



Commercial and Industrial (C&I) Energy Efficiency Ordinance

Rating and Reporting and Energy Efficiency Requirements for Commercial and Industrial Building Owners

City of Boulder Staff

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Please visit the city's website for more information on the proposed requirements, including all presentations and meeting notes from our recent community working group at www.BoulderBuildingPerformance.com

INTRODUCTION

The commercial and industrial (C&I) building sector contributes over 50 percent of the community's greenhouse gas (GHG) emissions as measured by the City of Boulder's greenhouse gas (GHG) inventory, a fundamental baseline for the city to track carbon output from the Boulder community's energy use.

Since 2007, the city has researched, evaluated, piloted and implemented commercial energy efficiency programs to help reduce the C&I buildings' impact. Work is being done to raise business and building owner awareness of energy waste and efficiency opportunities. In collaboration with its partners, the city has allocated millions of dollars to the commercial EnergySmart program to provide expert advising and financial incentives that buy down energy efficiency improvements in existing commercial buildings or tenant spaces.

In 2012, City Council agreed to move forward with a three-phase Commercial Energy Efficiency Strategy (Strategy) that includes:

1. Providing existing and/or expanded voluntary, incentive-based programs;
2. Developing a regulatory policy that would require building owners to rate (benchmark) and report (disclose) their buildings' annual energy use; and
3. Requiring prescriptive energy efficiency measures and/or performance

WHAT IS RATING + REPORTING?
(Benchmarking + Disclosure)

- **“Rating”** is the process of measuring and comparing energy performance metrics (such as, the normalized energy use of a building) to other similar buildings
- **“Reporting”** means disclosing specific energy use and associated ratings to the city and other various parties (such as the public, interested buyers and tenants)

THE OBJECTIVES OF THIS ORDINANCE ARE TO:

- ✓ **Improve** the quality of commercial building stock
- ✓ **Increase** awareness of efficiency opportunities and realize cost effective energy savings
- ✓ **Help** building owners understand and manage their buildings’ energy use
- ✓ **Educate** tenants and real estate professionals about building energy performance metrics
- ✓ **Collect** commercial building data to inform future energy programs and services

The City of Boulder is developing options and recommendations to bring to City Council for a new Commercial and Industrial (C&I) Energy Efficiency Ordinance, that encompasses phase 2 and 3 of the Strategy, that could go into effect as soon as 2016. This ordinance could require commercial and industrial building owners to rate and report the energy use of their buildings, and may also require certain energy efficiency actions in later years.

WHICH BUILDINGS WILL BE AFFECTED AND WHEN?

An adopted ordinance could immediately affect city owned buildings (>5,000 sf) and large (>50,000 sf) private sector C&I buildings, with smaller private sector C&I buildings (>20,000 sf) phased in over time.

With this in mind, the city may propose the following options and timeline that will be considered by City Council:

2016	Rating + Reporting is required for Phase 1 buildings: <ul style="list-style-type: none"> • City owned buildings >5,000 sf • Private sector C&I buildings >50,000 sf
2018	Rating + Reporting is required for Phase 2 buildings: <ul style="list-style-type: none"> • Private sector C&I buildings >30,000 sf
2019	Efficiency requirements begin for Phase 1 buildings
2020	Rating + Reporting is required for Phase 3 buildings: <ul style="list-style-type: none"> • Private sector C&I buildings >20,000 sf
2023	Efficiency requirements begin for Phase 2 and 3 buildings

WHAT COULD BE REQUIRED OF BUILDING OWNERS?

Once a year, building owners may need to rate and report each building subject to the ordinance. Owners could be required to:

1. Collect whole building energy data
2. Enter or import data into [ENERGY STAR Portfolio Manager](#) (ESPM)*
3. Share Portfolio Manager account/data with the City of Boulder

The ordinance may also require the lower performing buildings to perform periodic (~7-10 years) energy assessments and to implement cost effective efficiency measures.

