COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON THE ENVIRONMENT

Room 400, City Hall
Philadelphia, Pennsylvania
Tuesday, June 5, 2012
2:04 p.m.

PRESENT:

    COUNCILWOMAN BLONDELL REYNOLDS-BROWN, CHAIR
    COUNCILMAN JAMES KENNEY, VICE-CHAIR
    COUNCILWOMAN JANNIE BLACKWELL
    COUNCILMAN CURTIS JONES, JR.
    COUNCILWOMAN MARIA D. QUINONES-SANCHEZ

BILL: 120428

 1   - - - - -

 2   COUNCILWOMAN REYNOLDS-BROWN: We want to

 3   thank everyone for your attendance and presence

 4   at this important meeting of the Committee on

 5   the Environment to hear testimony on Bill No.

 6   120428, which seeks to implement an online

 7   citywide program where property owners, tenants,

 8   perspective purchasers, lessees and the public

 9   at large can simply compare energy and water

10   usage amongst comparable buildings. Property

11   owners will find out how their buildings stack

12   up and compare to other buildings providing the

13   tools necessary to formulate best practices and

14   ultimately discover cost savings.

15   Today we are thrilled to have join us on

16   our Committee Council Members Maria

17   Quinones-Sanchez, Councilwoman Jannie Blackwell

18   and joined also by our Majority Leader

19   Councilman Curtis Jones. So with that, we want

20   to ask the Clerk to please read the title of the

21   Bill.

22   THE CLERK: An Ordinance amending Chapter

23   9-3400 of The Philadelphia Code, entitled

24   "Energy Conservation," to provide for the

1   benchmarking and reporting of energy and water

2   usage data for certain buildings, all under

3   certain terms and conditions.

4   COUNCILWOMAN REYNOLDS-BROWN: Thank you.

5   This Committee now on the Environment is now a

6   Public Hearing to hear testimony on Bill NO.

7   120428.

8   It's the belief that information is power.

9   When we have information, we for sure make

10 different choices. Many would ask, including

11 members of the Coalition For an Energy Efficient

12 Philadelphia, would ask why now. And I quote

13 from their literature:

14   "There is no time like the present to

15 become more energy efficient. As energy prices

16 continue to rise, energy independence becomes

17 increasingly critical to our City's economic

18 vitality."

19   So in short, this Bill aims to provide all

20 parties with the tools needed to make informed

21 decisions toward our collective goal, which is

22 reduced energy consumption, typically equals

23 cost savings. I would be remiss not to thank

24 and acknowledge the Coalition For an Energy

1   Efficient Philadelphia, the energy professionals

2   and advocates have met with my office over the

3   past year.

4   As is our custom, we meet with all sides.

5   A special thank you to Leslie Cook from the

6   United States Environmental Protection Agency

7   and Andrew Burr from the Institute for Market

8   Transformation who are here today from our

9   nation's capital. We would say welcome to the

10 City of Brotherly Love and Sisterly Affection.

11 Others might say Sisterly Effectiveness.

12   We would also be remiss not to acknowledge

13 and say thank you to Don Haas and Rich McClure

14 and all of the members of BOMA who allowed my

15 staff and I to come and provide with you

16 background on this bill.

17   Today, with the successful passage of this

18 legislation, our City will join a short list of

19 states. Five years ago in 2007, the State of

20 California led with this new activity. Two

21 years later Washington State passed similar

22 legislation. Today, we hope to join Austin who

23 put a measure like this in place in 2008, the

24 District of Columbia in 2008 and New York City

 1   who instituted legislation in 2009 due to become

 2   effective in 2014.

 3   The one big elephant in the room is that in

 4   this community there is a feeling and a strong

 5   concern that not all is done to ensure that all

 6   communities are participating. Efforts like

 7   this only work when we figure out how such

 8   initiatives can work for all communities. And

 9   so I quote, "Another large concern is that

10   minority businesses are not even at the table,

11   much less creating revenue from any of the green

12   initiatives in the city or from ARRA Funds."

13   So, it is the hope of myself and members of

14   this Committee and Members of Council that going

15   forward efforts are made and initiatives are

16   taken by both the leadership and the membership

17   to make sure that all sectors of Philadelphia

18   are at the table when we are discussing green

19   and sustainability matters.

20   Lastly, based on the number of meetings and

21   concerns that were addressed at a number of

22   different meetings, we are offering amendments

23   today. They are as follows.

24   On page one of the Bill, the first

 1   amendment changed the size of the commercial

 2   building to be covered from 25,000 square feet

 3   to 50,000 square feet.

 4   Also on page one of the Bill, the second

 5   amendment again changes the size of the

 6   commercial building that would be covered from

 7   25,000 square feet to 50,000 square feet.

 8   On page two, the third amendment clarifies

 9   how the building information can be submitted.

10   On the top of page three, the fourth

11   amendment clarifies the parts of the building

12   that ought to be covered under this ordinance.

13   And the middle of page three, the fifth

14   amendment clarifies regulations related to the

15   bill and waiver authority for the bill.

16   We may be indeed working on a final

17   amendment to change the effective date so that

18   those communities and organizations that are

19   affected get a full year to move towards

20   honoring the attendance of this legislation.

21   So again, I thank all of you for being

22   here. And please know, understand and recognize

23   that we want to hear what everyone has to say.

24   That's the good news. The bad news is that we

 1   have a three o'clock Committee of the Whole;

 2   wherein, we have a number of other tough issues

 3   to reckon with. So, we are appealing to you to

 4   honor our request and to limit your testimony to

 5   three minutes.

 6   With that, we will start with our first

 7   panel. And we invite to the witness table

 8   Members of the Administration, Leslie Cook from

 9   the United States Environmental Protection

10   Agency and Alex Dews, Mayor's Office of

11   Sustainability. If we could please move forward

12   to the table. And if we could please ask Doug

13   Hoffman of Brandywine Realty Trust and BOMA to

14   be prepared to move to the second panel.

15   And with that, we welcome you to these

16   Hearings and ask you to please offer your

17   testimony. State your name for the record.

18   MR. DEWS: My name is Alex Dews, Mayor's

19   Office of Sustainability.

20   Good afternoon, Chairwoman Reynolds Brown,

21   Vice Chairman Kenney and Members of the City

22   Council Committee on the Environment. I am Alex

23   Dews, Policy and Program Manager for the Office

24   of Sustainability. I'm here to testify in

 1   support of Bill No. 120428, which provides for

 2   benchmarking and reporting energy and water

 3   usage data for large commercial buildings in

 4   Philadelphia. I'd like to thank Chairwoman

 5   Reynolds Brown for her commitment to

 6   sustainability issues and leadership on

 7   promoting energy efficiency in Philadelphia with

 8   this bill.

 9   The Mayor's Office of Sustainability is

10   responsible for implementation of Greenworks

11   Philadelphia, the City's Comprehensive

12   Sustainability Plan. Greenworks sets measurable

13   goals in the area of energy, environment,

14   equity, economy and engagement. Bill No. 120428

15   supports several of these objectives including

16   energy conservation, reduced greenhouse gas

17   emissions and improved air quality.

18   Over the past two years, we followed the

19   growing trend of building energy benchmarking

20   and disclosure policies in other cities and have

21   been in close contact with our peers in New

22   York, Seattle and San Francisco to learn from

23   their experiences and to see whether energy

24   benchmarking makes sense for Philadelphia.

1   Understanding that there are common challenges

2   to driving energy efficiency, its scale in all

3   cities, we feel that energy benchmarking and

4   disclosure is an important tool to advance

5   energy efficiency in the commercial real estate

6   market here in Philadelphia.

7   Data tracking and reporting are both

8   essential to the success of Greenworks

9   Philadelphia. In the three years that we've

10 been implementing the plan, we've measured

11 progress on 15 targets and over 150 initiatives

12 learning a great deal along the way. The energy

13 section of Greenworks sets a goal to reduce

14 City-wide building energy use 10 percent by

15 2015.

16   Energy efficient building construction and

17 renovation have expanded significantly in

18 Philadelphia since Greenworks was released in

19 2009. One indicator of this trend is that the

20 number of Energy Star and LEED certified

21 buildings has increased substantially. And

22 energy efficiency market continues to get

23 headway under public programs such as Energy

24 Works, utility programs such as PGW's Energy

1   Sense and PECO's Smart ideas, and private

2   businesses focused on energy solutions. The

3   collective results are helping to build

4   awareness and action around energy efficiency;

5   but unfortunately, have not been enough to

6   offset an overall increase in 13 percent in

7   City-wide building energy use between 2006 and

8   2010. The most recent time frame for which this

9   data is available.

10   Increased building energy use is not unique

11   to Philadelphia but is occurring across the

12   country. Extreme weather was a major factor

13   here in Philadelphia, but even after normalizing

14   for that there is a notable increase. We

15   believe that the slow economy has had a

16   surprising impact on energy use as well with

17   constrained budgets, building owners have

18   postponed equipment upgrades and repair. And

19   these delays ultimately result in less efficient

20   operations. This is a scenario not unfamiliar

21   to city government, which has faced similar

22   operations in maintenance challenges.

23   Commercial and industrial buildings which

24   now represent more than half of total building

1   energy use in Philadelphia were the primary

2   cause of the 13 percent increase. More than 60

3   percent of greenhouse gas emissions come from

4   Philadelphia's buildings, twice the rate of the

5   transportation sector. It's clear that in order

6   to see a meaningful reduction in City-wide

7   energy use and related greenhouse gas emissions,

8   we have to address commercial buildings.

9   Improving the resiliency of the City's

10   aging building stock increases its value in

11   regional competitiveness. And avoiding the cost

12   of wasted energy means more dollars going into

13   the local economy. Energy efficiency solutions

14   are often simple, affordable and accessible but

15   only when the people who manage, own and rent

16   those buildings are aware of their energy

17   performance. As the largest property holder in

18   Philadelphia with a portfolio of more than 600

19   buildings, energy efficiency presents a big

20   challenge but also an enormous opportunity for

21   city government.

