energy efficiency standards. Since 1997, TOS has promoted the wise and efficient use of energy in rental dwellings by mandating cost-effective minimum energy efficiency standards enforced when buildings are sold. It is applied upon transfer of a rental property at the time of sale. The seller and the buyer negotiate who is responsible for compliance. Some buildings offer substantial energy savings

if work is done beyond minimum ordinance requirements. Burlington Electric provides technical assistance, project management incentives, and financing packages for property owners to take advantage of these additional savings.

*The range of energy consumption by New York City's buildings indicates a high potential for immediate, very cost-effective energy efficiency improvements.*

**New York, NY** enacted Local Law 84 (LL84) in December of 2009. The benchmarking and disclosure of energy use in buildings is the first law of the City's Greener, Greater Buildings Plan (GGBP). The GGBP is a key policy in achieving citywide emission reduction target goals of PlaNYC (30 percent by 2030). Benchmarking requires annual energy and water benchmarking for nonresidential and multifamily buildings, and the annual public disclosure of benchmarking information. LL84 standardizes the benchmarking process and captures information with Portfolio Manager. The LL84 Benchmarking Report 2012 explains the 2011 energy benchmarking results for 2,065 large commercial properties covering more than 530 million square feet of space. The report communicates various findings and analyzes an enormous data set. Benchmarking those properties that could be rated using Portfolio Manager ENERGY STAR, resulted in a median score of 64 as compared to the national average of 50, indicating greater efficiency. Benchmarking results will continue to be an annual occurrence for all large buildings, with large residential buildings being posted for the first time in the fall of 2013.

**Washington D.C.**: The Green Building Act of 2006 (GBA) and the Clean and Affordable Energy Act of 2008 (CAEA) established requirements for the District Government to annually measure and report the energy use of all public buildings 10,000 gross square feet or larger. The GBA also requires private building owners measure and annually report the energy performance of buildings over 50,000 gross square feet. To streamline this process of benchmarking, the District has selected the United States Environmental Protection Agency's (EPA) free, industry-standard online tool, ENERGY STAR Portfolio Manager, as the required benchmarking tool. The District released the results from public buildings benchmarked in 2009. On July 20, 2012, DDOE published a second proposed rulemaking on energy benchmarking of private buildings, which is accompanied by guidance documents, public comments, and frequently asked questions on the District's Department of the Environment website.

**Philadelphia, PA**: Bill No. 120428-A, passed in June of 2012, requires commercial buildings in Philadelphia over 50,000 square feet to benchmark and disclose their energy and water consumption to the City on an annual basis. The bill also calls for the use of Portfolio Manager. The benefits of this legislation in Philadelphia were presented by Energy Efficient Buildings Hub (eeBHUB). This bill will retrofit approximately 5.3 million square feet of office space for a total cost of $1.9 million. It will create 157 direct jobs and up to 2,230 indirect jobs, and add a total of $3.5 million in economic value to Philadelphia's economy. According to a press release from IMT, EEB Hub plans to work with the City, Philadelphia Electric Company (PECO), and other utilities as well as building owners and service providers to implement the legislation, and predicts economic development opportunities and jobs to follow.