** ESPM is a free, online tool developed by the Environmental Protection Agency (EPA) that allows you to measure and track energy and water consumption, and that provides a rating system for building performance, similar to Miles Per Gallon (MPG) but using Energy Use Intensity (EUI) instead. EUI is expressed in terms of total energy use per square foot.*

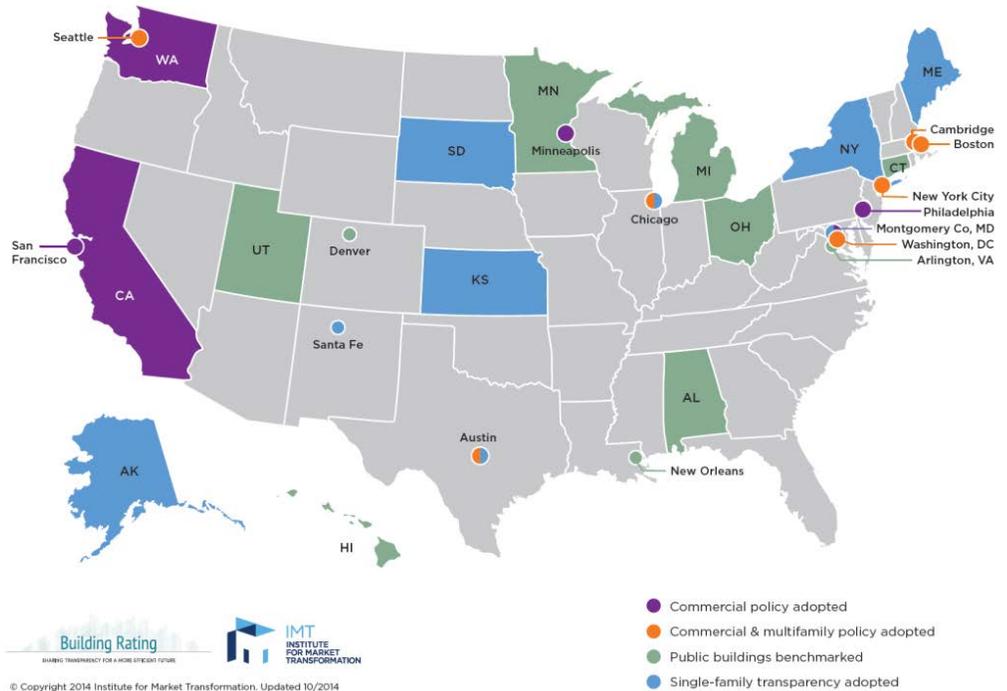
WHAT ARE THE BENEFITS OF RATING + REPORTING?

You can't manage what you don't measure. Knowing your building's energy performance rating is the first step towards understanding the energy use and improving a building's energy efficiency. With an energy rating or benchmark, you can compare your building's performance against similar buildings, and against your own historical performance, to see how much you could be saving on energy costs. Rating + Reporting helps to:

- **MONITOR** consumption trends and anomalies over time
- **COMPARE** building performance to peers and similar buildings
- **IDENTIFY** energy systems needing attention and opportunities for savings
- **TRACK** actual savings for improvement projects
- **EDUCATE** stakeholder on utility costs and environmental impact
- **INCREASE** market transparency and create a demand for high performance buildings
- **MARKET** your building as a high performer

IS THIS HAPPENING ELSEWHERE?

To date, many other cities and counties across the U.S. have adopted rating and reporting requirements including Seattle, Philadelphia, Boston, Austin, New York City, Cambridge, Berkeley and San Francisco.



NEXT STEPS

Prior to bringing options and recommendations to a council study session in the second quarter of 2015, the city will continue to reach out to potentially affected building owners and managers, businesses and commercial real estate brokers. In addition to speaking with local business groups and organizations, the **city will host a webinar on March 18, 2015** for all interested parties to learn more about the proposed energy efficiency requirements, to ask questions and to provide feedback. **To RSVP for the webinar, visit www.BoulderBuildingPerformance.com**

A draft ordinance could be brought to council for comment in the second quarter before moving forward toward adoption.

If adopted, and prior to the first ordinance compliance deadline, the city will communicate the goals and logistics of requirements to affected community members and will develop the following resources:

- An online resource for the ordinance
- Implementation guides for owners and tenants
- Educational and training opportunities
- Administration and enforcement systems and procedures