22   Benchmarking building energy use is proving

23   to be an effective energy education and

24   management tool already. Accurately tracking

1 energy use over time is a good practice. But

2 using EPA's free Portfolio Manager Tool to

3 benchmark a fire station or a recreation center

4 against a national database of similar

5 buildings, comparing apples to apples, provides

6 far greater insight into how well an individual

7 building is performing and where the greatest

8 opportunities are for savings across the City's

9 Building Portfolio.

10   Over the past several months, our office

11 has begun benchmarking all city facilities over

12 10,000 square feet, a total of 183 buildings,

13 using Portfolio Manager. We will publish an

14 annual report with the building profiles and

15 scores beginning in the fall of this year. Some

16 building owners are becoming more sophisticated

17 about energy use, but many still consider energy

18 a fixed cost that they can't control.

19   The first step toward managing energy use

20 in buildings is understanding demand. The

21 Portfolio Manager, which is the industry

22 standard tool uses a series of simple inputs

23 along with utility data to score building energy

24 performance relative to other buildings of

1   similar size, occupancy and use providing owners

2   and managers with much more information than

3   what they get on utility bills. A building with

4   good energy management practices is good for

5   tenants, owners, taxpayers and the broader

6   community.

7   The Mayor's Office of Sustainability

8   supports benchmarking and disclosing energy use

9   as a positive approach to making Philadelphia an

10   energy efficient city.

11   Thank you for this opportunity to testify

12   regarding this bill. I will be happy to respond

13   to any questions at this time.

14   COUNCILWOMAN REYNOLDS-BROWN: We thank you.

15   And we will hear from Leslie Cook before we open

16   it up for questions. Welcome.

17   MS. MS. COOK: Thank you. My name is

18   Leslie Cook. I'm a Program Manager with the

19   U.S. Environmental Protection Agency's ENERGY

20   STAR Commercial Buildings Program.

21   Chairwoman Reynolds Brown, Vice Chair

22   Kenney and Members of the Committee, thank you

23   for this opportunity to provide our

24   informational perspective on this proposed bill.

1   First, please note that my appearance today

2   to testify on behalf of EPA does not serve as an

3   endorsement of the proposed legislation but

4   rather is intended to provide an informational

5   testimony about the value of benchmarking in

6   commercial buildings as well as the capabilities

7   of the ENERGY STAR Portfolio Manager Tool has

8   proposed in the bill.

9   Energy efficiency offers one of the lowest

10 cost solutions for improving energy,

11 reliability, security, reducing our energy bills

12 and addressing the important issue of global

13 climate change all while helping to grow the

14 local and national economy.

15   Now celebrating 20 years since its

16 inception in 1992, the ENERGY STAR Program has

17 helped individuals and organizations nationwide

18 find effective energy efficient solutions. And

19 Americans, with the help of ENERGY STAR, has

20 prevented about 210 million metric tons of

21 greenhouse gas emissions in 2011 alone,

22 equivalent to the annual emissions from

23 approximately 41 million vehicles and saved

24 nearly 23 billion on their utility bills. And a

1   lot of those accomplishment are from strong

2   partnerships with cities like Philadelphia.

3   For the decade, through ENERGY STAR, we

4   have worked with tens of thousands of building

5   owners and managers to reduce energy use in

6   buildings. Using the lessons we have learned

7   working with these individuals who are on the

8   front lines in addressing our nation's energy

9   challenges, EPA tailors easy to use cost

10   effective and cost free tools through the ENERGY

11   STAR Program to help businesses and

12   organizations reduce energy waste in buildings.

13   We provide objective information for

14   buildings of all types, all sizes and all

15   functions. And our tools are used by states,

16   local governments, offices, hospitals, schools,

17   retailers, hotels, congregations and many others

18   across the country. The cornerstone of the

19   ENERGY STAR Program is for buildings that you

20   can't manage what you don't measure.

21   And our experience has shown in the many

22   building owners and operators simply don't have

23   a true understanding objectively of just how

24   much money they are spending on their energy

1 bills and don't know if energy use is high or

2 low for that type of building operation. But

3 our experience has also shown that once people

4 are armed with this type of information, as a

5 result of benchmarking, many will act on that

6 information. And in the City of Philadelphia,

7 the desire to act will lead them not back only

8 to ENERGY Star and other available resources

9 nationally, but to regional utility providers

10 and local businesses to assist them in improving

11 their energy performance.

12   EPA has developed this Portfolio Manager

13 Tool to assist building owners and managers and

14 measure and assess energy use in a standardized

15 way. Portfolio Manager is the interactive cost

16 free, energy management software tool that is

17 proposed in this Bill. That's the mechanism by

18 which building owners in Philadelphia will

19 benchmark their buildings' energy use.

20   Like we said, it's a free tool that allows

21 users to assess and track their energy and water

22 consumption for a single building and also

23 across their entire portfolio. Once a building

24 owner has collected just 12 months of utility

1   data and a few very basic pieces of information

2   on their data, benchmarking is a simple exercise

3   that can take as little as 15 minutes for one

4   building. And for those with large portfolios

5   of buildings, we have many options for bulk data

6   upload and large data management options.

7   Furthermore, for this Bill's perspective,

8   there is also flexibility for building owners to

9   share with their tenants and customers and the

10   general public. There is a flexibility

11   functionality built into the tool for building

12   owners to share their results electronically

13   through an online feature which may streamline

14   the reporting process and could be helpful in

15   the implementation of this proposed bill.

16   There is over 2,070 buildings across the

17   nation -- I'm sorry, 270,000 buildings across

18   the nation have benchmarked in Portfolio

19   Manager. That number has grown by 40 percent

20   over the past year. Locally here in

21   Philadelphia, 6,000 buildings in the area have

22   already been using the tool. And that's a 30

23   percent increase from 2010 to 2011. So,

24   clearly, this market is really adopting this

1   tool as our other companies nationwide.

2   So, I also wanted to point out that we have

3   made functionality improvements to Portfolio

4   Manager to allow service providers and utility

5   providers to help streamline the process through

6   data availability with automatic data upload.

7   Currently, there are over 50 organizations that

8   provide that service to building owners either

9   through their services as part of their energy

10   performance contracting, for instance, or it's a

11   utility providing that to their customers.

12   With the passage of this Bill, Philadelphia

13   would join a number of other cities and states

14   that have chosen to use Portfolio Manager in

15   this way. In 2011 alone the first reporting

16   here in New York City, they collected 16,000

17   buildings as part of their first annual

18   reporting. So, this has been a tested use of

19   the tool.

20   So in closing, benchmarking energy use of

21   commercial buildings is a critical first step in

22   the path to superior energy efficiency. And the

23   Committee is to be commended for identifying

24   existing buildings as a major opportunity to

1   reduce energy consumption. And we appreciate

2   the opportunity to provide our informational

3   perspective. Thank you very much.

4   COUNCILWOMAN REYNOLDS-BROWN: Questions for

5   Members of the Committee? Thank you for making

6   the trip. And we appreciate the leadership that

7   our Administration has shown consistently from

8   day one around the issue of the environment and

9   sustainability.

10   Speak briefly, if you will, to how you help

11   hotels? Concern has been raised about hotels.

12   I know they are listed in your ENERGY STAR

13   building designation. So, how can we help

14   hotels understand that this is a right and

15   appropriate way to go?

16   MS. COOK: Sure. Hotels and Hospitality

17   Industry is just one building type. Any

18   building type can use the tool. Any building

19   type can use the tool to measure their energy

20   performance, track their changes, improvements

21   over time, track their cost on greenhouse gas

22   emissions.

23   Hotel is one of the space types that can

24   earn the 1 through 100 score through

1   benchmarking and Portfolio Manager.

2   COUNCILWOMAN REYNOLDS-BROWN: Okay.

3   MS. COOK: We have many hotels across the

4   country, many national organizations that are

5   using the tool in that industry and finding

6   success. In fact, a number of hotel owners and

7   managers were recognized recently in March in a

8   National ENERGY STAR Partner of the Year Award

9   Ceremony. We have got lots of success coming

10   out of that sector.

11   COUNCILWOMAN REYNOLDS-BROWN: Okay then.

12   That's very helpful to know.

13   MS. COOK: Sure.

14   COUNCILWOMAN REYNOLDS-BROWN: We need to

15   pass that on to one of our constituents and

16   stakeholders who had legitimate concerns about

17   that particular industry.

18   MS. COOK: And we will be happy to talk

19   further with them.

20   COUNCILWOMAN REYNOLDS-BROWN: Terrific. So

21   we need to make sure that that link happens.

22   Thank you both for your testimony.

23   With that we'll ask, please, Mr. Doug

24   Hoffman, Brandywine Realty Trust, to step

1   forward. And we want to ask Panel Three to

2   prepare. That includes Michael Murray of

3   Nightingale Realty and John J. McCullough of Ten

4   Penn Center.

5   Good afternoon. Welcome.

6   MR. HOFFMAN: Good afternoon. Thanks very

7   much. Madam Chair, Members of the Committee, my

8   name is Doug Hoffman. I am President of BPG

9   Management Company. I'm here today in my

10   capacity as the Chair of the Building Owners and

11   Managers Association of Philadelphia commonly

12   referred to as BOMA. I'd like to thank you and

13   the entire Committee for giving me the

14   opportunity to testify today on this Bill.

15   As you may know, BOMA is a nonprofit

16   organization whose members provide within the

17   city limits alone over 51 million square feet of

18   office space for over a half a million office

19   workers conservatively valued at near $20

20   billion. Member buildings include virtually all

21   of the major high-rise office towers in the

22   city. Our member buildings not only define the

23   Philadelphia skyline and add character to the

24   city, but are a tremendous economic driver for

1   the city and the region.

2   I would like to state clearly at the outset

3   that energy efficiency and sustainability are of

4   the utmost importance to BOMA Philadelphia and

5   its member buildings. As a civic-minded

6   organization, BOMA stands ready to endorse those

7   courses of action to promote the City and the

8   Greater Philadelphia region as a safe, positive

9   and forward looking community. Natural

10   resources, regardless of cost, should never be

11   wasted. We are proud to collaborate with the

12   City and other organizations as we strive to

13   earn the moniker, "The Greenest City in

14   America."

15   I would also be remiss if I did not thank

16   you for your coalition building method in

17   developing a legislation before us today. It is

18   BOMA Philadelphia's pleasure to work with you

19   Councilwoman, your legislative aide Katherine

20   Gilmore, the Mayor's Office of Sustainability

21   and the Delaware Valley Green Building Council.

22   While Bill 120428 is well intentioned and

23   BOMA Philadelphia supports various facets of the

24   Bill, we are nevertheless concerned about the

 1   impact of certain features of the legislation

 2   and how it would adversely effect certain owners

 3   of real estate. That being said, I've broken my

 4   testimony into three distinct parts. The first

 5   being benchmarking, the second being disclosure,

 6   and the third addressing compliance and

 7   technical issues.

 8   First, BOMA Philadelphia is supportive of

 9   benchmarking. As an industry, our members are

10   by and large extremely competitive. They

11   constantly seek to understand how their assets

12   perform relative to other properties in their

13   respective market class. We are always looking

14   for differentiators which set our properties

15   ahead of the competition. And those

16   differentiators tend to be things that are

17   exploited.

18   In fact, for many years, BOMA has had the

19   Experience Exchange Report which enables owners

20   and managers of properties to confidentially

21   share their detail operating data in exchange

22   for a complete analysis prepared by BOMA. Not

23   only has this tool highlighted the strengths of

24   the property, but equally important has shown

1   owners and managers the focus upon for financial

2   and operating efficiencies.

3   In short, benchmarking is an integral part

4   of the areas commercial real estate community.

5   It is one of the available tools that enables us

6   to operate our buildings more efficiently;

7   thereby, attracting and retaining tenants who

8   are seeking quality buildings in which to

9   conduct business.

10   Further, by voluntarily pursuing

11   certification such as ENERGY STAR, LEED and

12   BOMA's 360 Designation, our members seek to

13   demonstrate their leadership, thereby, marketing

14   their advantage. The formerly surveyed, I would

15   suspect that 80 to 90 percent of BOMA member

16   buildings have already benchmarked their

17   properties utilizing the EPA's Portfolio Manager

18   Tool.

19   While Portfolio Manager is not without

20   flaws, if data is properly inputted, it enables

21   property owners to benchmark their property

22   effectively and to understand on a scale of 0 to

23   100 how their property performs relative to

24   national norms. It also enables operators of

 1 buildings to put new operating strategies to the

 2 test in order to understand if they move the

 3 proverbial needle.

 4   BOMA Philadelphia understands that

 5 benchmarking is a nuanced process. While a

 6 building's tenants may, in fact, have the

 7 greatest impact on the building's overall energy

 8 score, it's the buildings be rated and

 9 effectively labeled. Furthermore, the Portfolio

10 Manager Rating is, in many instances, simply a

11 number. A number does not always tell the whole

12 story. Indeed, the Portfolio Manager Rating is

13 only one indication of a building's overall

14 energy efficiency.

15   A building with a rating of 65 may very

16 well be more efficient than one that has an 80

17 rating. Simply, no two buildings are alike.

18 Building construction and internal systems can

19 vary greatly within a comparison class. In

20 fact, it is not uncommon for LEED certified

21 buildings to not be eligible or qualify for

22 ENERGY STAR certification.

23   If Bill No. 120428 is intended to enable

24 tenants and/or users to make educated and

 1   informed decisions, then the disclosure must

 2   facilitate the sharing of truly meaningful and

 3   complete information. Education of tenants as

 4   well as building owners will provide for a more

 5   effective improvement in energy consumption.

 6   The key to sustainability is profitability.

 7   Insofar as disclosure is concerned, given

 8   the aforementioned issues and the ratings are

 9   greatly influenced by a building's tenants and

10   their use of the space, BOMA Philadelphia cannot

11   support a public disclosure vehicle that

12   penalizes a building based on its occupants.

13   This is not like the City's menu disclosure or

14   fuel efficiency label on a vehicle. In both

15   those cases, the chef or the automobile

16   manufacturer controls all the ingredients or

17   components. When it comes to Portfolio Manager

18   and benchmarking, a building owner only controls

19   a fraction of the total score rating.

20   While other markets across the country have

21   either adopted or are considering benchmarking

22   and disclosure laws, the true impact of

23   disclosure is not yet known. The notion of

24   shaming and/or penalizing a building because of

 1   its energy score potentially forcing a tenant or

 2   a building owner to invest capital dollars that

 3   it might not have, can have devastating and

 4   unintended consequences? As written, the Bill

 5   can easily and unjustifiably apply a Scarlet

 6   Letter to the building.

 7   Picture a Class B or Class C property or

 8   even a Class A property, which is struggling

 9   with vacancy issue, low rents, rising taxes and

10   operating expenses now. Then consider that

11   tenants may opt not to move into or worse yet

12   move out of that building because of a rating

13   that is outside of an owners' control.

14   An example would be a law firm which has

15   not a lot of computers, mostly office workers

16   with a company that manufacturers or services

17   computers who has a great electrical draw.

18   These things are sometimes outside of an owners

19   control. These can be the same tenants that

20   cause the low score. Under such circumstances,

21   we believe the values would be negatively

22   impacted which will in turn negatively impact

23   the City's tax base.

24   Sharing ENERGY STAR scores as well as

1   information about a building's sustainable

2   practices are the norm when responding to

3   request for proposals for a tenant. This

4   currently happens in a voluntary way. Mandating

5   the sharing of this information with a

6   perspective tenant would be redundant.

7   Compliance with the requirements of a Bill such

8   as 120428 is also a nuanced process. As

9   mentioned previously, the thought of marking a

10   building with the Scarlet Letter is extremely

11   problematic.

12   As a policy matter, BOMA Philadelphia does

13   not object to providing or sharing Portfolio

14   Manager Data to the City in an aggregate form

15   for the purpose of understanding how the

16   commercial sector is doing relative to the

17   Administration's established energy goals. But

18   that sharing comes with a request of this type

19   of property-specific data not be disclosed or

20   shared with the public. Rather than using the

21   energy data collected from Portfolio Manager to

22   publicly disclose or list buildings throughout

23   the City, potentially embarrassing some owners

24   including the City, BOMA suggests that the

1   information be used in a positive fashion.

2   As we see it, the City in concert with BOMA

3   and the DVGBC could collectively acknowledge the

4   champions or leaders. The Vision is an event

5   recognizing the top tier buildings or those

6   buildings that move the proverbial needle the

7   furthest in any given year. It is this type of

8   positive strategy that would encourage the

9   commercial sector. Buildings owners and

10   managers and tenants alike to purse energy

11   efficiency that will contribute to the City's

12   overall economic vitality. It could go a long

13   way towards promoting such efficiency as a

14   Citywide goal and encouraging all members of the

15   community to do their part to turn the ideal

16   into a reality.

17   With respect to some of the technical and

18   language based concerns not addressed in this

19   testimony, that would be provided under separate

20   cover.

21   I would like to thank you again for the

22   opportunity to provide this testimony today.

23   Through our Codes and Legislation Committee we

24   hope to continue working with you on a bill that

1   results in a win for all parties. I would be

2   happy to address any specific questions you may

3   have. Depending on the nature of any questions,

4   I may invite our committee chairs to join me in

5   response.

6   COUNCILWOMAN REYNOLDS-BROWN: First, let me

7   thank you for your informative and very

8   instructive testimony. And I do have a couple

9   of questions, but we will first hear from the

10 Majority Leader Curtis Jones.

11   COUNCILMAN JONES: Thank you, Madam Chair.

12 And I'll be brief cause you have an ambitious

13 agenda.

14   Could some of the -- as I understand what

15 you said, some of them could be -- well, let me

16 back up. The problem is comparing apples to

17 oranges by way of building sizes. You gave the

18 example of a manufacturing company that has a

19 high electrical use versus a law office that may

20 not.

21   And in -- is your testimony to say that we

22 couldn't batch different types of buildings,

23 classify them in a way that gave a

24 apples-to-apples comparison or something else?

1   Is that the number one concern you have? I took

2   that from your testimony.

3   MR. HOFFMAN: Yeah. Thank you. You want

4   to answer?

5   MR. HAAS: Thank you.

6   COUNCILWOMAN REYNOLDS-BROWN: State your

7   name for the record.

8   MR. HAAS: Donald Haas. One of the

9   limitations of Portfolio Manager is it groups

10   all the different buildings into 15 different

11   sectors presently; hotels being one of them,

12   office buildings. And it's grouped by size, but

13   they are averages. You can have a central plant

14   system still in a same category as a distributed

15   plant system where you have a different HVAC

16   system. The building exterior could be of a

17   different composition which, one, may be more

18   efficient than another.

19   Again, it's an indicator. But you could

20   have two buildings in the same classification at

21   the opposite ends of the scale. That's where

22   the exact comparison can run into problems.

23   COUNCILMAN JONES: Well, I mean, I think

24   the purpose of this is to do those very

1 comparisons that you mention. And my thing I do

2 agree with you on, it's not an idea of giving a

3 building a Red Scarlet Letter. It's more to say

4 these are challenges that this building has and

5 over time can overcome.

6   And I think -- doesn't the natural

7 consumption of energy drive you to want to do

8 these things anyway because you want to maintain

9 a bottom line that is competitive with other

10 businesses similar to yours?

11   MR. HAAS: Correct. ENERGY STAR

12 certification is 75 or above presently. You

13 have a number of high quality buildings in the

14 City of Philadelphia, large high-rise buildings,

15 that can't achieve that energy score through no

16 fault of their own. They have done -- any of

17 the energy conversions that they have done on

18 the base building systems, but they don't

19 control -- none of us control what our tenants

20 do within their space either through

21 construction or operation.

22   So, that's our -- probably our greatest

23 concern is that Scarlet Letter, that low energy

24 score, is in no way indicative of the building

 1   owners' willingness or even economic power to

 2   change that. There is no way they can do it

 3   when the tenants actually control the lion share

 4   of the energy consumption.

 5   A tenant fits out an office space. They

 6   typically get a tenant allowance as part of

 7   their deal. How they spend that money -- we

 8   don't tell them they have to spend it in energy

 9   upgrades. They are free to virtually spend that

10   money within constraints on fitting their space

11   out however they see fit. So, it's not

12   necessarily on the tenants' mind energy

13   efficiency. They are the ones paying the bill.

14   MR. HOFFMAN: Some of the expense for

15   electric for a tenant, a certain tenant -- I'm

16   sorry, certain tenants depending on their use

17   can run electric expense at 3 or 4 or 5 dollars

18   a foot compared to what I mentioned before.

19   If you have a law firm that has lawyers

20   that work there. It's intellectual brain power

21   versus electric consumption a little bit, no

22   offense intended. I'm sorry. You know, so you

23   can get a firm that uses much less electric,

24   that costs much less. But what Mr. Haas had

1   just said was if the rating is publicly

2   disclosed and it just says one thing without any

3   background, it can be misleading to somebody

4   looking at it.

5   COUNCILMAN JONES: Well, I am going to have

6   to excuse myself, Madam Chair. President wants

7   to pull us in in small groups about some

8   matters.

9   COUNCILWOMAN REYNOLDS-BROWN: We will get

10   you on the back end.

11   COUNCILMAN JONES: And so, I will come

12   back. But I will be listening. I find this

13   intriguing. And the one thing I learned from

14   government is that everyone doesn't see

15   everything with the same lens. But I do know if

16   it isn't measured, it isn't managed. And, you

17   know, I wrestle with trying to impose

18   regulations versus trying to encourage

19   improvements.

20   COUNCILWOMAN REYNOLDS-BROWN: Sure.

21   COUNCILMAN JONES: So, thank you for your

22   testimony.

23   MR. HAAS: Thank you. And we are fully

24   supportive of benchmarking.

 1   COUNCILWOMAN REYNOLDS-BROWN: Make that

 2   clear. So, the last page of your testimony --

 3   and I quote with respect to some of the

 4   technical and language based on concerns not

 5   addressed in this testimony, we want to -- we,

 6   my office, want to sit with you and Mr. Lews to

 7   review how we get to the goal in the way that

 8   Councilman Jones just articulated.

 9   Because just in having offline conversation

10   here, it appears to me from where I sit that

11   there is still room for the operative word in

12   this body is compromise. So, we want to have

13   further discussion about that which could equal

14   potentially an additional amendment after I

15   speak with the Mayor's Office of Sustainability,

16   okay?

17   MR. HAAS: Thank you, Councilwoman.

18   COUNCILWOMAN REYNOLDS-BROWN: You're very,

19   very welcome.

20   MR. HOFFMAN: Thank you.

21   COUNCILWOMAN QUINONES-SANCHEZ: Can I --

22   COUNCILWOMAN REYNOLDS-BROWN: I'm sorry.

23   Councilwoman, Maria Quinones-Sanchez. Please,

24   gentlemen, please be reseated.

 1   COUNCILWOMAN QUINONES-SANCHEZ: I am sorry.

 2 Just kind of to add with what Councilwoman

 3 Blondell Reynolds-Brown was talking about, you

 4 listed seven items of concern to you.

 5   Were they in priority order as you

 6 submitted them here are? Or of these seven

 7 items, which are the two, three that you believe

 8 make this Bill, yeah.

 9   MR. HAAS: On the technical issues,

10 Councilwoman?

11   COUNCILWOMAN QUINONES-SANCHEZ: Yes,

12 please.

13   COUNCILWOMAN REYNOLDS-BROWN: State your

14 name for the record. Welcome.

15   MR. MCCLURE: They are actually address --

16   COUNCILWOMAN QUINONES-SANCHEZ: You got to

17 state your name for the --

18   MR. MCCLURE: Rich McClure, BOMA

19 Philadelphia.

20   They are actually in the order of -- as

21 they appear in the ordinance. We sort of, yu

22 know, two refers to subparagraph --

23   COUNCILWOMAN QUINONES-SANCHEZ: That's why

24 I wanted to ask you of the seven, because they

 1   are quite extensive, what are the one, two,

 2   three top items for you that --

 3   MR. MCCLURE: Again, just big picture,

 4   disclosure is our big -- big issue. And again,

 5   I can't say -- some of the little nuancy things

 6   that are in there are very easily addressed in

 7   amending the legislation as it's been drafted.

 8   COUNCILWOMAN QUINONES-SANCHEZ: So,

 9   disclosure in terms of your willingness to share

10   data or be rated?

11   MR. MCCLURE: Public disclosure. No,

12   benchmarking is not an issue for us.

13   COUNCILWOMAN QUINONES-SANCHEZ: It's the

14   disclosure.

15   MR. MCCLURE: That's correct.

16   MR. HAAS: And disclosure with the City is

17   not a problem either. Public disclosure is.

18   COUNCILWOMAN QUINONES-SANCHEZ: Okay. So,

19   you would be okay with the benchmarking provided

20   that the City got the information, but that you

21   don't want it posted publicly.

22   MR. MCCLURE: We don't want it on the

23   website.

24   COUNCILWOMAN QUINONES-SANCHEZ: Although,

1   you acknowledge that in your lease agreements

2   you do share that scoring with your tenants.

3   MR. HAAS: Upon request.

4   COUNCILWOMAN QUINONES-SANCHEZ: Oh, upon

5   request.

6   MR. HAAS: Everything in the real estate

7   business.

8   (Laughter)

9   COUNCILWOMAN QUINONES-SANCHEZ: Okay. So,

10   what would be number two for you of the items?

11   MR. HOFFMAN: Let me just look at it again.

12   Do you have the attachments?

13   MR. HAAS: Well, the tenant compliance was

14   probably -- you know, part of the confusion, I

15   guess, that we would have on this is, you know,

16   you are asked to -- if the tenant owns the

17   meter, you have to get the information from the

18   tenant because presently the utility will not

19   provide the meter information to the building

20   owner. They will only provide it to who pays

21   the utility bill, and that is a problem for us.

22   And then the technical language of the

23   Bill, we're to ask the tenant for that

24   information within, I think it's February 15 to

1   March 15 -- February 1 to March 15. And then if

2   we don't get the information, then we can still

3   fill out the Portfolio Manager without that

4   information, but then it kind of becomes really

5   useless.

6   We think the legislation should be -- the

7   oweness should be on the utility to

8   be legislatively required to supply that to the

9   owner so that we can fill out a meaningful

10   Portfolio Manager Report.

11   COUNCILWOMAN QUINONES-SANCHEZ: So, you

12   want an exemption for when you can't gather data

13   from your tenant?

14   MR. HAAS: No. We would like -- we would

15   prefer almost the flip of that. Have the

16   utility required to give us the information.

17   MR. MCCLURE: But if we can't get it, using

18   the Portfolio Manager Tool -- and the woman from

19   the EPA could probably address this more

20   specifically than we could. But the tool

21   doesn't work unless you have total building

22   data.

23   MR. HAAS: Correct. So, to carve out a

24   tenant, whether it's a minor tenant or a major

1   tenant, really renders the entire Portfolio

2   Manager Exercise useless.

3   COUNCILWOMAN QUINONES-SANCHEZ: So, we'll

4   have them come up to the table and address that

5   specifically. And then your other piece?

6   Because some of these things are technicalities

7   with your tenant relationship that some of it

8   could be fixed through your initial lease.

9   COUNCILWOMAN REYNOLDS-BROWN: Regulation

10   possibly.

11   COUNCILWOMAN QUINONES-SANCHEZ: Yeah.

12   Anything else?

13   MR. MCCLURE: Yeah, 3A. The way the Bill

14   was written --

15   COUNCILWOMAN QUINONES-SANCHEZ: The

16   amendments Councilwoman Blondell Reynolds has

17   put forth, does that your resolve your

18   commercial building classification concern?

19   MR. MCCLURE: We haven't seen the

20   amendments.

21   COUNCILWOMAN QUINONES-SANCHEZ: Okay. I

22   encourage you to do so before the hearing. I

23   don't want to take up anymore of your time, but

24   I would like the person from EPA to come in and

1   address the issue around the formula not

2   working.

3   COUNCILWOMAN REYNOLDS-BROWN: Please, Ms.

4   Leslie Cook and/or Alex Dews. You're welcome to

5   come back to the table.

6   And for anyone in attendance, there is

7   testimony, copies of the amendments and related

8   materials to my left over here for anyone's

9   review and use.

10   MR. MCCLURE: Thank you.

11   COUNCILWOMAN REYNOLDS-BROWN: You're

12   welcome.

13   MS. COOK: Thank you. So, it sounds like

14   you're looking for clarification on whole

15   building energy measurements.

16   COUNCILWOMAN QUINONES-SANCHEZ: According

17   to BOMA, part of the problem is that unless they

18   are able to fill all of the data, the matrix

19   gets skewed.

20   Is that the case?

21   MS. COOK: Well, Portfolio Manager is

22   intended to measure whole building energy

23   performance. There are ways to use the tool if

24   building owners are not able to collect whole

1   building energy data. They can track partial

2   building data. We encourage people to use whole

3   building data. That is what is calculated with

4   the 1 through 100 performance score.

5   We have seen -- to share our experience in

6   other jurisdictions where this kind of policy

7   has been put in place. In New York City, for

8   instance, Con Edison, the utility provider, once

9   that bill was introduced and passed, they

10   upgraded their customer service and did allow

11   building owners to access aggregate whole

12   building electricity information.

13   COUNCILWOMAN QUINONES-SANCHEZ: And they

14   did that voluntary?

15   MS. COOK: Yes.

16   COUNCILWOMAN QUINONES-SANCHEZ: Okay.

17   Because we have PECO Energy coming next. We'll

18   ask them.

19   MS. COOK: Yes. They did that voluntarily.

20   There are a number of utilities around the

21   country that do work with Portfolio Manager in

22   various ways. This was one way that Con Ed

23   found a solution to provide building owners with

24   whole building electricity at the aggregate

1   level.

2   COUNCILWOMAN REYNOLDS-BROWN: Okay.

3   MS. COOK: I've also seen in other

4   jurisdictions.

5   For instance, Washington, DC, they have got

6   a similar policy to assist building owners to

7   request the data. They have put out template

8   request letters for tenant data that have

9   information included about the bill to help ease

10   that transaction.

11   COUNCILWOMAN REYNOLDS-BROWN: Do you know

12   if that was done by way of law or regulation?

13   Do you know? We will figure that out -- I guess

14   we can figure that out on our end.

15   MS. COOK: Con Edison voluntarily developed

16   that customer service for better access to

17   aggregate data. In Washington, DC, the District

18   simply provided that tenant template --

19   COUNCILWOMAN REYNOLDS-BROWN: I see.

20   MS. COOK: -- request letter as a resource

21   for building owners.

22   COUNCILWOMAN REYNOLDS-BROWN: Okay.

23   COUNCILWOMAN QUINONES-SANCHEZ: Thank you.

24   MS. COOK: Sure.

1   COUNCILWOMAN REYNOLDS-BROWN: Anything else

2   you'd like to add, Alex, please?

3   MR. DEWS: Yes, Councilwoman. One point of

4   clarification from the previous testimony from

5   BOMA. Just like to point out that as written

6   the legislation stipulates that the first year

7   for reporting to the City would be one year from

8   June 2012, so June 2013. But public disclosure,

9   the details of which would get worked out in the

10 regulations process.

11   As we have discussed, it would stipulate

12 that the first date of public disclosure would

13 not be until two years from now. So, there is

14 really a good bit of time for us to figure out

15 all of the kinks that may exist, you know, the

16 issues from the utility side as well as from the

17 commercial building owners' side. I think we

18 have had a lot of really productive

19 conversations all around on that already.

20   COUNCILWOMAN REYNOLDS-BROWN: Okay.

21   MR. DEWS: And I would assume that that

22 would continue. But I think there is a good

23 amount of time for building owners to understand

24 what their opportunities are and to work to

1   improve their Portfolio Manager scores.

2   COUNCILWOMAN REYNOLDS-BROWN: Okay then.

3   MR. DEWS: During that time period. Thank

4   you.

5   COUNCILWOMAN REYNOLDS-BROWN: Thank you for

6   that clarity on the time line. That is always

7   important.

8   Okay. Let the record show that written

9   testimony is being submitted on behalf of

10   Michael Murray and John J. McCullough. They are

11   not able to be with us. So let's now call up --

12   oh, forgive me. They were able to arrive?

13   Please come forward then, sir.

14   Welcome. If you would state your name for

15   the record and proceed with your testimony.

16   MR. MURRAY: Michael Murray.

17   COUNCILWOMAN REYNOLDS-BROWN: Okay.

18   MR. MURRAY: Good afternoon and thank you

19   for the privilege of testifying on this

20   important Bill. My name is Michael Murray. I'm

21   the Director of Operations for Nightingale

22   Realty.

23   Nightingale owns the 1700 Market Street

24   building in Downtown Philadelphia, over 1

 1   million square feet of Class A office space.

 2   Since 2005, I've been in charge of operations at

 3   1700 Market Street. And from 2005 to 2010, I

 4   was also Director of Operations for 1601 Market

 5   Street. My responsibilities include oversight

 6   of facility maintenance, annual operating

 7   budgets, tenant and capital improvement

 8   management.

 9   Every year since 2008 the buildings have

10   achieved the ENERGY STAR designation from the

11   Environmental Protection Agency for their energy

12   efficiency. And I am responsible for

13   participation in the ENERGY STAR Program. Based

14   on my experience, benchmarking is relatively

15   easy to do and has benefitted our company.

16   To participate in ENERGY STAR, we have gone

17   through the same benchmarking processes as the

18   Energy Disclosure Bill requires. We found the

19   Portfolio Manager Benchmarking Program

20   relatively easy to use. Gathering and entering

21   the initial information on the building was the

22   hardest part. We had to gather the information

23   about the size and mix of tenant uses for our

24   buildings, and had to gather a year's worth of

1   utility bills. Then we entered the information

2   in the Portfolio Manager just like the Bill

3   requires. And then the program does most of the

4   calculations for you.

5   After you gather and enter the initial

6   information, the updates are relatively simple,

7   also. We just enter our energy use into the

8   program when we get our utility bills every

9   month. Although, it wasn't that difficult for

10   us, smaller building owners would require some

11   training and additional support for the initial

12   setup in the Portfolio Manager Program.

13   Our company has really benefitted from

14   benchmarking our buildings. For example, our

15   tenants pay for their energy use. So, we use

16   the benchmarking ENERGY STAR designation to

17   demonstrate to our tenants that we are managing

18   the buildings efficiently and that our capital

19   investments are being used to their benefit. It

20   makes our buildings more attractive to tenants.

21   Though, in some circumstances, tenants lack of

22   participation can impact overall scores.

23   Knowing our benchmarking score has also

24   spurred us to invest in energy-efficient capital

1   improvements for the building. Since 2008, we

2   have invested several million dollars to make

3   our building more energy efficient like HVAC,

4   electrical infrastructure, lighting upgrades,

5   also tenant outfits that meet and/or exceed

6   energy -- current energy code. Then we used a

7   benchmarking score to measure our performance

8   and to see the benefits of the capital

9   investments.

10   We've been able to improve the energy

11 efficiency of our buildings. And our energy

12 score has grown over the years. Nightingale

13 hopes that its leadership in energy efficiency

14 shows this Council and other building owners the

15 benefits of benchmarking required by the Energy

16 Disclosure Bill.

17   Thank you again for this opportunity to

18 testify. I welcome any questions that Council

19 Members may have.

20   COUNCILWOMAN REYNOLDS-BROWN: Council any?

21 We thank you for your testimony, sir. Thank you

22 very, very much.

23   MR. MURRAY: Thank you.

24   COUNCILWOMAN REYNOLDS-BROWN: You're

1   welcome.

2   If we could please call up members of the

3   nonprofit sector; Janet Milkman, Delaware Valley

4   Green Building Council; Andrew Sharp of Penn

5   Future, Next Great City; and Karen Stabenow,

6   Energy Coordinating Agency. This panel will be

7   followed by Elizabeth Murphy representing our

8   City's PECO.

9   Please state your name for the record and

10   proceed with your testimony.

11   MR. SHARP: My name is Andrew Sharp from

12   Next Great City Coalition. I'm the Philadelphia

13   Outreach Coordinator for Penn Future.

14   Good afternoon, Council Members. As I

15   said, my name is Andrew Sharp. I am the

16   Philadelphia Outreach Coordinator for Penn

17   Future, a statewide environmental advocacy

18   organization. Penn Future is the lead

19   organization behind the Next Great City

20   Initiative, which is dedicated to creating a

21   positive future for Philadelphia by advocating

22   for common sense, cost-effective policies that

23   both enhance environmental quality and

24   strengthen neighborhoods.

1   Next Great City is backed by over 140

2 groups in Philadelphia from labor groups to

3 civic associations to faith groups all working

4 together to create a cleaner, safer healthier

5 city. I am here today to express the Next Great

6 City Coalition strong support for Bill 120428,

7 the Energy Benchmarking Bill before this

8 committee. I'd also like to recognize

9 Councilwoman Brown -- Reynolds-Brown for your

10 leadership in bringing this innovative

11 legislation forth.

12   One of the issues that Next Great City

13 members care most about is achieving a higher

14 degree of energy efficiency in this city,

15 particularly in our building stock. In a study

16 that the Next Great City Coalition commissioned

17 in 2010 with Terry Madonna, 86 percent of

18 Philadelphians favored policies that would

19 increase energy efficiency in our residential

20 and commercial buildings.

21   Next Great City in coordination with the

22 Delaware Valley Green Building Council, the

23 energy coordinating agency and with technical

24 help from the Energy Efficient Buildings Hub,

1 convened the Coalition for an Energy Efficient

2 Philadelphia, otherwise known as C-E-E-P or

3 CEEP. The Coalition for an Energy Efficient

4 Philadelphia is a broad coalition of businesses,

5 institutions, public utilities, citizens and

6 organizations working together to achieve better

7 energy efficiency in our buildings. Our members

8 range from law firms like Cozen and O'Connor to

9 groups like the Building Industry Association of

10 Philadelphia to organizations like the Natural

11 Resources Defense Council and Penn Future.

12   As a first goal, we set out to encourage

13 energy benchmarking in commercial buildings.

14 For several months, members of our coalition

15 have participated in forums and hosted events

16 throughout the city, engaging the public at

17 large and bringing together stakeholders to

18 discuss energy benchmarking.

19   As you have heard in prior testimony and it

20 bears repeating, Philadelphia's commercial

21 building stock is on average 30 years old and

22 incredibly inefficient and outdated. Currently,

23 building owners and tenants are paying more for

24 their utilities than they need to because of

1   wasted energy. The good news is that our

2   buildings are really ripe for improvement and

3   cost savings. Substantial savings can be

4   achieved through simple, no cost measures to

5   curtail energy usage. But in order to realize

6   these cost savings, we need to know where we

7   stand. We need measurable data. And that is

8   why this bill is so important.

9   As energy prices continue to rise, energy

10 efficiency is becoming increasingly important to

11 our City's economic well being. Benchmarking is

12 critical to overcoming the information gap so

13 Philadelphians can make smarter, more cost

14 effective choices. Penn Future and the Next

15 Great City Coalition urge you to move the Bill

16 out of Committee for consideration by the

17 Council of the Whole.

18   Thank you. And I would be happy to answer

19 any questions.

20   COUNCILWOMAN REYNOLDS-BROWN: You're very

21 welcome. We thank you for your testimony and

22 for the important consistent work of Next Great

23 City.

24   Please state your name for the record and

1   proceed with your testimony.

2   MS. STABENOW: My name is Karen Stabenow.

3   Good afternoon and thank you for the opportunity

4   to testify on this important bill.

5   My name is Karen Stabenow from the Energy

6   Coordinating Agency, ECA. And I am here today

7   to testify in strong support of Bill No. 120428.

8   I've worked in the building energy efficiency

9   industry for more than 15 years, and can testify

10   to the advantages that buildings and

11   neighborhoods gain from energy efficiency first

12   hand.

13   ECA administers large scale residential

14   energy efficiency programs, both low income

15   energy and water conservation programs and

16   regional home performance programs. ECA

17   operates 15 neighborhood energy centers across

18   Philadelphia that serve as one stop shops for

19   all low income energy services and also operates

20   the Knight Green Jobs Training Center, which has

21   trained over 1,500 men and women to state and

22   national energy efficiency standards.

23   Commercial buildings including condominiums

24   and co-ops in Philadelphia contribute 40 percent

 1   of the City's greenhouse gas emissions and

 2   represent approximately one-half of the total

 3   energy consumption of all buildings in the City.

 4   Currently, commercial buildings, condominiums

 5   and co-ops waste 40 to 75 percent of the energy

 6   they consume. And whether compared to

 7   electricity or natural gas, energy-efficiency

 8   improvements in buildings typically cost less

 9   than half as much as the energy they save.

10   Clearly, this is a sector that needs to be

11   addressed in terms of energy efficiency.

12   Benchmarking buildings is the first step in

13   that direction as it gives building owners and

14   tenants the basic information they need to

15   improve the energy efficiency of their

16   buildings. By tracking a building's water and

17   energy consumption with the EPA's Portfolio

18   Manager, building owners can set investment

19   priorities, identify underperforming buildings,

20   verify efficiency improvements, receive EPA

21   recognition if eligible and most importantly

22   save money. Tracking this information enables

23   building owners to compare the building's energy

24   intensity to similarly sized commercial

 1   buildings already benchmarked across the

 2   country.

 3   When a building is managed more

 4   efficiently, it operates at a lower cost.

 5   Tenants are generally more comfortable, more

 6   productive and have fewer complaints.

 7   Philadelphia's existing commercial buildings are

 8   on average, as said, more than 30 years old.

 9   This means that most of these buildings in

10   Philadelphia have outdated, inefficient and

11   oversized mechanical systems. By developing a

12   comprehensive plan to update a building's

13   envelope, building owners will find that their

14   buildings will require smaller HVAC equipment

15   for heating and cooling, improved lighting while

16   lowering the actual cost of lighting and reduce

17   water comsumption.

18   Benchmarking also provides the opportunity

19   to establish partnerships with city agencies

20   such as the Philadelphia Water Department to

21   reduce storm water runoff and to establish

22   passive strategies to reduce the heat island

23   effect and building cooling loads. Another huge

24   benefit that this Bill will have in Philadelphia

1   is job creation.

2   Energy efficiency is the cleanest, cheapest

3   and safest form of energy and it also creates

4   the most jobs. Most importantly these jobs are

5   local. This Bill will create jobs for energy

6   auditors, installers, inspectors, analysts and

7   many others helping to strengthen our local

8   economic. This has been the experience in every

9   city that has adopted benchmarking including

10 Seattle, Austin and New York City.

11   Just as the buildings will become more

12 resilient and able to weather a future of higher

13 energy prices, so the City's economy will also

14 become stronger with more residents employed in

15 a clean energy sector. We anticipate that this

16 Bill will also strengthen tenant/landlord

17 relationships. Both building owners and tenants

18 will be encouraged to work together. This is an

19 activity that will build a sense of common

20 purpose within the building community in

21 Philadelphia to achieve greater energy

22 efficiency. It will spark a conversation

23 between tenants and landlords about energy

24 efficiency and help all participants to develop

1   energy-efficiency improvements. The cheapest

2   and most available new energy is the energy we

3   waste. In ECA's judgment, this is a critical

4   component of this Bill and a vital reason why

5   City Council should pass the Bill.

6   We commend Councilwoman Reynolds-Brown for

7   her leadership. And urge Council to include

8   condominiums and co-ops in this Bill and to pass

9   this Bill without delay so that we can start

10   saving energy and money in our buildings.

11   Thank you again for the opportunity to

12   testify. And I welcome any questions.

13   COUNCILWOMAN REYNOLDS-BROWN: We thank you

14   for your testimony, Energy Coordinating Agency.

15   Any questions or comments, Council Lady? Okay

16   then.

17   If we can please proceed with the Delaware

18   Valley Green Building Council who along with

19   BOMA and others have been at the table from

20   square one with us. Thank you very much.

21   MS. MILKMAN: My name is Janet Milkman.

22   I'm the Executive Director of the Delaware

23   Valley Green Building Council. We are the local

24   chapter of the US Green Building Council. We

1   have about 800 members in our region from the

2   Green Building Industry. They are from

3   construction, real estate, architecture,

4   engineering, building systems, building owners

5   and operators, lenders, accounting and law firms

6   including 400 that live and work in

7   Philadelphia.

8   I am here today to offer our support for

9   the Energy Benchmarking Bill No. 120428. And we

10 thank Councilwoman Blondell Reynolds-Brown for

11 her leadership in introducing this Bill. I am

12 just going to make two points because I think

13 that the folks who are coming behind us have

14 some important things to say. And my written

15 testimony gives a lot of data that you have

16 heard already.

17   The first point I want to say is that the

18 important thing about this Bill is that it

19 includes both benchmarking and disclosure. Some

20 may prefer incentives over mandates, but we

21 already have incentives. We already have a

22 recognition program for building owners that

23 benchmark their buildings. And it's called

24 ENERGY STAR labeling. You can already get

1   recognized for having an energy efficient

2   building. You can already get recognized for

3   having a LEED building. You don't need more

4   incentives, but what we do need is more

5   information for both building owners and

6   consumers. We need to bring along the

7   followers. We are already recognizing the

8   leaders.

9   Again, as Karen said, this is an

10   opportunity in your legislation. There is an

11   opportunity for building owners and tenants to

12   work together to learn about ways. And there

13   are many easy, simple and cost-effective ways to

14   save energy in their buildings, to make them

15   more comfortable, to make -- to save them money.

16   Some of our members have talked about

17   concerns that are related to the implementation

18   side of this. They do not have concerns related

19   to the legislative side. If this Bill passes,

20   and we hope it does, DVGBC stands ready to

21   support Council and the City Administration and

22   other partners to ensure effective and efficient

23   program implementation. We have thought a lot

24   about how to address some of the issues that

 1   have come up in other cities. And we have

 2   learned from that experience. We believe we can

 3   find effective solutions. We think this Bill

 4   means -- will level the playing field and

 5   provide data access to both consumers and

 6   building owners alike. It's fair. It's doable.

 7   It's important.

 8   And we thank you for your leadership and

 9   encourage you to pass it.

10   COUNCILWOMAN REYNOLDS-BROWN: We thank you

11   all for your testimony. And the philosophy we

12   operate in out of my office is that there is no

13   pride in authorship. It's about getting to a

14   better bill. So, we are open to the ideas,

15   recommendation or suggestions you might have

16   around implementation. Okay. Thank you very

17   much.

18   If we can please invite up now Elizabeth

19   Murphy from PECO. And our final panel will

20   include but not be limited to Andrew Burr,

21   Institute for Market Transformation. If you can

22   prepare to move after this next witness; Laurie

23   Actman from Hub and Paul Spiegel, the Practical

24   Energy Solutions. This is Ms. Murphy from PECO.

 1   Welcome.

 2   MS. MURPHY: Good afternoon. Good

 3 afternoon. Thank you very much.

 4   I am Liz Murphy with PECO. Philadelphia's

 5 electric distribution company. And I am joined

 6 today by Tom Bonner, also with PECO, who has

 7 been working with the staff and some of the

 8 stakeholders on the legislation. So, I've just

 9 ask Tom to sit --

10   COUNCILWOMAN REYNOLDS-BROWN: Surely.

11   MS. MURPHY: -- in case there are some

12 specific questions that I can't answer.

13   I think that you all know that PECO has

14 been a leader in promoting energy efficiency.

15 In fact, sitting in this room today about three

16 years ago we worked with the City to improve the

17 lighting, saving approximately 75 percent of the

18 energy based on the new lighting. So, this in

19 addition to our Smart Ideas Programs in which we

20 have throughout the City, we've been able to

21 save our customers $153 million in electricity

22 charges. We've paid customers over $67 million

23 in rebates. And we really with our energy

24 efficiency programs have been able to -- they

 1   resulted in the equivalent of planting 1.1

 2   million trees and getting 96,000 cars off the

 3   highway annually.

 4   We were also just this past winter honored

 5   by EPA for the ENERGY STAR of the Year Award for

 6   our Smart Ideas Program. So, we commend both

 7   you Councilwoman and the Committee for looking

 8   at this issue. Even Exelon, our parent company,

 9   has been working on energy efficiency as a

10   cornerstone for the Exelon 2020 program.

11   We agree with you and many of the other

12   speakers today that building energy efficiency

13   programs represent one of our best opportunities

14   to achieve cost-effective reductions in

15   emissions and efficiency improvements. With

16   regard to the proposed legislation, PECO wants

17   to emphasize -- and the speaker from EPA

18   discussed this -- Portfolio Manager is available

19   right now. Folks that have access to their PECO

20   bills, either paper or electronically, have the

21   ability to process the information through

22   Portfolio Manager.

23   We understand also our customers' interest

24   in receiving automated downloads that are

1   formatted specifically for Portfolio Manager,

2   but we have concerns in two areas that we

3   believe merit some additional attention that I'd

4   like to speak about.

5   First, we do not believe that the legal

6   landscape regarding customer privacy and the

7   release of billing information into government

8   sponsored, benchmarking tools is an entirely

9   settled manner. And we heard a little bit of

10   that this afternoon from the representatives

11   from BOMA. Because this could raise some legal

12   liability issues for PECO and privacy concerns

13   for our customers, we suggest that discussions

14   be held amongst stakeholders to develop

15   resolutions to this issue before the legislation

16   is finalized.

17   Secondly, we have engaged with local

18   stakeholders, including the City of

19   Philadelphia, about the potential for PECO to

20   provide automated download of customer data

21   directly from our system into the Portfolio

22   Manager. These are complex issues related to

23   development of IT platforms. And the timing and

24   the release of the information should be

1   coordinated with any kind of new version of

2   Portfolio Manager. So, we just want to make

3   sure that any new platforms for Portfolio

4   Manager or any new automated systems that are

5   being developed by PECO are coordinated.

6   In addition, PECO believes that there are

7   four core principles related to these issues

8   that should be considered as part of the

9   legislation.

10   First, PECO must only be asked to provide

11   data in one standardized format that is

12   compatible with Portfolio Manager. And I talked

13   a little bit about that. We want to make sure

14   that the timing is consistent.

15   We also believe that the implementation

16   should be timed so that PECO does not develop a

17   system that quickly becomes obsolete upon

18   updates to the Portfolio Manager.

19   Third, any of the provisions of the

20   automated transfer should be -- not be an

21   unfunded mandate to PECO. We want to make sure

22   that we have got cost recovery under approval

23   from the Public Utility Commission or that it's

24   a fee based service.

1   And finally, customers, not PECO, should be

2 responsible for preparing and maintaining the

3 list for automated transfer using templates

4 provided by PECO. So again, I think consistent

5 with the automation side which is very complex,

6 we just want to make sure that we are

7 coordinated.

8   We again, thank Council for the opportunity

9 to testify. We thank you for your leadership

10 and thoughtfulness to this issue. And we are

11 willing and ready to assist with any further

12 amendments. Thank you.

13   COUNCILWOMAN REYNOLDS-BROWN: Okay then.

14 Council Lady, any questions?

15   COUNCILWOMAN BLACKWELL: We wanted to say

16 thank you and let you know that Ed McBride is

17 just the best thing PECO could have.

18   MS. MURPHY: I know.

19   COUNCILWOMAN BLACKWELL: He's our guy.

20   MS. MURPHY: And I know he didn't tell you

21 to say that this afternoon.

22   COUNCILWOMAN BLACKWELL: Absolutely not.

23   MS. MURPHY: Thank you very much for the

24 compliment.

 1   COUNCILWOMAN REYNOLDS-BROWN: We appreciate

 2   his presence every week. And know that we are

 3   going to certainly do the follow up on your

 4   offer to sit with BOMA, the Mayor's Office of

 5   Sustainability and the Bill Green Council and

 6   anyone else around this issue of disclosure.

 7   That appears to be the unfinished wrinkle. And

 8   we need to figure that out as we move forward.

 9   So thank you for the offer.

10   MS. MURPHY: Thank you very much.

11   COUNCILWOMAN REYNOLDS-BROWN: If we could

12   please invite Andrew Burr, Institute for Market

13   Transformation; Laurie Actman of Hub; and Paul

14   Spiegel, Practical Energy Solutions.

15   Anyone else care to testify on this Bill

16   please alert us as we move towards the end of

17   this Public Hearing.

18   Good morning. Please state -- good

19   afternoon it is. State your name for the record

20   and proceed with your testimony.

21   MR. BURR: Andrew Burr, Institute for

22   Market Transformation. Chair Reynolds-Brown,

23   Members of the Committee, good afternoon and

24   thank you for the opportunity to testify. I

 1   will make this brief.

 2   The Institute for Market Transformation is

 3   a national nonprofit organization promoting

 4   energy efficiency in buildings. As you know, a

 5   growing number of cities are implementing

 6   benchmarking and disclosure programs. IMT is

 7   acting as an adviser to many of these cities

 8   including New York City, Mayor's Office of Long

 9   Term Planning and Sustainability; Boston Energy;

10   the Municipal utility implementing the Austin

11   Ordinance; Seattle Office of Sustainability and

12   Energy; San Francisco Department of Environment;

13   and District of Columbia Department of

14   Environment. I would be happy to answer any

15   questions you have about these existing

16   programs.

17   Philadelphia will benefit tremendously from

18   the implementation frameworks and best practices

19   that are being piloted by these cities. And I

20   also believe that this bill leaves sufficient

21   flexible to tailor this program to this City's

22   needs and the needs of Philadelphia

23   stakeholders. Just a few words on benchmarking

24   disclosure.

 1   The reason that all of these cities have

 2   adopted these program are the same. It is to

 3   increase and sustain demand for energy

 4   efficiency improvements in existing buildings

 5   which will save energy, reduce greenhouse gas

 6   emissions, reduce consumer energy cost

 7   especially to businesses and create jobs. You

 8   are not going to do that solely through

 9   financial incentives, which has been the vehicle

10   of choice for so long for existing buildings.

11   The demand dries up as soon as the money dries

12   up. So, you do that two ways. And this is what

13   the cities have found.

14   One, institutionalize energy assessment,

15   i.e., benchmarking. Because if building owners

16   don't know how their building is performing,

17   they probably aren't going to try to improve.

18   And the second is to make information

19   transparent same way that fuel efficiency is

20   transparent for vehicles, nutritional

21   information is transparent for food. These

22   cities are not looking at public disclosure as a

23   Scarlet Letter or a name in shame. They are

24   looking at it as one more data point in 50 or a

1   100 data points that a real estate consumer

2   looks at prior to a transaction. And to keep

3   things in perspective, put against rent and

4   location and other tenants and so forth. We do

5   not feel like that disclosure of a performance

6   metric is going to throw any building into

7   financial distress.

8   This Bill does both of those things

9   institutionalizes benchmarking and provides for

10   disclosure. And that's why IMT supports this

11   Bill.

12   Thank you very much.

13   COUNCILWOMAN REYNOLDS-BROWN: I thank you

14   very, very much. I must say parenthetically

15   that I am having a deja vu as we sat three or

16   four years ago around menu labeling and concerns

17   raised around my Menu Labeling Bill. Fast

18   forward X number of years later, and it's been

19   embraced in ways that we didn't realize.

20   So, there is a lot to be said for making

21   information transparent. It really isn't how we

22   do it. So, I thank you very much for your

23   testimony.

24   Please, sir, state your name for the

1   record.

2   MR. SPIEGEL: My name is Paul Spiegel. I

3   am President of Practical Energy Solutions. And

4   I want to thank you for giving me the chance to

5   testify today. I've got a background in both

6   engineering and economics. I teach in the

7   Department of Civil and Environmental

8   Engineering part time at Temple University. I

9   also have a degree in economics. And I found

10   that I actually have been highly trained to bore

11   people in more ways than just about anybody else

12   you know. But I do want to get right to the

13   point here and try not to be repetitive in what

14   other people talked about.

15   People at my company and our clients have

16   seen how important information is in managing

17   buildings and understanding energy use. Having

18   some kind of knowledge and information to help

19   you manage your building is really the critical

20   first step in understanding what's going on and

21   whether you even have an energy problem or

22   opportunities to reduce your energy consumption.

23   I can liken it to something like a

24   cholesterol test. And you can get a cholesterol

1   test that tells you your cholesterol level is

2   210, but it doesn't really mean anything unless

3   you are benchmarking it against some standard.

4   So, it's important to understand that, you know,

5   at some point 210 was actually pretty good but I

6   think now it qualifies me to be on Lipitor or

7   something like that. But you need something

8   besides a raw number.

9   So if I told someone you are paying $6 per

10 square foot for energy in your building space or

11 you have an EUI of 185 kila BTUs or KBTUs, it

12 really doesn't mean anything to people unless

13 it's put into some kind of context and

14 comparison with other buildings. So again, the

15 benchmarking component of this Bill is critical

16 to understand where you stand.

17   Through the ENERGY STAR Portfolio Manager,

18 a building is scored on a rating of 1 to 100.

19 Obviously, with 100 being the high score and a

20 positive thing. Anything over a 75 is actually

21 considered an A score. You get an award, an

22 ENERGY STAR label for your building. It's a

23 very, very positive thing.

24   What we found for our clients that get a

1   score of 11 on their building, it's not a

2   Scarlet Letter for them. Just means they have

3   significant opportunity that goes well beyond

4   just the tenant impact on energy use. There

5   is -- if you have a score of 11, it means there

6   are issues with your building envelope, your

7   management system, your HVAC systems, your

8   lighting. So, it means you have all of these

9   opportunities to get better.

10   Now typically, when a law is up for

11 adoption, the people who aren't going to look

12 good or gonna be made to -- in this disclosure

13 portion, people with lower scores are likely

14 going to be not in favor of this Bill. It's

15 something that my wife once said that if they

16 passed a law or considered a law for people that

17 talked too much, that I would be against it.

18 But she and my kids would actually support it

19 wholeheartedly.

20   So again --

21   COUNCILWOMAN REYNOLDS-BROWN: Do you agree?

22   MR. SPIEGEL: -- it's all about

23 opportunity.

24   COUNCILWOMAN REYNOLDS-BROWN: Do you agree?

1   MR. SPIEGEL: Huh?

2   COUNCILWOMAN REYNOLDS-BROWN: Do you agree?

3   MR. SPIEGEL: Do I agree that I talk to

4   much? I agree that. Yes.

5   COUNCILWOMAN REYNOLDS-BROWN: That your

6   children would agree with that?

7   MR. SPIEGEL: Yes. Absolutely. They would

8   be in favor of such a law, I would say.

9   But there is also this idea that disclosure

10   bill would penalize old buildings and maybe put

11   newer buildings in a better light. But we found

12   that there really is no direct relationship

13   between the age of a building and the ENERGY

14   STAR score. There are so many things that go

15   into it. Some older buildings have done certain

16   retrofits. Some older buildings are managed

17   better than some of the newer buildings.

18   So, we have seen three, four-year-old

19   buildings with ENERGY STAR scores of 20, even

20   LEED certified buildings in the past where some

21   new buildings -- some of the older buildings are

22   achieving this ENERGY STAR label. So, it's

23   really important to kind of bring that

24   competitive feeling among all of the real estate

1 owners to disclose this information to make sure

2 it's publicly available, to make sure the people

3 shopping for office space have proper

4 information on which to make their decision.

5   And I will end with a little thing from

6 economics that often people say let market

7 forces work and you don't need legislation. The

8 market will work everything out. But that

9 always assumes that there is perfect information

10 available on which people make decisions. And

11 in this case, that information is not available.

12 And this law helps people get information, helps

13 them make decisions about managing their

14 buildings or even where to locate.

15   And I support this Bill. And I think it's

16 a great thing for the City.

17   COUNCILWOMAN REYNOLDS-BROWN: I thank you

18 very much for your testimony. And for me, it's

19 always exciting to have members from academia to

20 come and speak on an issue. Appreciate your

21 testimony.

22   As we move to our last witness, I would

23 like to send a message to Members of this

24 Committee to join us as we will soon conclude

 1   the Public Hearing and move to a Public Meeting.

 2   And let me also seize the moment to salute

 3   Councilmember James Kenney who's principally

 4   responsible for even the creation of a Committee

 5   on the Environment and Sustainability, I think

 6   now, four or five years ago recognizing fully

 7   that the environment -- it is the future, and we

 8   as a City need to be smart about how we help to

 9   make our city a more greener one.

10   With that, we will move to our last

11   witness. Laurie Actman of Hub. Can you tell us

12   what the acronym stands for.

13   MS. ACTMAN: Yes. It's Laurie Actman with

14   the Energy Efficient Building Hub.

15   COUNCILWOMAN REYNOLDS-BROWN: Very well.

16   Proceed with your testimony.

17   MS. ACTMAN: Okay. I will also try to be

18   brief, since I'm the last person formally to

19   speak.

20   Chairman Reynolds-Brown and Members of the

21   Committee, thank you for the opportunity to

22   testify today. I am, again, Laurie Actman, the

23   Deputy Director of the Energy Efficient

24   Buildings Hub.

1   The Hub was established as an energy

2   regional innovation cluster at the Navy Yard in

3   February 2011. We won a national competition

4   and have $130 million from the Department of

5   Energy and other federal agencies as well as the

6   Commonwealth of Pennsylvania. As a multiagency

7   sponsored E-RIC, the Hub is unique dual mission

8   of improving energy efficiency in buildings and

9   promoting regional economic growth and job

10 creation. Our goal is to reduce commercial and

11 multifamily building energy use by 20 percent by

12 2020 in Greater Philadelphia. We believe this

13 legislation could help us achieve that goal.

14   Both City Council and the Mayor have

15 undertaken significant initiatives that are

16 contributing to Philadelphia's position as a

17 sustainability leader and have enabled us to

18 effectively compete for national investment that

19 supports energy innovation. Our Hub is the

20 latest success story of all of this partnership

21 and effort.

22   Since 2009, Philadelphia and the region

23 have attracted over 350 million federal dollars

24 to invest in our city and region's electricity

1   infrastructure and energy savings goals.

2   Greenworks is a great example with its

3   articulated goals of 30 percent reduction in

4   City government buildings and 10 percent

5   reduction in the City as a whole. Two weeks

6   ago, we testified about the new Philadelphia

7   Energy Authority and how it can contribute to

8   the City's and the Hub's energy efficiency

9   sustainability goals.

10   So, we really believe this legislation will

11   further position the City as a national and

12   international leader and that's important

13   because there is all this investment available

14   that we can compete for if we have the right

15   leadership and the right legislation in place.

16   So, I just wanted to highlight a few key things

17   from my written testimony. And the first one is

18   some characteristics of our real estate market.

19   Last fall we commissioned a study to really

20   kind of assess the opportunity for retrofit in

21   the region. We looked at buildings between

22   20,000 and 100,000 square feet. And we found

23   that nearly half of these buildings are kind of

24   good candidates for retrofit and they are ready

1   to go. We also found that if we undertook all

2   this activity, we can generate $618 million in

3   local spending and support over 23,000 jobs.

4   For buildings of all sizes, we found that nearly

5   80 percent of properties in the region are

6   retrofit redid. This is over 7,000 properties

7   with the square footage of over 300 million

8   square feet. We also found that Philadelphia's

9   energy expenditures are 29 percent above the

10   national average and the fourth highest among

11   major cities.

12   Finally, we found that the top 25 property

13   owners in the region own barely 10 percent of

14   all commercial buildings revealing how diffuse

15   the ownership of mid size commercial properties

16   is in the Philadelphia area. Even our two

17   largest real estate owners Brandywine Realty

18   Trust and Liberty Property Trust account for

19   only 3 percent of all commercial space.

20   So, what all this information really tells

21   us is that our market and the city and the

22   region has huge potential in terms of energy

23   efficiency and retrofit activity, but we need

24   new tools to spur education and interest and

 1   energy efficient commercial space among owners

 2   and tenants especially because the majority of

 3   our commercial stock is not owned by these

 4   larger, well resourced companies who may be

 5   already benchmarking their buildings and have

 6   the time and ability to do that. So we really

 7   think that this is another tool that would

 8   enable more owners to leverage existing programs

 9   and incentives and get educated about what their

10   buildings do to spur interest.

11   So, I don't want to repeat what has already

12   been said about the value of benchmarking. But

13   I think there were three key messages that other

14   folks have said that I want to echo. One is you

15   can't manage what you don't measure. So again,

16   this is getting more building owners interested

17   in what their building does by just basic

18   understanding of how it uses energy.

19   I think this is not about shame. It's

20   about transparency. There is a few things that

21   make this maybe a higher hurdle that I think we

22   can work on. But this is really about

23   accelerating demand. And again, as Janet

24   Milkman said, this is really not about the

1   leaders but about the followers and how can we

2   get more building owners interested in what

3   their buildings do and make improvements so that

4   they will save energy.

5   So again, we think this legislation will

6   help accelerate the market for retrofit in the

7   region, generate interest and demand and kind of

8   move the whole effort forward.

9   There is a few implementation issues that

10   have kind of been alluded to here. I know that

11   the partners around the table and the folks

12   involved in this effort will be able to address

13   these issues. And we're certainly committed to

14   working with everyone to address them, as well.

15   One is around sub metering and the way that

16   most leases for commercial space work is that

17   the tenant carries the cost of occupancy

18   including the utility bills. This can make it

19   hard for an owner to disclose energy use if they

20   don't have access to utility expenditures.

21   However, as was mentioned before, there are

22   utilities implementing strategies to make it

23   easier for building owners to access their data.

24   I think it's very encouraging that PECO is

 1   exploring this. We are already working with

 2   PECO and our utility commissioners to kind of

 3   recommend strategies around whole building data

 4   access. We are also working directly with New

 5   York City to help them analyze and manage their

 6   benchmarking data. We think there are some key

 7   lessons learned from that work that we can apply

 8   to Philadelphia as this effort moves forward.

 9   One of the other challenges is the split

10   incentives around leases. And we are also

11   working with a number of partners here to come

12   up with new products such as green leases and

13   other strategies to address the split incentives

14   between owners and tenants. And we think this

15   will be another way to address some of the

16   challenges in the market and move forward and

17   accelerate the ability to retrofit buildings and

18   really comply with the legislation.

19   So in conclusion, we are committed to

20   helping provide implementation support to the

21   City, PECO, utilities, building owners and

22   tenants so that this proposed legislation

23   achieves the desired energy savings and economic

24   outcomes that everyone intends.

1   Thank you for allowing us to testify.

2   COUNCILWOMAN REYNOLDS-BROWN: You're

3 absolutely welcome. Again, we thank all of you

4 who have offered testimony and also heightened

5 our awareness of a few, I will call them,

6 wrinkles. That I'm optimistic that we can work

7 through.

8   At this hour we do have a quorum. And let

9 me restate that there are amendments to this

10 Bill, and everyone is welcome to copies of those

11 amendments on the side which will move us a step

12 closer to having a better bill knowing full well

13 this is not the end of the road.

14   This will conclude the Public Hearing of

15 the Committee on the Environment. And we will

16 now go into a Public Meeting; whereby, I will be

17 appointing Majority Leader Councilman Jones to

18 be a part of this quorum. And I should also

19 mention that the Founder of the Committee on the

20 Environment is with us, Councilman James Kenney.

21   So, with that -- let me also acknowledge

22 Councilwoman Marion Tasco who has been with us

23 and listening trying to split herself in half in

24 her office at another meeting and with this

1   Committee, as well.

2   So with that, the Chair recognizes Majority

3   Leader Councilman Jones for a motion to amend

4   Bill No. 120428.

5   COUNCILMAN JONES: Thank you, Madam Chair.

6   On behalf of you, Ms. Brown, I offer an

7   Amendment to Bill No. 120428 and move that we

8   adopt the amendments.

9   COUNCILWOMAN REYNOLDS-BROWN: Yes. We want

10 the record to reflect that there are five

11 amendments, all of which are stated technical

12 amendments that are available for your review on

13 this Bill 120428.

14   Bill No. 120428 has been moved -- can I

15 hear a second, please.

16   COUNCILWOMAN TASCO: Second.

17   COUNCILWOMAN REYNOLDS-BROWN: Has been

18 moved and properly seconded that the Bill will

19 be amended.

20   All those in favor, say aye.

21   (Ayes.)

22   All those opposed? The ayes have it and

23 the motion carries.

24   The Chair now recognizes Majority Leader

1 Councilman Jones for a motion on Bill No. 120428

2 as amended.

3   COUNCILMAN JONES: I move that Bill No.

4 120428 be reported out of Committee as amended

5 with a favorable recommendation that the Rules

6 of Council be suspended as to permit first

7 reading at our next session of Council.

8   COUNCILWOMAN REYNOLDS-BROWN: All in

9 favor -- do I hear a second?

10   COUNCILWOMAN BLACKWELL: Second.

11   COUNCILWOMAN REYNOLDS-BROWN: All in favor

12 say aye.

13   (Ayes)

14   Bill No. 120428 has been moved and properly

15 seconded as amended. Will be reported out of

16 Committee with a favorable recommendation and

17 moved that the Rules of Council be suspended as

18 to permit first reading at our next scheduled

19 session.

20   All those in favor, signify by saying aye.

21   (Ayes)

22   All opposed? Seeing none then, this Bill

23 has been approved out of Committee with a

24 favorable recommendation. We want to thank you

1   all again. There is subsequent homework to be

2   done on all sides. And this will conclude this

3   meeting. Thank you very, very much.

4   (Committee Meeting concluded at 3:30 p.m.)

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C E R T I F I C A T I O N

I, hereby certify that the proceedings and
evidence noted are contained fully and
accurately in the stenographic notes taken
by me in the foregoing matter, and that
this is a correct transcript of the same.

_____

ANGELA M. KING, RPR, Notary Public

(The foregoing certification of
this transcript does not apply to any
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